EGIE
B3 LISTED NM

EARNINGS RELEASE 1Q22

For Immediate Release

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Video Conference

On 05/6/2022 at 11:00 a.m. (EDT) in Portuguese (simultaneous translation into English)

Further details on Upcoming Events section, available on page 34.

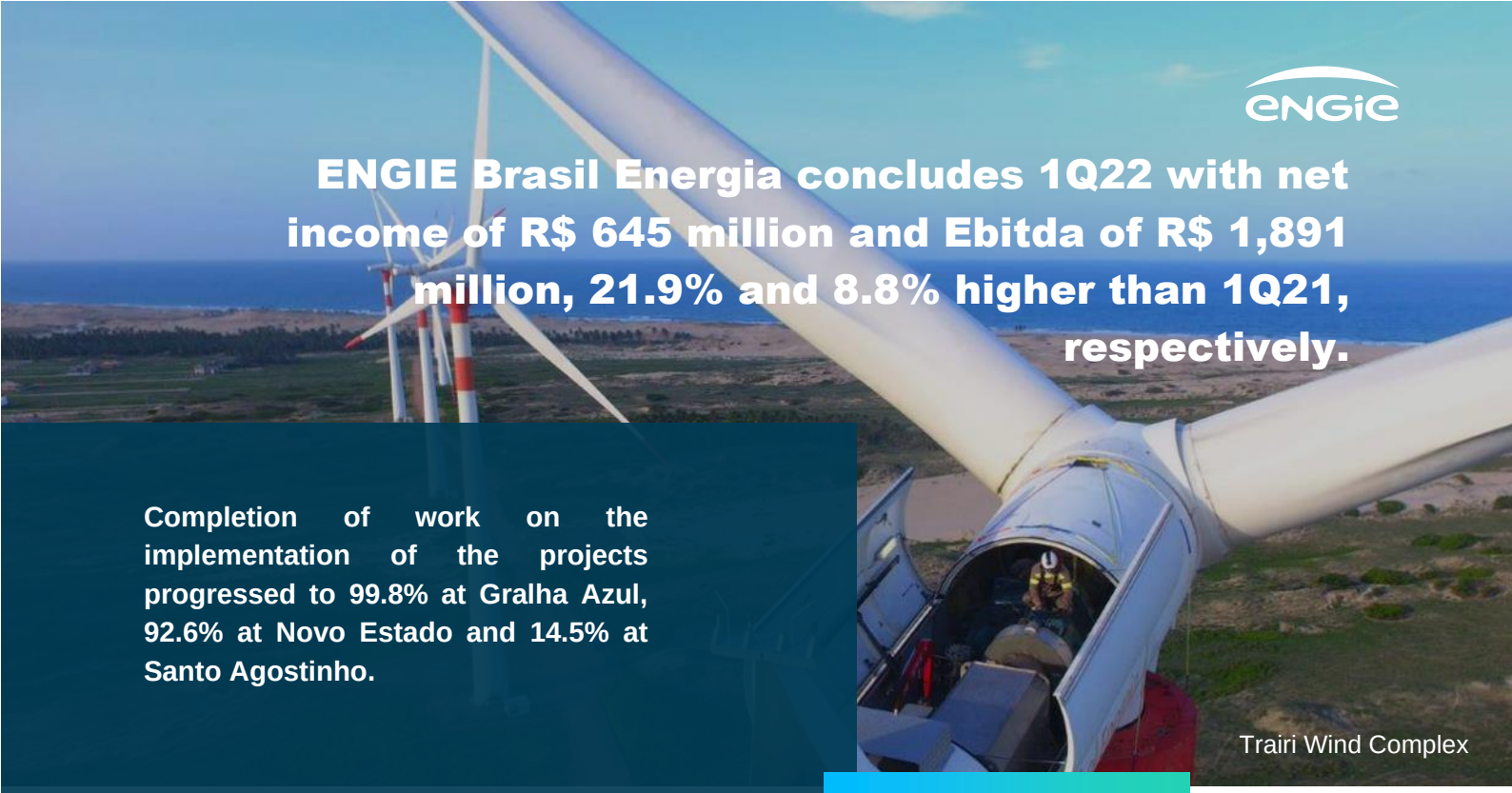
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Florianópolis, Brazil, May 5, 2022. ENGIE Brasil Energia S.A. ("ENGIE" or "Company") – B3: EGIE3, ADR: EGIEY - announces earnings for the First Quarter ending March 31, 2022 (1Q22). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Brazilian Reais (R$), except where otherwise indicated. Rounding effects may cause differences in percentage changes, when comparing the comments on Economic-Financial Performance, presented in R$ million, with the Income Statement (Appendix III), presented in R$ thousand.

IBOVESPA B3
IGC-NM B3
ITAG B3
ISE B3

ENGIE Brasil Energia concludes 1Q22 with net income of R$ 645 million and Ebitda of R$ 1,891 million, 21.9% and 8.8% higher than 1Q21, respectively.

Completion of work on the implementation of the projects progressed to 99.8% at Gralha Azul, 92.6% at Novo Estado and 14.5% at Santo Agostinho.



Trairi Wind Complex

HIGHLIGHTS

- **Net operating revenue** reached **R$ 3,062 million** in 1Q22, 5.8% (R$ 188 million) lower than recorded in the 1Q21.
- The Company posted **Ebitda**[1] of **R$ 1,891 million** in the 1Q22, an increase of 8.8% (R$ 153 million) compared to the 1Q21. The **Ebitda margin** was **61.8%** in the 1Q22, a growth of 8.3 p.p. compared with the 1Q21.
- **Net income** was **R$ 645 million** (R$ 0.7902/share) in the 1Q22, 21.9% (R$ 116 million) higher than posted in the 1Q21.
- The **average price** of the energy sales agreements, net of taxes on revenues and trading operations, was **R$ 225.35/MWh** in the 1Q22, 9.9% higher than registered in the 1Q21.
- Excluding trading operations, the **energy sales volume** in the 1Q22 was 9,169 GWh (**4,245 average MW**), 1.0% higher than sold in the 1Q21.
- The acquisition of the Paracatu and Floresta Photovoltaic Complexes was concluded, **adding 59.1 average MW** to the Company's generator park.
- In the 1Q22, the Ponta Grossa – Ivaiporã C1 and C2 and Ponta Grossa – Bateias C1 and C2 transmission lines went into operation. At the end of the period, the assets were generating **77% of the total RAP of the Gralha Azul project**. Additionally, on April 3, the Guarapuava Oeste – Areia transmission line and the Eletrosul TL sectioning at the Guarapuava substation began commercial operations, raising the percentage to 87% of RAP.
- Fitch Ratings reaffirmed the Company's **'AAA(bra)'** rating on the National Long-Term credit and for the sixth, seventh and nineth debenture issues, both with a stable outlook. The Company's long-term international ratings in foreign and local currency were reiterated at, respectively, **'BB' and 'BBB-'** both with a negative outlook due to the limit imposed by sovereign rating, albeit still one notch above Brazil country risk.

SUMARY OF FINANCIAL AND OPERATIONAL INDICATORS

Consolidated (In millions of R$)	1Q22	1Q21	Chg.
Net Operating Revenue (NOR)	3,062	3,250	**-5.8%**
Results from Operations (EBIT)	1,641	1,507	**8.9%**
Ebitda [1]	1,891	1,738	**8.8%**
Adjusted Ebitda [2]	1,878	1,738	**8.1%**
Ebitda / NOR - (%) [1]	61.8	53.5	**8.3 p.p.**
Adjusted Ebitda / NOR - (%) [2]	61.3	53.5	**7.8 p.p.**
Net Income	645	529	**21.9%**
Adjusted Net Income	636	529	**20.2%**
Adjusted Return on Equity (ROE) [3]	29.6	33.4	**-3.8 p.p.**
Adjusted Return on Invested Capital (ROIC) [4]	21.2	22.5	**-1.3 p.p.**
Net Debt [5]	16,045	13,235	**21.2%**
Gross Power Production (avg MW) [6]	3,293	4,601	**-28.4%**
Energy Sold (avg MW) [7]	4,245	4,205	**1.0%**
Average Net Sales Price (R$/MWh) [8]	225.35	205.13	**9.9%**
Number of Employees - Total	1,216	1,600	**-24.0%**
EBE Employees	1,129	1,472	**-23.3%**
Employees on Under Construction Plants	87	128	**-32.0%**

1 Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization.

2 Adjusted Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization + impairment + non-recurrent.

3 ROE: adjusted net equity for the past 4 quarters /shareholders' equity.

4 ROIC: effective tax rate x adjusted EBIT / invested capital (invested capital: debt - cash and cash equivalents - deposits earmarked for debt servicing + SE).

5 Adjusted amount, net of gains from hedge operations.

6 Total gross electricity output from the plants operated by ENGIE Brasil Energia.

7 Disregarding sales for quota regime (Jaguara and Miranda HPPs).

8 Net of taxes and trading operations.

SUBSEQUENT EVENTS

- Annual General Meeting of April 28 approved the distribution of complementary dividends for the fiscal year ending December 31, 2021, worth **R$ 549.8 million** (R$ 0.6738/share), equivalent to **100% of the adjusted net income for 2021**. The shares will trade ex-dividends from May 12, 2022 and the payment date will be defined later by the Board os Directors.
- On April 29, ENGIE Brasil Energia's Sustainability Report 2021 was published. To access the full content **click here**.
- The Serra Pelada – Miracema transmission line entered service, increasing **RAP to approximately 50%** of the total for the **Novo Estado** project until the beginning of May.
- The ENGIE Group has been developing strategies to promote **Green Hydrogen and has defined ENGIE Brasil Energia as the vehicle for investing in this source in Brazil**. The Company will have an internal structure dedicated to the topic. The country is considered highly competitive for H_2, in particular due to the abundance of natural resources.
- Approval was given for the acquisition of the Serra do Assuruá wind project, with an installed capacity of approximately 880 MW, located in Gentio do Ouro, Northwest of the state of Bahia, 160 km from Campo Largo and Umburanas Wind Complexes, for the maximum amount of approximately R$ 265 million.



Umburanas Wind Complex

MESSAGE FROM THE MANAGEMENT

The year 2022 dawned with a major reduction in grave cases of Covid-19 thanks to the multi-pronged drive to vaccinate the population, in so doing reinforcing the activities of those companies focused on the creation of sustainable value and in turn, reducing strenuous efforts required to manage short-term uncertainties. In this context we celebrate the achievement of 99.8% of employees vaccinated.

In the electric energy sector, we highlight the recovery in water levels in the reservoirs backing the hydropower plants, ending the first quarter with the best volumes since 2012 in four of the five regions of Brazil according to the National System Operator (ONS). In addition to permitting an end to the red flag surcharge, gives greater market security in demand fulfillment.

ENGIE Brasil Energia reported a net operating revenue of R$ 3.1 billion, down 5.8% comparing to the 1Q21, mainly driven by a reduction in the pace of the Gralha Azul and Novo Estado transmission systems implementation. Ebitda recorded an increase of 8.8%, reaching R$ 1.9 billion in 1Q22, equivalent to an Ebitda margin of 61.8% (+8.3 p.p.). Net profit posted a year-on-year increase of 21.9% to R$ 645 million, indicators positively impacted by the increase of 9.9% in the net average selling price, greater volumes of energy sold, a reduction in fuel costs and improved remuneration of financial concession assets.


Estreito Hydro Power Plant

Our 2022 forecast for capital investment is R$ 3.4 billion, investments already realized in 1Q22 amounting to R$ 1 billion. Our cash and cash equivalent position is of the order of R$ 4.6 billion and the net debt/Ebitda ratio, 2.2x, maintaining a comfortable financial condition and in line with the financial discipline necessary for the forecasted growth.

Progress was made during the period with the continued work of installing our projects, notably in the case of the Gralha Azul Transmission System in the state of Paraná, which had reached generation of 77% of the Annual Allowed Revenue (RAP) with the energization of the Ponta Grossa – Ivaiporã C1 and C2 and Ponta Grossa – Bateias C1 and C2 transmission lines, in March 2022. At Novo Estado, implementation work advanced to 93%, the project generating 9% of total RAP by the end of 1Q22. As for the wind generation segment, Santo Agostinho recorded 15% completion of work on the complex at the end of the quarter with a forecast for the gradual ramp up to commercial operations before the end of 2022.

We continue to pursue the ENGIE Group's vision and purpose of accelerating the energy transition. Exiting coal-fired assets remains the focus of our work in 2022, which includes our objective of selling the Pampa Sul Thermoelectric Plant by the end of 2022.

"We continue alert to the opportunities for acquiring assets and developing new projects as well as working to increase the presence of the Company in the transmission segment, including participation in auctions scheduled for the year."

Conversely, replacing thermal for renewable sources continues uppermost in our strategy. In addition, in line with the global vanguard of the segment, the ENGIE Group has been developing strategies to promote Green Hydrogen and has defined ENGIE Brasil Energia as the vehicle for investments in this source in Brazil. The Company will have an internal structure dedicated to the topic. The country is considered highly competitive for H_2, in particular due to the abundance of natural resources.

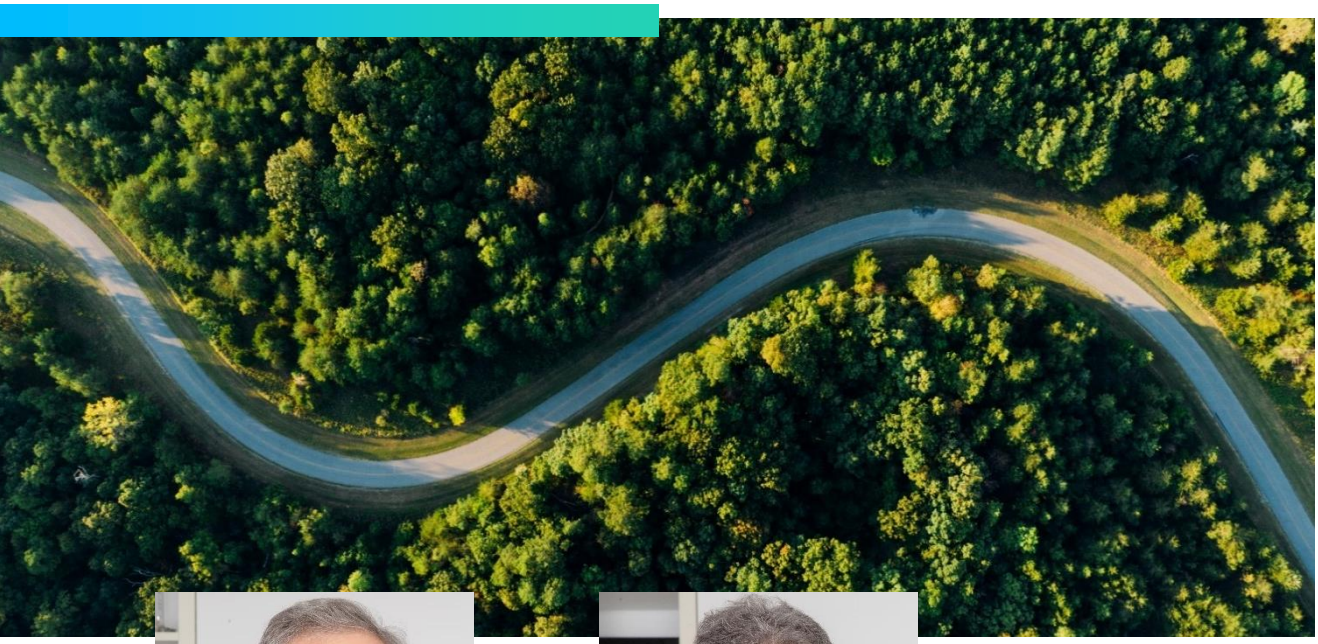
In February, ENGIE Brasil Energia concluded the acquisition of the Paracatu (MG) and Floresta (RN) photovoltaic complexes, totaling 218 MW. Both assets were owned by Solaire Direct, a company which the ENGIE group acquired in 2015. The acquisition of the complexes was completed with the realization of all stages of due diligence and evaluation, conducted with the support of specialized consultancies and a Special Independent Committee for Transactions with Related Parties installed under the aegis of the Company's Board of Directors.

We continue alert to acquiring opportunities to further our long-term growth ambitions. To this end, we continue to seek to expand the portfolio of advanced stage of development projects, which now totals more than 3 GW, considering the 880 MW increase of the Serra do Assuruá wind project, located in the state of Bahia, whose acquisition was approved by the Board of Directors. Additionally, we remain working to increase the presence of the Company in the transmission segment, including participation in auctions scheduled for the year.

Connected to the planet in which we live and to people, and in line with the best practices of transparency, we are publishing our **Sustainability Report 2021**, transparently informing the evolution of hundreds of environmental, social and financial indicators, demonstrating the governance and robustness of the Company's activities in 23 states and 76 plants nationwide. The document examines our initiatives for meeting the challenge of climate change and illustrates our commitment to our operations viewed from the perspective of the stakeholders, which in turn determines the focus and the prioritization of our actions in accordance with the impacts and opportunities of the business.

We are certain that by listening attentively and constantly to the stakeholders with which we interact, combined with the principles of sustainable management permeating all our activities, this will assure the legitimacy of our long-term strategy. It is in this way that we transform our purpose into positive results today while at the same time putting down clear markers as the way forward to the future.

Good reading!





Eduardo
Antonio Gori Sattamini
Chief Executive and Investor Relations Officer



Marcelo
Cardoso Malta
Chief Financial Officer

Breakdown of Assets

Energy Generation Assets

ENGIE Brasil Energia is part of the largest independent power producer group in the country and, at the end of the 1Q22 had 8,440.9 MW of installed capacity and operates a generating complex with 10,161.6 MW, comprised of 76 plants (11 hydro, one thermal and 64 complementary energy source plants — biomass, SHP, wind powered and solar), 72 of which are wholly-owned by the Company and four (the Itá, Machadinho and Estreito Hydro Power Plants and the biomass-fired Ibitiúva Bioenergética co-generation plant) jointly-owned through consortia with other companies.

In March 2022, we closed the acqusition of the Paracatu and Floresta photovoltaic complexes, adding 34.0 and 25.1 average MW, respectively to the Company's generator park.

Generating Complex as of March 31, 2022

Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization expiration date *	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Dec/32	564.7
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Nov/30	733.3
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	Oct/35	165.3
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	Jan/43	256.9
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	Apr/31	502.6
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	Jan/36	260.8
Jaguara	Hydro	Grande River (MG)	424.0	424.0	Jun/48	341.0
Miranda	Hydro	Araguari River (MG)	408.0	408.0	Jun/48	198.2
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	Jun/40	148.2
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	Apr/31	113.1
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	Mar/37	133.6
Total - Hydro			**8,102.3**	**6,391.7**		**3,417.7**
Pampa Sul	Thermal	Candiota (RS)	345.0	345.0	Mar/50	323.5
Total - Thermal			**345.0**	**345.0**		**323.5**
Campo Largo II Complex[3]	Wind Farm	Umburanas (BA)	361.2	361.2	Dec/54	192.5
Umburanas Complex - Phase I[1]	Wind Farm	Umburanas (BA)	360.0	360.0	Aug/49	213.3
Campo Largo I Complex[2]	Wind Farm	Umburanas (BA)	326.7	326.7	Jul/50	166.5
Trairi Complex[4]	Wind Farm	Trairi (CE)	212.6	212.6	Sep/41	97.2
Paracatu[5]	Solar	Paracatu (MG)	132.0	132.0	Jun/51	34.0
Floresta[6]	Solar	Areia Branca (RN)	86.0	86.0	Jun/51	25.1
Ferrari	Biomass	Pirassununga (SP)	80.5	80.5	Jun/42	35.6
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr/30	13.6
Assú V	Solar	Assú (RN)	34.0	34.0	Jun/51	9.2
Lages	Biomass	Lages (SC)	28.0	28.0	Oct/32	1.8
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	Dec/32	14.0
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	24.4	24.4	Dec/32	11.9
Nova Aurora	Solar	Tubarão (SC)	3.0	3.0	not applicable[7]	0.3
Tubarão	Wind Farm	Tubarão (SC)	2.1	2.1	not applicable[7]	0.3
Tubarão 2	Wind Farm	Tubarão (SC)	4.2	4.2	not applicable[7]	0.0
Total - Complementary			**1,714.3**	**1,704.2**		**815.3**
Total			**10,161.6**	**8,440.9**		**4,556.5**

** It does consider the extension of certain power plants concessions, resulting from adherence to the renegotiation of the hydrological risk referred to in Laws 14.052/2020 and 14.182/2021.*

1 Complex comprised of 18 power plants.

2 Complex comprised of 11 power plants.

3 Complex comprised of 11 power plants.

4 Complex comprised of 8 power plants.

5 Complex composed of 4 power plants.

6 Complex composed of 3 power plants.

7 For generating plants with installed capacity lower than or equal to 5 MW the legal instrument applicable is the record.

Gas Transportation Assets

Transportadora Associada de Gás S.A. - TAG (TAG).

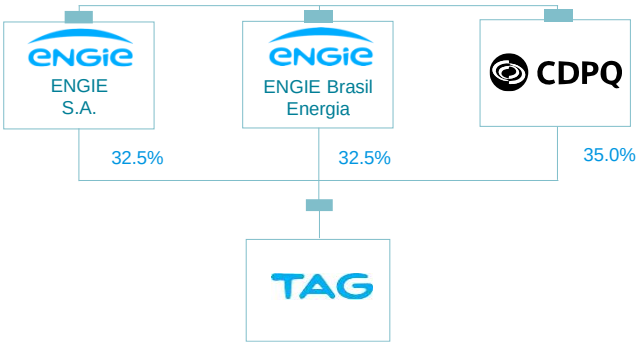
The largest natural gas transportation operation in Brazil, with an infrastructure of 4,500 km of high pressure gas pipelines extending along the country's southeastern and northeastern seaboards as well as a further section of line between Urucu and Manaus, in the state of Amazonas, crossing 10 Brazilian states and almost 200 municipalities.

The gas pipeline network has several interconnection points, among them, 12 active gas entry points (including three Liquified Natural Gas (LNG) terminals) and a further 91 gas exit points as well as 11 compressor stations for supplying 10 gas distributors, three refineries, eight thermoelectric power plants and two fertilizer plants.

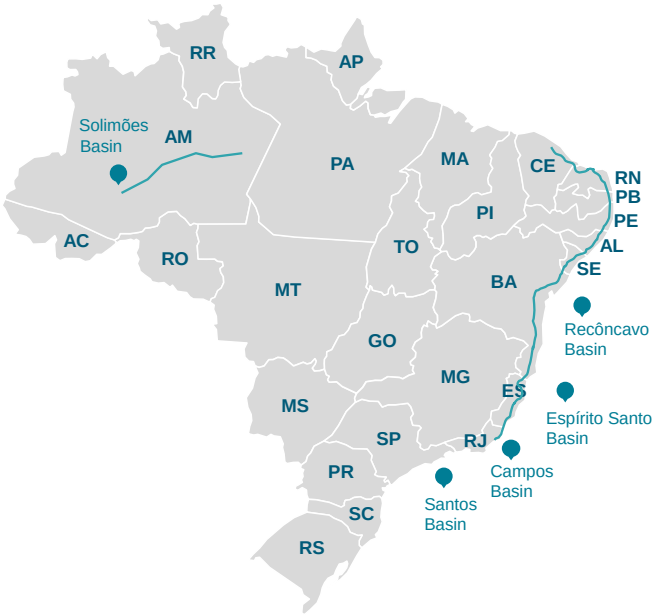
ENGIE Brasil Energia's presence into the natural gas segment in Brazil is in line with the Group's global strategy of being a leader in the energy transition. This requires large scale and sophisticated infrastructure such as TAG's gas pipelines, contributing to the diversification and decarbonization of the Brazilian energy mix.

TAG receives natural gas daily at gathering points along its pipeline network and delivers it to the carriers at entry points known as city gates, in return being remunerated for the transportation service, comprising a portion for the effective transportation of the natural gas molecule and a charge for unutilized capacity (ship-or-pay). The company **is significantly contracted** (~99%) for a weighted average term of approximately nine years through current agreements with Petróleo Brasileiro S.A. (Petrobras), regulated by the National Petroleum Agency (ANP).

Corporate Structure



TAG Gas Pipelines Location



The company has been working on developing solutions for expanding access for new agents to the natural gas transportation system. This is fundamental for the growth of the sector and for the attraction of further investments along the entire value chain in the context of sector deverticalization and the liberalization of the Brazilian gas market.

Throughout 2021, TAG embarked on various initiatives for opening the market: mapping the demand from new agents, discussions on access to new entry-exit points, creation of the POC – Capacity Offer Platform, established in partnership with TBG and NTS – for the negotiation of online transportation capacity, and at the end of the year of 2021, the signature of the Flexibility Reduction Agreement of the use of TAG's pipeline network by Petrobras and allowing new agents to access TAG's transportation system. Consequently, in December of 2021, the company signed 30 new extraordinary agreements totaling 11.3 million m^3 of capacity in entry-exit agreements with eight companies (from six different economic groups), in addition to Petrobras, beginning January 2022 for one year, among them, an extraordinary agreement with Proquigel, which in 2021 was already operating on an interruptible basis.


Transportadora de Gás - TAG

Contracts Breakdown

Gas Pipelines	Size (km)	Contract Maturity	Volumes Contracted (MM m³/day)	% Projected of Net Operating Revenue*	Readjustment index
Gasene	1,400	Nov-33	30.3	40.0%	46% basket IGP**; 54% US PPI
Malha Nordeste	2,000	Dec-25	21.6	23.8%	IGP-M
Pilar-Ipojuca	200	Nov-31	15.0	6.5%	IGP-M
Urucu-Manaus	800	Nov-30	6.7	29.4%	50% IGP-M; 50% IPCA
Lagoa Parda-Vitória*	100	Dec-22	0.7	0.3%	IGP-M
Total	**4,500.0**		**74.3**	**100.0%**	

* Start of billing on 01/01/2022.
** 1/3 IGP-M, 1/3 IPA-DI; 1/3 IGP-DI.

Expansion

Jirau Energia.

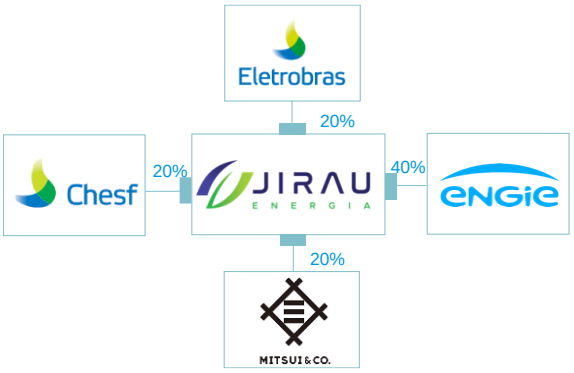
Jirau Energia is responsible for the maintenance, operation and sale of energy generated by the Jirau Hydroelectric Power Plant, located in the Madeira River, in the city of Porto Velho, state of Rondônia.

Since November 2016, Jirau HPP has 50 generating units in operation, representing a total installed capacity of 3,750 MW. The plant was unveiled on December 16, 2016.

In May 2017, ENGIE Brasil Participações Ltda. (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (ESBRpar) – holder of 100% of the capital stock of Jirau Energia – and the 100% participation in Geramamoré Participações e Comercializadora de Energia Ltda. The transfer assessment has put on hold, awaiting more favorable conditions for the discussions to resume.

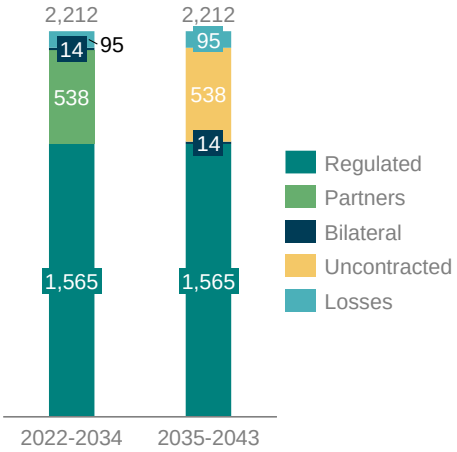
In 1Q22, the plant generated 3,088.6 average MW, 2.7% higher than the 3,006.1 average MW for 1Q21, while the National Electrical System Operator Uptime Ratio (FID) was 99.2% (data subject to final Electric Energy Trade Board (CCEE) booking).

Corporate Structure



Jirau Energia PPA's Portfolio

Average MW



Transmission Projects under Implementation

Gralha Azul Transmission System.

With about 1,000 kilometers in the state of Paraná (PR), the project also includes the installation of five new substations and expansion of another five existing ones. The concession term for the public utility transmission service, including the licensing, the construction, assembly and the operation and maintenance of the transmission line installations is 30 years as from signature date of the concession agreement, with a maximum cut-off date for entry into operation set for March 9, 2023.

At the end of 1Q22, the implementation of the Gralha Azul Transmission System had reached 99.8% overall completion. Nine transmission lines and three TL sectionings comprising the project are now energized. This leaves just the Irati – Ponta Grossa transmission line and a further two sectionings for the project's integral commercial operation, which due to regulatory restrictions, is forecast for completion in March 2023.

The anticipation of delivery in relation to the deadline established in the concession agreement is already a reality. The assets in commercial operation at the end of the 1Q22 were generating 77% of RAP. As a subsequent event, the Guarapuava Oeste – Areia transmission line and the Eletrosul TL sectioning in the Guarapuava substation went into operation, ramping up the percentage of RAP to 87%, on April 3. For the second quarter of 2022, it is expected to reach approximately 95% of total revenues following entry into operation of one more transmission line and a further TL sectioning.

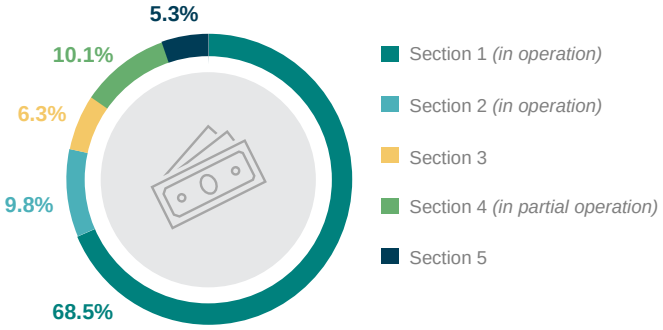
The anticipated commercial operations will allow a solution for energy supplies from Itaipu to the state of Paraná sooner than the deadline in the on cession agreement.



Main equipment - Ponta Grossa Substation

Implementation has reached 99.8% of overall completion, there remaining just TL Irati – Ponta Grossa and two TL sectionings to go into integral commercial operation, which due to regulatory restrictions.

Part of the Annual Allowed Revenue (RAP) (%)



Lot	Location	Contracted RAP (RS million)[1]	Estimated Capex (R$ million)[2]
1	Paraná (PR)	274.6	1,800.0
Total		**274.6**	**1,800.0**

1 Value as of August 2021.
2 Value as of December 2021.

Novo Estado Transmission System.

The object of the concession is the construction, operation and maintenance of approximately 1,800 kilometers of transmission lines, a new substation and upgrades to a further three existing substations in the states of Pará and Tocantins, for a term of 30 years. **The installation license of the project has been issued by the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama).** The cutoff date for the transmission systems to go into operation is March 9, 2023.

At the end of 1Q22, the overall advance of work on the Novo Estado project stood at 92.6%. Work on the foundations of the powerline towers had reached 93%, assembling 79%, and stringing of transmission line cable conductor 60%. The Serra Pelada – Itacaiúnas transmission line has been operating commercially since December 2021, accounting for 9.2% of the RAP.



Cable laying – Araguaia River Crossing

The Serra Pelada – Miracema C1 and C2 transmission lines are in the final phase of execution with cable stringing and integration of the Miracema Substation's busbars concluded. The completion of the Araguaia River crossing and the commissioning of these transmission lines were completed in early May 2022, enabling the project to begin receiving about 50% of the total RAP since then.

The estimated startup in commercial operations of the Xingu – Serra Pelada transmission line is scheduled for the fourth quarter of 2022. Activities along this stretch have been resumed and are to be accelerated in the next quarter with the end of the rainy season in the region, so concluding the implementation phase of the project and guaranteeing its delivery prior to the concession agreement deadline.

By the end of 1Q22, overall progress towards the completion of the project had reached 92.6%. Work on the tower foundations had reached 93%, assembling 79%, and transmission line conductor cable stringing, 60%.

Lot	Location	Contracted RAP (RS million)[1]	Estimated Capex (R$ million)[2]
3	Pará (PA) e Tocantins (TO)	370.0	3,200.0
Total		**370.0**	**3,200.0**

1 Value as of August 2021.
2 Value as of December 2021, excluding acquisition cost.

Wind Project under Implementation

Santo Agostinho Wind Complex – Phase I.

With a **total installed capacity of 434 MW**, which will be reached with the implementation of 70 Siemens Gamesa wind turbines at 6.2 MW, the first phase of the complex will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the state of Rio Grande do Norte. This phase will require R$ 2.3 billion in investment (as of Dec/2020) and generate more than one thousand direct jobs in the region. It was enabled by energy sales to free-market customers.

In February 2022, the project was granted the Simplified Installation and Operation License. In early March, the Brush Clearance Authorization and Biological Material Collection Authorization were received, on the following day, construction activities starting on the Transmission Line and the connection bay at the Monte Verde substation interlinking the wind complex to the grid.



Concreting of the wind turbine tower foundation

In the first quarter of 2022, BoP work (Balance of Plant, excluding the wind turbines)had reached 55% completion, with the execution of brush clearance, building of access roads, the excavation and concreting of the wind turbine tower foundations and installation of the medium voltage networks. Progress also continues withconstruction of the collector substation, this accumulating 33% in physical advance. General progress of the work stands at 14.5% and startup of operations of the first wind farms is slated for the final quarter of 2022.

Source	Location	Installed Capacity (MW)		Assured energy (aMW)
		Total	Company's Share	Company's Share
Wind Farm	Lajes and Pedro Avelino (RN)	434.0	434.0	218.0
Total		**434.0**	**434.0**	**218.0**

In 1Q22, the BoP phase of the work had reached 55% completion at the wind farm sites, namely brush clearance, access road construction, the excavation and concreting of the wind turbine tower foundations and the installation of the medium voltage network.

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Company's Share
Serra do Assuruá	Wind Farm	Gentio do Ouro (BA)	880.0	880.0
Assú Solar Complex	Solar	Assú (RN)	870.0	870.0
Campo Largo Solar Complex	Solar	Umburanas e Sento Sé (BA)	400.0	400.0
Santo Agostinho Complex - Phase II	Wind Farm	Lajes and Pedro Avelino (RN)	279.0	279.0
Umburanas Complex - Phase II	Wind Farm	Umburanas (BA)	250.0	250.0
Campo Largo III Complex	Wind Farm	Umburanas e Sento Sé (BA)	250.0	250.0
Alvorada	Solar	Bom Jesus da Lapa (BA)	90.0	90.0
Total			**3,019.0**	**3,019.0**

Santo Agostinho Wind Complex – Phase II – Rio Grande do Norte.

Located next to the first phase, will capture synergies that will assist in the development and viability, such as: accommodation, external access, substation, transmission line and others. In December 2021, the Instituto de Desenvolvimento Sustentável e Meio Ambiente, the environmental protection agency for the state of Rio Grande do Norte, granted an environmental installation license for the project – its **total installed capacity being 279 MW** – optimizing the wind resources and new technologies available in the market.

Umburanas Wind Complex – Phase II – Bahia

The environmental licensing for the Second Phase is already regularized although this is to be updated during advanced development (pre-build) to reflect the new technologies available in the market and to ensure optimum use of the region's wind resources. In due course, the project is to be developed by the Company adjacent to the Campo Largo and Umburanas – Phase I Wind Complex, in this way capturing synergies during the installation and operational stages such as the substation, site accommodation, accesses, teams and others. The project has all the necessary documentation for participation in energy auctions, although this not obviating the potential viability of the project for the sale of energy to corporate clients in the free market. The currently **installed capacity planned for the project is approximately 250 MW**, taking advantage of the best wind resources in the region.

Campo Largo Wind Complex – Phase III – Bahia.

The Company intends to add about **250 MW of installed capacity** to the Campo Largo Wind Complex with the development of its third phase. This project already has all the necessary documentation for participating in energy auctions, although this not obviating the potential viability of the project for the sale of energy to corporate clients in the free market. In March 2021, the Institute for the Environment and Water Resources (Inema), the environmental protection agency for the state of Bahia, issued a Preliminary Environmental license for the project which is located adjacent to Phases I and II of the Campo Largo Wind Complex, the relative synergies being important for ensuring the viability of Phase III.

Assú Photovoltaic Complex – Rio Grande do Norte.

With the acquisition of the Assú Sol project at an estimated 750 MW installed capacity – concluded in December 2021 – to be sited in an area contiguous to the Assú I, II, III, IV and V projects, jointly with about 150 MW of installed capacity, – located in the municipal district of Assú (RN) – the projects together will have a total **installed capacity of about 900 MW**. The complex's implementation will identify and capture synergies arising from Central Fotovoltaica Assú V (30 MW), already in commercial operations since 2017. The application for the projects' concession grant has been filed and regulatory procedures for the issue of the Access Opinion are underway. The projects are already authorized to tap opportunities for participation in both free and regulated markets. The Company intends to proceed with implementation against approval for the investment in line with Group governance.

Alvorada Photovoltaic Complex – Bahia.

ENGIE Brasil Energia has acquired a site in the state of Bahia, – a region with potential for generating solar energy – for the development of three projects comprising the Alvorada Photovoltaic Complex. The projects, which will have a total **installed capacity of 90 MW.** The projects are at the development phase and qualify to participate in opportunities in both the free and regulated markets.

Campo Largo Photovoltaic Complex – Bahia.

Situated in the same area as the Campo Largo Wind Complex (Bahia State), the photovoltaic project is to have 12 photovoltaic solar energy plants, these totaling a **potential installation capacity of 400 MW**. The projects are at a development phase and are qualified to participate in opportunities in both free and regulated markets.

Besides the abovementioned projects, the Company is also examining opportunities in areas with hight photovoltaic potential, as well as partnerships which could accelerate the development of this energy source in line with the process of energy transition which is taking place at world level.

Operating Development

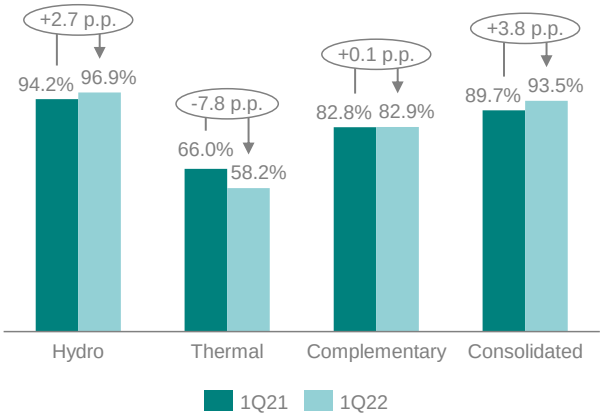
Energy Generating park Uptime Operating

The plants operated by ENGIE Brasil Energia reported uptime working of **93.5% in 1Q22, if all scheduled and forced shutdowns are taken into account**: 96.9% for the hydroelectric plants, 58.2% for the thermoelectric plant (Pampa Sul TPP) and 82.9% with respect to the plants fired from complementary energy sources, namely SHPs, biomass, wind and photovoltaics.

Uptime at the **hydropower plants** recorded an increase of 2.7 p.p. in the 1Q22 when compared with the 1Q21, due to resumption of operations of the number 5 Generator Unit at the Salto Osório Hydroelectric Power Plant, shutdown in 1Q21 for modernization work but fully operational in 1Q22. In addition, in 1Q21, the number 2 and 3 generator units at the Jaguara Hydroelectric Power Plant were also undergoing programmed maintenance.

Uptime Operating

Considering scheduled shutdowns



In relation to the **thermoelectric plants**, uptime working in 1Q21 still included the plants in the Jorge Lacerda Thermoelectric Complex, the latter being sold on October 18, 2021. In 1Q22, increased downtime at the Pampa Sul Thermoelectric Power Plant – currently the only thermoelectric plant left in the Company's portfolio – was due to corrective maintenance on the boiler started in March 2022.

In the case of the **complementary plants**, there was a slight increase in uptime in 1Q22 (0.1 p.p.) compared to the same quarter in 2021.



Energy Production

Electricity output from plants operated by ENGIE Brasil Energia was 7,113 GWh (3,293 average MW) in 1Q22. This result is **28.4% lower** than production for the 1Q21.

Total output breaks down as follows: hydroelectric plants 5,593 GWh (2,589 average MW), Pampa Sul Thermoelectric Power Plant 426 GWh (197 average MW) and the complementary sourced units 1,094 GWh (506 average MW). Results point reductions of 23.8% and 75.1% in the hydroelectric and thermoelectric energy sources, respectively, and increase of 22.8% in complementary energy sources, in relation to the 1Q21.

The reduction in total generation at the hydropower plants in 1Q22 is due principally to unfavorable hydrological conditions in the hydrographic basins in the country's southern region, where a large number of the Company's plants are located.

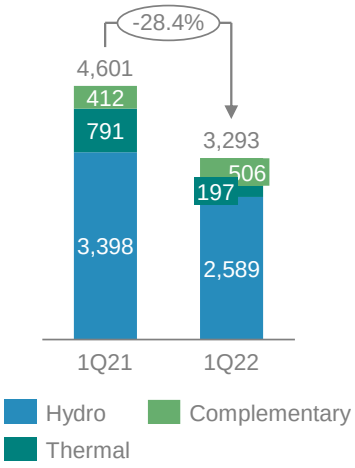
In addition, output was influenced by hydroelectric generation operations on the Tocantins River. While in the first quarter, these normally make a significant contribution to energy output, in 2022 the National System Operator (ONS) adopted an operating policy of restoring headwater reservoir storage levels, reducing outflows to the downstream chain of plants. More specifically in the case of the Estreito Hydroelectric Power Plant, there was an additional factor limiting the interchange between subsystems and restricting the offtake of generation due to competition with wind power and the other hydropower plants in the North region which at the time, were discharging excess water.

In relation to thermoelectric generation, the reduction verified in 1Q22 in relation to the same period 2021 is also a reflection of the disposal of the Jorge Lacerda Thermoelectric Complex's plants in the 4Q21. However, the generation represented by the Pampa Sul Thermoelectric Power Plant was 8.3% greater than the production of this same unit in 1Q21, driven by the greater emphasis on thermal dispatch.

Greater generation from complementary plants in 1Q22 compared to the first quarter of 2021 was largely due to full commercial operations at the Campo Largo II Wind Complex, a project which was still under construction in 1Q21. The acquisition of the Paracatu and Floresta photovoltaic plants, as of March 15, 2022, also contributed to the increase.

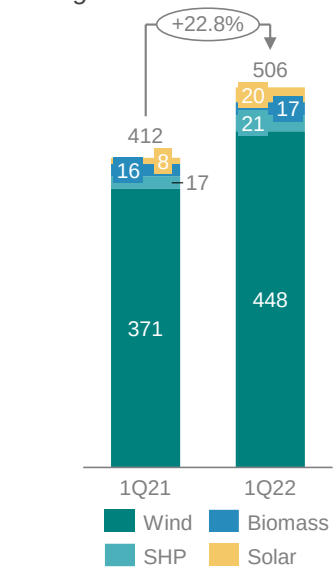
Generation

Average MW



Generation by Complementary Source

Average MW



Worthy of note is that the decrease in the Company's hydroelectric generation does not necessarily result in deterioration in economic-financial performance. Similarly, an increase in this type of generation does not automatically mean an improvement in economic-financial performance. This is due to the Energy Reallocation Mechanism (MRE), which is designed to share the hydrological risks inherent to hydropower generation among its participating members. In addition, relative to the Company's thermoelectric generation, reduction may increase (due to the Company's level of contracting) exposure to the Price for the Settlement of Differences (PLD), the contrary also being the case, all other variables remaining the same.

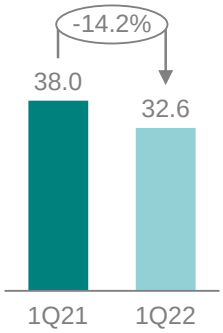
Gas Transportation

In 1Q22, TAG transported na average volume of gas of 32.6 million m³/day (38.0 million m³/day in the 1Q21). Extraordinary agreement volume was 11.3 million m³/day, representing approximately 15% of TAG's total contracted volume TAG, and 17%, if only the integrated network (excluding GTA Urucu-Manaus, where Petrobras remains sole carrier) is considered.

During the course of the quarter, TAG and ESOM – Engie Soluções em Operação e Manutenção, an Engie Brasil group company – initiated ramp-up of the maintenance operations agreement for the TAG network as part of the gradual transfer of Transpetro's maintenance responsibilities which terminate in June. In parallel, TAG began the remote control of its gas transportation operations from its offices through the Control and Supervision Center – CSC.

Average volume of gas transported

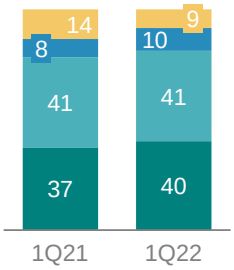
MM m³/day



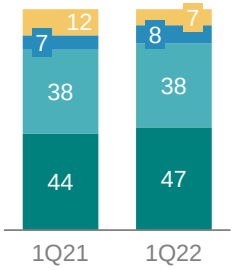
Electric Energy Sales Portfolio

In 1Q22, the free consumer share of the Company's portfolio (except CCEE and other revenues) was 41.0% of total physical sales, que same percentage comparing to the 1Q21, and 38.0% of the total net operating revenue, in line with the 1Q21.

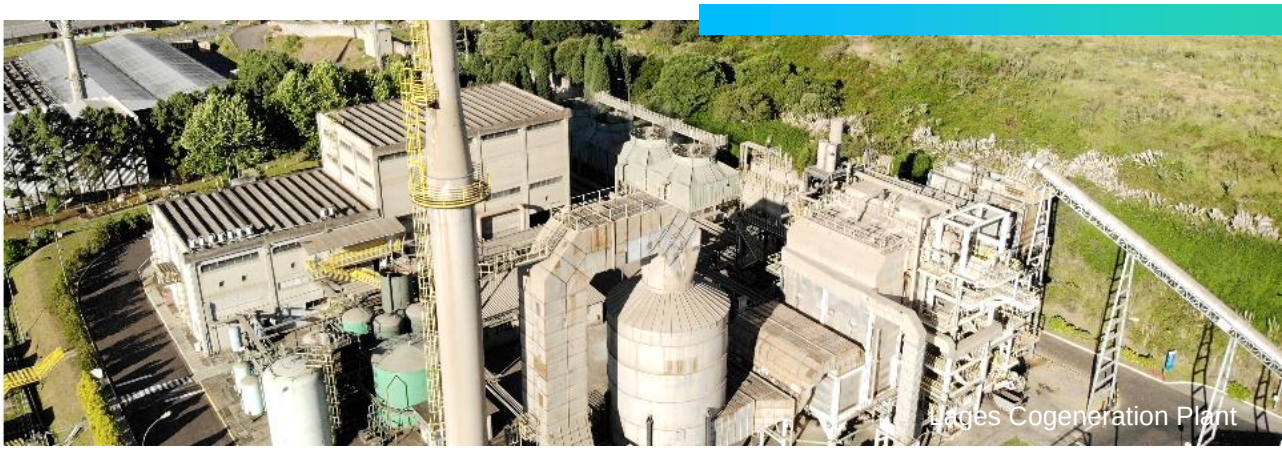
Breakdown of Customers by Physical Sales (%)



Breakdown of Customers in Contracted Sales Comprising Net Operating (%)



Trading Operations | Trading Companies | Free Customers | Distribution Companies


Usges Cogeneration Plant

Comercialization Strategy of Electric Energy

The Company pursues a commercial strategy of gradual sales of future energy availability for any given year as a means of mitigating the risk of exposure to spot prices (Price for Settlement of Differences — PLD) for that particular year. Electric energy sales are made during windows of opportunity that open when the market shows a greater buying propensity. ENGIE Brasil Energia's energy balance based on proprietary commercial capacity and power purchasing agreements outstanding as of **March 31, 2022** is as follows:

Energy Balance

	(in average MW)	2022	2023	2024	2025	2026	2027				
	Own Resources	4,388	4,535	4,602	4,592	4,589	4,589	**Auction**	Reference	**Gross** Price	**Net** Price of
+	Purchases for Resale	1,486	1,047	793	333	287	280	**Gross** Price	Date	Adjusted	PIS/COFINS/P&D
=	**Total Resources (A)**	**5,874**	**5,582**	**5,395**	**4,925**	**4,876**	**4,869**	(R$/MWh)		(R$/MWh)	(R$/MWh)
	Government Auction Sales[1]	2,057	2,071	2,066	2,053	2,043	2,034				
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	263.1	236.4
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	288.4	259.1
	2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	302.0	271.3
	2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	271.6	244.0
	Proinfa	19	19	19	19	19	10	147.8	Jun-04	418.4	403.1
	1st Reserve Energy Auction	14	14	14	2	-	-	158.1	Aug-08	344.3	331.7
	Auction Mix (New Energy / Reserve)	14	14	9	8	-	-	-	-	322.9	311.1
	2014-NE-2019-25	295	295	295	295	295	295	183.5	Mar-14	278.7	250.4
	2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	312.4	301.0
	2014-NE-2019-20	82	82	82	82	82	82	139.3	Nov-14	211.6	192.1
	2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	265.3	240.8
	8th Reserve Energy Auction (Assú V/Floresta/Paracatu)	54	68	68	68	68	68	296.7	Nov-15	401.3	364.2
	2017-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	212.0	192.4
	Government Auction - Quotas regime										
	2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	166.6	158.9
	2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	193.2	184.3
+	Bilateral Sales	3,213	2,662	2,229	1,632	1,131	744				
=	**Total Sales (B)**	**5,270**	**4,733**	**4,295**	**3,685**	**3,174**	**2,778**				
	Balance (A - B)	**604**	**849**	**1,100**	**1,240**	**1,702**	**2,091**				
	Sales average **net** price (R$/MWh) [2, 3]:	219.4	223.7	219.4							
	Purchases average **net** price (R$/MWh) [4]:	190.8	175.3	155.8							

1 XXXX-YY-WWW-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, is net of ICMS and taxes over revenue (PIS/Cofins, R&D), i.e. future inflation is not considered.

3 Desconsidering sales for quota regime (Jaguara and Miranda HPPs).

4 Purchase net prices, considering trading operations and benefits from PIS/Cofins credits, i.e. future inflation is not considered.

Notes:

- The balance refers to the settlement point (net of losses of internal consumption of the plant).

- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.

Economic-Financial Performance

Result by segment – 1Q22 X 1Q21 (in R$ million)

	Electric Energy					
	Generation[1]	Transmission	Trading	Solar panels	Gas transportation	Consolidated
1Q22						
Net operating revenue	2,388	502	165	7	-	3,062
Operational costs	(1,102)	(267)	(163)	(3)	-	(1,535)
Gross income	**1,286**	**235**	**2**	**4**	**-**	**1,527**
Selling, general and administrative expenses	(66)	(1)	(1)	(3)	-	(71)
Impairment, net	(11)	-	-	118	-	107
Disposal of subsidiary	-	-	-	(94)	-	(94)
Equity income	-	-	-	-	173	173
Income before financial results and taxes	**1,209**	**234**	**1**	**25**	**173**	**1,642**
1Q21						
Net operating revenue	2,145	837	260	8	-	3,250
Operational costs	(900)	(680)	(257)	(9)	-	(1,846)
Gross income (loss)	**1,245**	**157**	**3**	**(1)**	**-**	**1,404**
Selling, general and administrative expenses	(68)	(1)	(1)	(1)	-	(71)
Equity income	-	-	-	-	175	175
Other operating expenses, net	(1)	-	-	-	-	(1)
Income (loss) before financial results and taxes	**1,176**	**156**	**2**	**(2)**	**175**	**1,507**
Variation						
Net operating revenue	243	(335)	(95)	(1)	-	(188)
Operational costs	(202)	413	94	6	-	311
Gross income (loss)	**41**	**78**	**(1)**	**5**	**-**	**123**
Selling, general and administrative expenses	2	-	-	(2)	-	-
Impairment, net	(11)	-	-	118	-	107
Disposal of subsidiary	-	-	-	(94)	-	(94)
Equity income	-	-	-	-	(2)	(2)
Other operating expenses, net	1	-	-	-	-	1
Income (loss) before financial results and taxes	**33**	**78**	**(1)**	**27**	**(2)**	**135**

[1] *Generation and sale of electric energy from the Company's portfolio ("Generation").*

The Company's financial result is not allocated by segment since Management administers the cash flow on a consolidated and corporate basis.

Net Operating Revenue

Operating revenue by segment – 1Q22 X 1Q21 (in R$ million)

	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
1Q22					
Distribution companies	1,036	-	-	-	1,036
Free consumers	848	-	-	-	848
Remuneration of concession financial assets	154	249	-	-	403
Construction revenue	-	252	-	-	252
Trading companies	182	-	-	-	182
Energy trading operations	-	-	163	-	163
Transactions in the short-term market	123	-	-	-	123
Services rendered revenue	34	-	-	-	34
Unrealized gains on trading operations	-	-	2	-	2
Other revenues	11	1	-	7	19
Net operating revenue	**2,388**	**502**	**165**	**7**	**3,062**
1Q21					
Distribution companies	921	-	-	-	921
Free consumers	802	-	-	-	802
Remuneration of concession financial assets	128	138	-	-	266
Construction revenue	-	699	-	-	699
Trading companies	140	-	-	-	140
Energy trading operations	-	-	249	-	249
Transactions in the short-term market	107	-	-	-	107
Services rendered revenue	31	-	-	-	31
Unrealized gains on trading operations	-	-	11	-	11
Other revenues	16	-	-	8	24
Net operating revenue	**2,145**	**837**	**260**	**8**	**3,250**
Variation					
Distribution companies	115	-	-	-	115
Free consumers	46	-	-	-	46
Remuneration of concession financial assets	26	111	-	-	137
Construction revenue	-	(447)	-	-	(447)
Trading companies	42	-	-	-	42
Energy trading operations	-	-	(86)	-	(86)
Transactions in the short-term market	16	-	-	-	16
Services rendered revenue	3	-	-	-	3
Unrealized gains on trading operations	-	-	(9)	-	(9)
Other revenues	(5)	1	-	(1)	(5)
Net operating revenue	**243**	**(335)**	**(95)**	**(1)**	**(188)**

In 1Q22, net operating revenue fell 5.8% (R$ 188 million) when compared with 1Q21, decreasing from R$ 3,250 million to **R$ 3,062 million**. This variation reflects largely the following factors:

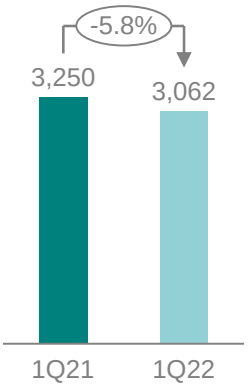
Generation and sale of energy from the portfolio: growth of R$ 243 million (11.3%), due largely to the following factors: (i) R$ 203 million in revenue with energy sales agreements in the regulated and free energy environments, the result of increases in the amount of energy sold and the net average selling price; (ii) R$ 26 million, from the remuneration of the concessions' financial assets relative to the payment an installment on the Jaguara and Miranda hydropower plants concession grants with respect to energy allocated to the Regulated Contracting Environment (ACR); and (iii) R$ 16 million in transactions conducted across the short-term market principally on the Electric Energy Trade Board (CCEE).

Transmission: decrease of R$ 335 million (40.0%) in the transmission segment. Further details are described below in a specific item.

Trading: reduction of R$ 95 million (36.5%) reflected largely from the reduction in revenue from operations realized and gains from marking-to-market of future sales.

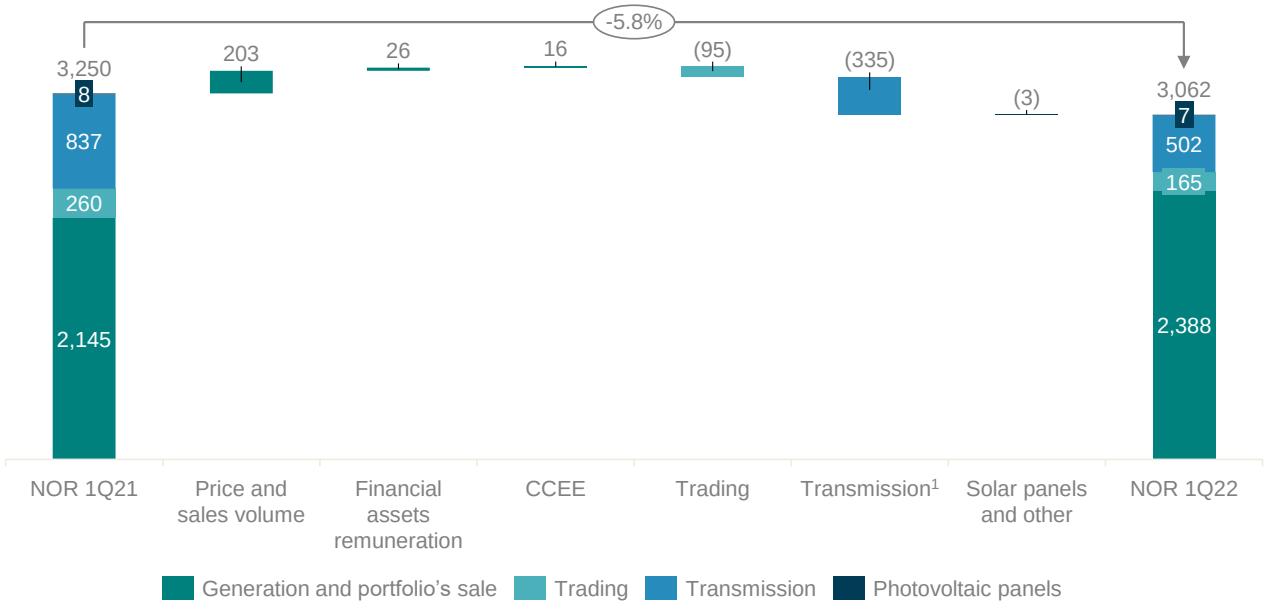
Net Operating Revenue

R$ million



Net Operating Revenue Change by Segment

R$ million



[1] Capex reduction in the quarters under comparison.

Comments on Variation in Net Operating Revenue

Generation and Sales of Energy from the Portfolio

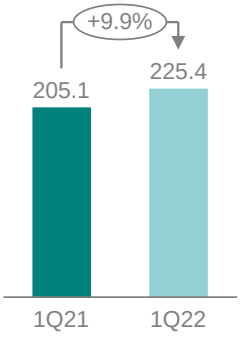
- Net Average Selling Price

The net average selling price of energy, net of charges on revenue reached **R$ 225.35/MWh in 1Q22, 9.9% higher** than reported for 1Q21 when the amount was R$ 205.13/MWh.

The price increase was largely driven by monetary restatement of existing agreements.

Net Average Selling Price*

R$/MWh

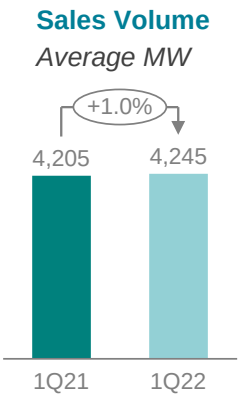


** Net of sale taxes and trading operations.*

- Sales Volume

Energy sales volume under agreements increased from 9,084 GWh (4,205 average MW) in 1Q21 to **9,169 GWh (4,245 average MW) in 1Q22**, a growth of 85 GWh (40 average MW), or 1.0%, between compared periods.

There was no significant variation in energy sales volume despite the disposal of the Diamante Geração de Energia Ltda. ("Diamante" or "Corporation") subsidiary on October 18, 2021, given the energy purchase agreement signed between the Company and the Corporation post divestment.



- Revenue from Sale of Electric Energy
  - *Distribution Companies:*

Revenue from sales to distributors reached R$ 1,036 million in 1Q22, R$ 115 million (12.5%) greater than the R$ 921 million posted in 1Q21. The variation was due to the following effects: (i) R$ 83 million — growth of 8.8% in the net average selling price; and (ii) R$ 32 million — an increase of 126 GWh (59 average MW) in the amount sold.

Price rises are largely due to monetary restatement on existing agreements. The growth in sales volumes between compared quarters are largely the effects of contracted volumes adjusted for seasonal variations.

  - *Free Consumers:*

Revenue from sales to free consumers increased by R$ 46 million (5.7%) between the quarters under analysis from R$ 802 million in 1Q21 to **R$ 848 million in 1Q22**. The following events contributed to this variation: (i) R$ 84 million — increase of 10.5% in the average net selling price; and (ii) R$ 38 million — a decrease of 205 GWh (95 average MW) in the volume of energy sold.

The reduction in energy sales volume was driven essentially by the expiry of existing contracts. On a year-on-year basis, the increase in net average selling price was mainly a reflection of monetary restatement of existing agreements.

  - *Trading Companies:*

In 1Q22, revenue from sales to trading companies was R$ 182 million, R$ 42 million (30.0%) more than the revenue recorded in 1Q21, which was R$ 140 million. This increase resulted from a combination of the following aspects: (i) R$ 13 million — growth of 10.2% in net average selling price; and (ii) R$ 29 million — an increase of 164 GWh (76 average MW) in energy sales volume.

The increase in prices was basically due to monetary restatement of existing agreements. Growth in volumes between the periods analyzed was due principally to new sales agreements.

- Remuneration of Concession Financial Assets

Concessions' financial assets represent the present value of future cash flows of the portion of energy allocated to the Regulated Contracting Environment (ACR) of the Jaguara and Miranda hydroelectric power plants, equivalent to 70% of the physical guarantee of these plants. These assets are remunerated by the internal rate of return and by the variation in the Consumer Price Index - Comprehensive (IPCA).

The remuneration of the concessions' financial assets rose from R$ 128 million in 1Q21 to R$ **154 million in 1Q22, an increase of R$ 26 million (20.3%)**. Comparing the same quarters in successive years, the growth was driven substantially by the increase in average balance of the asset and by the variation of the IPCA.

- Transactions in the Short-term Energy Market

In 1Q22, revenue from transactions in the short-term market was **R$ 123 million**, while in 1Q21 the same item was R$ 107 million, representing an **increase of R$ 16 million (15.0%)** between compared quarters. Further explanations on these operations and the variation may be found in "Details of short-term operations".

- Revenue from Services Rendered

Again, in respect of the Jaguara and Miranda hydroelectric power plants and their sales in the Regulated Contracting Environment, also as part of the Annual Generation Revenue (RAG), the companies receive for Generation Assets' Management (GAG), as payment to cover the costs of operations and maintenance, as well as expenditures with improvements and investments during the concession period. The value for the GAG booked to the accounts in **1Q22 was R$ 34 million**, R$ 3 million (9.7%) higher than R$ 31 million in 1Q21, substantially due to monetary restatement.

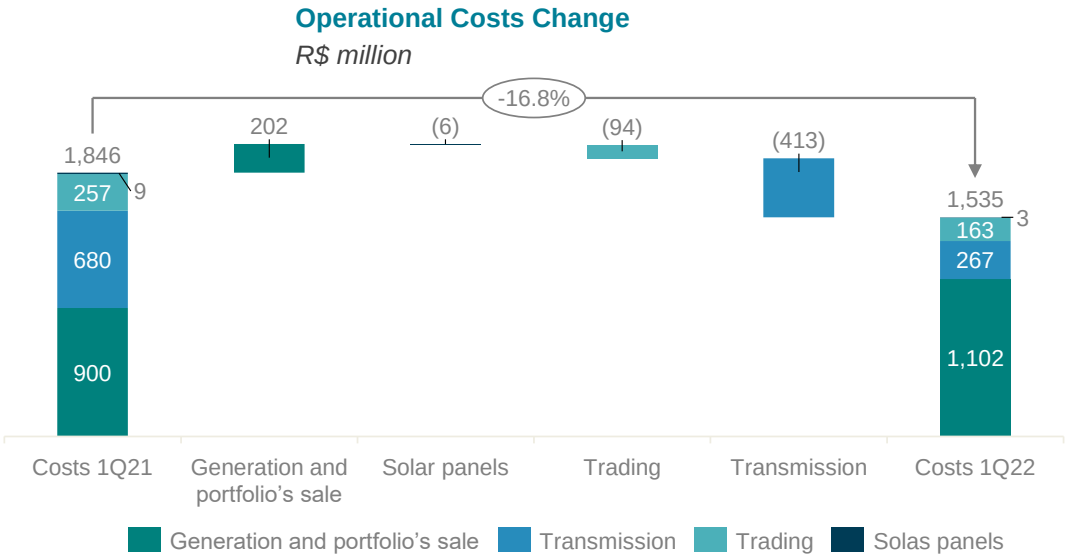
Operacional Costs

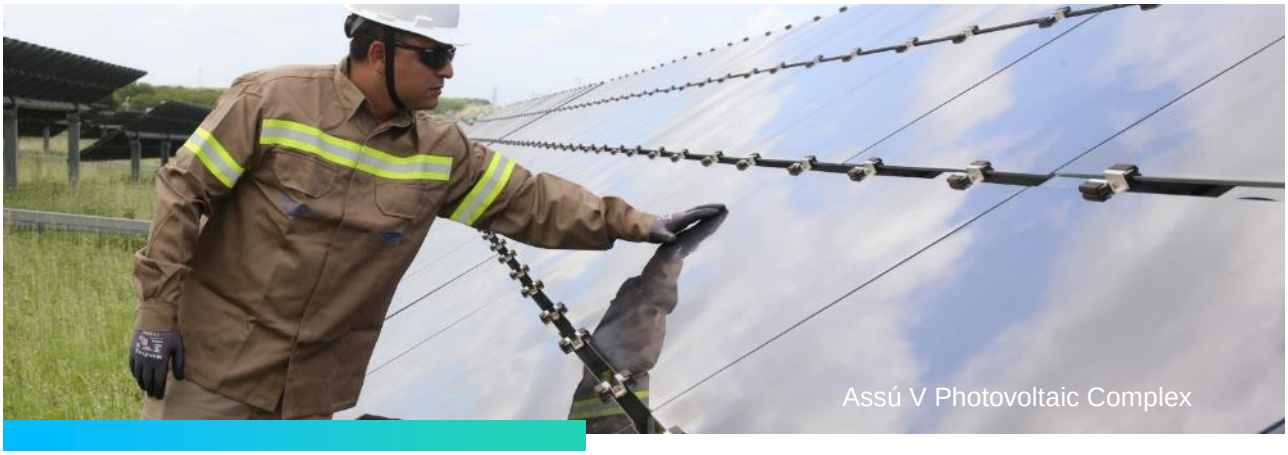
Costs by segment – 1T22 x 1T21 (in R$ million)

	Electric energy				
	Generation	Transmission	Trading	Solar Panels	Consolidated
1Q22					
Electric power purchases	413	-	157	-	570
Construction costs	-	265	-	-	265
Depreciation and amortization	241	-	-	-	241
Charges for the use of and connection to the power grid	149	-	-	-	149
Materials and third-party services	84	-	-	1	85
Transactions in the short-term market	79	-	-	-	79
Personnel	49	-	-	-	49
Fuel for generation	42	-	-	-	42
Royalties	20	-	-	-	20
Insurance	19	-	-	-	19
Unrealized losses on trading operations	-	-	6	-	6
Other operational costs, net	6	2	-	2	10
Operational costs	**1,102**	**267**	**163**	**3**	**1,535**
1Q21					
Electric power purchases	176	-	251	-	427
Construction costs	-	680	-	-	680
Depreciation and amortization	225	-	-	-	225
Charges for the use of and connection to the power grid	142	-	-	-	142
Materials and third-party services	90	-	-	2	92
Transactions in the short-term market	70	-	1	-	71
Personnel	66	-	-	2	68
Fuel for generation	125	-	-	-	125
Royalties	26	-	-	-	26
Insurance	21	-	-	-	21
Unrealized losses on trading operations	-	-	5	-	5
Hydrological risk renegotiation	(52)	-	-	-	(52)
Other operational costs, net	11	-	-	5	16
Operational costs	**900**	**680**	**257**	**9**	**1,846**
Variation					
Electric power purchases	237	-	(94)	-	143
Construction costs	-	(415)	-	-	(415)
Depreciation and amortization	16	-	-	-	16
Charges for the use of and connection to the power grid	7	-	-	-	7
Materials and third-party services	(6)	-	-	(1)	(7)
Transactions in the short-term market	9	-	(1)	-	8
Personnel	(17)	-	-	(2)	(19)
Fuel for generation	(83)	-	-	-	(83)
Royalties	(6)	-	-	-	(6)
Insurance	(2)	-	-	-	(2)
Unrealized losses on trading operations	-	-	1	-	1
Hydrological risk renegotiation	52	-	-	-	52
Other operational costs, net	(5)	2	-	(3)	(6)
Operational costs	**202**	**(413)**	**(94)**	**(6)**	**(311)**

Operational costs were down by R$ 311 million (16.8%) between the compared quarters of the two successive years from R$ 1,846 million in 1Q21 to **R$ 1,535 million in 1Q22**. This variation reflects the variation of the following factors: (i) a decrease of R$ 413 million (60.7%) in the costs of the transmission segment; (ii) a decrease of R$ 94 million (36.6%) in the costs of energy trading operations; (iii) a decrease of R$ 6 million (66.7%) in solar panel selling and installation costs; and (iv) an increase of R$ 202 million (22.4%) in the costs of generation and sale of energy from the Company's portfolio segment.

Of the variation in item (iv), particularly noteworthy was the impact from the clawback of costs of energy from previous periods due to the renegotiation of hydrological risk in 1Q21, amounting to R$ 52 mil.





Such variations resulted essentially from the behavior of the main components below:

Comments on Variations in Operational Costs

Generation and Energy Sales from the Portfolio

- **Energy purchases:** between 1Q21 and 1Q22 there was an increase of R$ 237 million (134.7%) in purchases for energy portfolio management — mainly a reflection of growth of 1,255 GWh (581 averaged MW) in purchase volumes. There was no variation in net average purchase price between the compared periods.

The variation in energy purchase volume is largely due to the sale of the Diamante subsidiary, with which the Company has signed a power purchasing agreement.

- **Depreciation and amortization:** increase of R$ 16 million (7.1%) between quarters under analysis and the result mainly of the amortization of amounts relating to hydrological risk initiated in 4Q21 and the entry into commercial operations during 2021 of the Campo Largo II Wind Complex. These effects were partially attenuated by the disposal of the Diamante subsidiary.

- **Charges for use of electric energy network and connections:** an increase of R$ 7 million (4.9%) between the two quarters under review and a consequence largely of the annual tariff readjustment for transmission and distribution as well as the entry into commercial operations of the Campo Largo II Wind Complex over the course of 2021. These effects were partially offset by the divestment of the Diamante subsidiary.

- **Material and third-party services:** reduction of R$ 6 million (6.7%) in 1Q22, in relation to the same quarter of 2021, once more largely a reflection of the Diamante disposal. This effect was offset by the readjustment of the Company's plant operation and maintenance agreements.

- **Transactions in the short-term energy market:** on a year-on-year basis, costs with these transactions were R$ 9 million (12.9%) higher. More explanations on these operations and with respect to the variation can be found in the "Details if the short-term operations" section.

- **Personnel:** reduction of R$ 17 million (25.8%) between compared quarters, substantially a reflection of the sale of Diamante. This effect was partially attenuated by the annual readjustment in employee remuneration.

- **Fuels for generation:** decrease of R$ 83 million (66.4%) on a 1Q21 x 1Q22 comparison basis due to the sale of the Diamante subsidiary in October 2021. This effect was partially attenuated by a higher consumption of own coal at Pampa Sul.

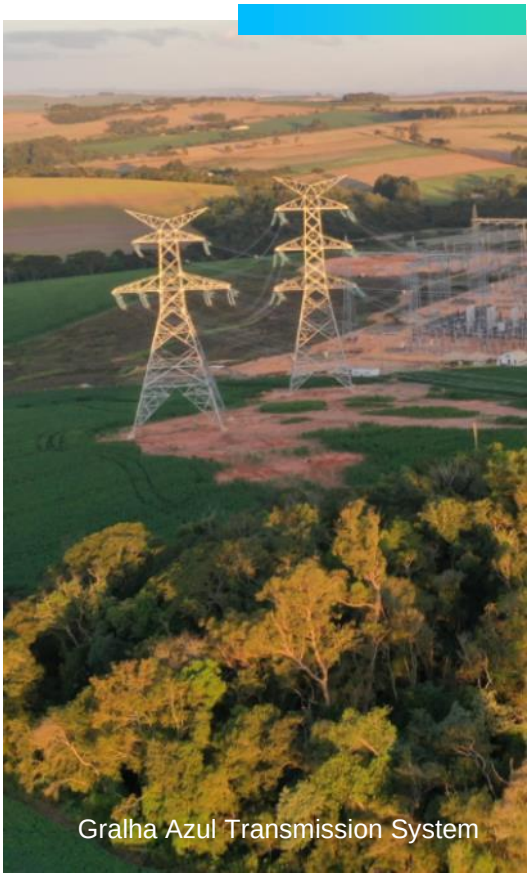
- **Financial compensation for the use of water resources (royalties):** a reduction of R$ 6 million (23.1%) between the compared quarters due largely to a reduction in generation at the hydropower plants albeit partially offset by the annual readjustment.

- **Hydrological risk renegotiation:** on March 2, 2021, the CCEE published the revised compensation amounts covering: (i) the application of the discount rate in the calculation of the extended concession grants; (ii) consideration for the impacts arising from the expiration of the concession covering offtake from the Belo Monte Hydroelectric Plant; and (iii) recognition of the right of the plants operating on a quotas regime basis pursuant to Law 13.783/13 to compensations calculated pursuant to Law 14.052/20. In the light of this revised compensation, the Company booked an amount of R$ 52 million in 1Q21.

Operational Result from the Energy Transmission Segment

The Company has primary responsibility for the construction and installation of infrastructure pertaining to the Gralha Azul and Novo Estado transmission systems and is exposed to the risks and benefits of these constructions. Consequently, based on prevailing accounting practices, the Company books revenue over the course of the implementation of the transmission infrastructure for an amount corresponding to the construction costs plus a gross residual margin to cover the construction management. Expenditures incurred in the construction are recognized in the cost of the transmission infrastructure. The Annual Allowed Revenue (RAP) is received once the transmission system goes into commercial operations. Thus, only resources generated from the operational activity are received from then onwards. By the end of the 1Q22, the ONS granted the Gralha Azul and Novo Estado transmission systems additional authorization for entries into commercial operations on a piecemeal basis, representing 77% and 9% of their total capacities, respectively.

The gross result from the energy transmission segment reached R$ 235 million in 1Q22, an increase of R$ 78 million (49.7%), in relation to the same quarter in 2021, mainly a reflection of the advancing construction work on the two transmission systems. This effect was partially impacted by the expected postponement of the entry into operation of certain transmission lines. In addition, remuneration revenue from transmission infrastructure is also impacted by the variation in the IPCA.


Gralha Azul Transmission System

Operational Result of the Energy Trading Segment

The Company operates in the physical energy trading market in order to generate results through energy price variations, within preestablished limits of risk. Energy trading operations are transacted in an active market and for accounting purposes, are defined as financial instruments according to their fair value. This is principally due to the fact that there is no commitment to match purchase and sale operations, flexibility being permitted to manage the contracts and obtain results through price variations in the market.

Gross revenue between quarters under analysis declined by R$ 1 million (33.3%), from R$ 3 million in 1Q21 to R$ 2 million in 1Q22, largely the result of the following events: (i) R$ 10 million from the negative impact of marking-to-market — the difference between contractual prices and those of the market — of the net contracted operations outstanding on March 31, 2021 and 2022; (ii) R$ 8 million due to an increase in the gross result from energy purchase and sale operations executed; and (iii) an increase of R$ 1 million in the result of the transactions in the short-term energy market.

Details of Short-Term Operations

Short-term operations are classified as energy purchase or sale operations, the principal objective being the management of the Company's exposure on the CCEE. Consequently, the price of these operations is characterized by the linkage with the Price for Settlement of Differences (PLD). This item also includes the transactions conducted through the CCEE, given their volatile and seasonal nature, therefore, short-term, of the results originating from accounting movement in the CCEE. Additionally, the long and short positions are settled at the PLD, thus, similar to the short-term operations described above.

In relation to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of a Board agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense item. In this context, it is worth pointing out that due to adjustments in the Company's portfolio management strategy, changes have been taking place in the profile of the mentioned billings. Such fluctuations complicate the direct comparison of the elements comprising each billing for the periods being analyzed - the reason for including this specific topic. The strategy allows us to analyze the fluctuations of the principal elements involved in spite of allocation being either to an income or expenses account according to the credit or debit nature of the billing to which they relate.

Generically, these elements are revenues or expenses arising, for example, (i) from the application of the Energy Reallocation Mechanism (MRE); (ii) from the Generation Scaling Factor (GSF), triggered when generation of plants, part of the MRE, is smaller or greater (Secondary Energy) than the allocated energy; (iii) from the so-called "submarket risk"; (iv) dispatch driven by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) and settled at the PLD.

In 1Q22 and in 1Q21, **the net results** (difference between revenues and costs — less taxes) from short-term transactions — particularly those executed on the CCEE — **were positive at R$ 44 million** and R$ 36 million, respectively. This represents a **growth of R$ 8 million between the two quarters**, being an increase of R$ 7 million on the result for transactions in the generation and sales of energy from the Company's portfolio segment and an increase of R$ 1 million in the result from energy trading transactions.

This variation was largely a consequence of the following factors: (i) the reduced negative impact of the MRE Adjustment Factor (GSF) — already deducted for the effects of the hydrological risk renegotiations, a reflection of the water crisis in 1Q21; (ii) decrease in the result from thermal generation due to the disposal of the Diamante subsidiary; (iii) an increase in the negative effect in the MRE due to a reduction in hydroelectric generation; and (iv) a reduction in the financial impact from short-term operations in 1Q22, when compared with 1Q21 due to the variation in PLD between the periods under analysis.

In December 2021, Aneel established PLD maximum and minimum limits for 2022 at R$ 646.58/MWh and R$ 55.70/MWh, respectively. The following table shows the average PLD values for the submarkets in which the Company operates, in MWh.

Average PLD in R$/MWh	1Q22	1Q21	Chg. 1T (%)
South	58.11	171.68	(66.2%)
Southeast/Center-West	58.10	172.57	(66.3%)
Northeast	56.21	159.91	(64.8%)

Sale of a subsidiary

On February 21, 2022, the sale of a corporate stake which the Company held in the ENGIE Geração Solar Distribuída (EGSD) subsidiary was concluded. On this date, the corporation ceased to be controled by the Company, also ceasing to be consolidated. The result from the sale of the asset, net of selling costs (R$ 94 million), and the reversal of impairment (R$ 118 million), produced an overall positive result of R$ 24 million.

Equity Income – Gas Transportation

The Company has a 32.5% direct corporate stake in TAG. The result of equity income from TAG for the compared quarters in analysis is composed of the following items:

	1Q22		1Q21	
Income statement – in R$ mil	**100%**	**Company's share**	**100%**	**Company's share**
Net operational revenue	2,051	667	1,715	557
Costs of services provided	(703)	(229)	(576)	(187)
Gross income	**1,348**	**438**	**1,139**	**370**
General and administrative expenses	(47)	(15)	(39)	(13)
Income before financial result and taxes	**1,301**	**423**	**1,100**	**357**
Financial result	(490)	(159)	(281)	(91)
Income before taxes	**811**	**264**	**819**	**266**
Income tax and social contribution	(280)	(91)	(282)	(91)
TAG's net income	**531**	**173**	**537**	**175**

The reconciliation of TAG's net profit with Ebitda is shown in the following table:

	1Q22		1Q21	
Ebitda – in R$ million	**100%**	**Company's share**	**100%**	**Company's share**
Income before financial result and taxes	**1,301**	**423**	**1,100**	**357**
Depreciation and amortization	162	53	159	52
Amortization of *mais valia*	228	74	251	82
Ebitda	**1,691**	**550**	**1,510**	**491**

Between 1Q21 and 1Q22, the result for equity income fell by R$ 2 million (1.1%) from R$ 175 million to R$ 173 million, respectively.

The variation was the consequence of the following effects: (i) an increase in net financial expenses of R$ 68 million, largely the result of the growth in CDI between the quarters under review, this effect being attenuated by the reduction in the US Dollar exchange rate in the case of currency denominated debt which is protected by a hedge and has its effects offset against the item "Net operating revenue" in TAG's balance sheet; (ii) R$ 59 million growth in Ebitda due principally to the updating of transportation tariffs, partially attenuated by the readjustment in operation and maintenance agreements and the exchange variation in one of the transportation agreements; and (iii) a decrease of R$ 7 million in depreciation and amortization expenses.

Balance Sheet

TAG's principal asset and liability groups as of March 31, 2022 and December 31, 2021 were as follows:

Balance Sheet	03/31/2022	03/31/2021
ASSETS		
Current assets	**2,663**	**2,079**
Cash and cash equivalents	874	439
Accounts receivables from clients	1,497	1,439
Restricted deposits	-	5
Unrealized gains on hedging transactions	7	-
Other current assets	285	196
Non-current assets	**32,002**	**31,154**
Accounts receivables from clients	7	540
Restricted deposits	1,051	115
Unrealized gains on hedging transactions	61	-
Other non-current assets	665	5
Property, plant and equipment	27,460	27,742
Intangible	2,758	2,752
Total	**34,665**	**33,233**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**4,030**	**3,707**
Loans, financing and debentures	3,641	3,377
Unrealized losses on hedging transactions	-	11
Other current liabilities	389	319
Non-current liabilities	**21,828**	**22,778**
Loans, financing and debentures	18,018	19,632
Unrealized losses on hedging transactions	-	412
Deferred income taxes and social contribution	3,142	2,075
Other non-current liabilities	668	659
Shareholders' equity	**8,807**	**6,748**
Total	**34,665**	**33,233**


Transportadora Associada de Gás - TAG

Ebitda and Ebitda Margin

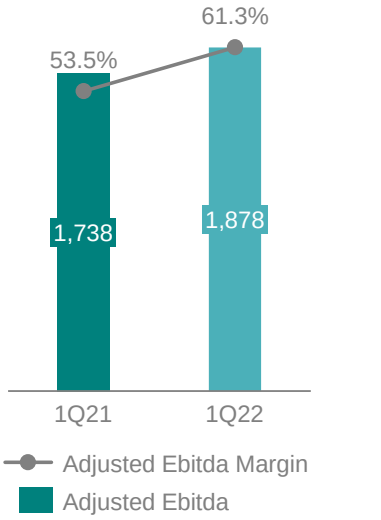
Ebitda by segment – 1Q22 x 1Q21 (in R$ million)

	Electric Energy					
	Generation	Transmission	Trading	Solar Panels	Gas Transportation	Consolidated
1Q22						
Income (loss) before financial results and taxes	1,209	234	1	25	173	1,642
Depreciation and amortization	249	-	-	-	-	249
Ebitda	**1,458**	**234**	**1**	**25**	**173**	**1,891**
Impairment, net	11	-	-	(118)	-	(107)
Disposal of subsidiary	-	-	-	94	-	94
Adjusted Ebitda	**1,469**	**234**	**1**	**1**	**173**	**1,878**
Adjusted Ebitda margin	**61.5%**	**46.6%**	**0.6%**	**14.3%**	**-**	**61.3%**
1Q21						
Income (loss) before financial results and taxes	1,176	156	2	(2)	175	1,507
Depreciation and amortization	231	-	-	-	-	231
Ebitda / Adjusted Ebitda	**1,407**	**156**	**2**	**(2)**	**175**	**1,738**
Ebitda margin / Adjusted Ebitda margin	**65.6%**	**18.6%**	**0.8%**	**(25.0%)**	**-**	**53.5%**
Variation						
Income (loss) before financial results and taxes	33	78	(1)	27	(2)	135
Depreciation and amortization	18	-	-	-	-	18
Ebitda	**51**	**78**	**(1)**	**27**	**(2)**	**153**
Impairment, net	11	-	-	(118)	-	(107)
Disposal of subsidiary	-	-	-	94	-	94
Adjusted Ebitda	**62**	**78**	**(1)**	**3**	**(2)**	**140**
Adjusted Ebitda margin	**(4.1 p.p.)**	**28.0 p.p.**	**(0.2 p.p.)**	**39.3 p.p.**	**-**	**7.8 p.p.**

Between 1Q22 and 1Q21, adjusted Ebitda increased R$ 140 million (8.1%), from R$ 1,738 million in 1Q21 to R$ 1.878 million in 1Q22. This variation was a consequence of the combination of the following **positive effects**: (i) R$ 78 million (50.0%) originating from the energy transmission segment; (ii) R$ 62 million (4.4%) in the generation and sale of energy from the Company's portfolio segment; and (iii) R$ 3 million (150.0%) in the solar panels segment. The positive impacts were counterbalanced by the **negative effects** as follows: (iv) R$ 2 million (1.1%) due to the smaller result from the corporate stake in the jointly held controlled company – TAG; and (v) R$ 1 million (50.0%) from the energy trading segment.

The key variations in adjusted Ebitda are in the generation and sale of energy segment shown in item (ii) above, the positive effects of which were: (i) R$ 203 million from the combination of the variations in the amount of electric energy sold and the net average selling price; (ii) R$ 83 million with the consumption of own fuel; (iii) R$ 26 million of remuneration revenue and monetary restatement on the concession assets of Jaguara and Miranda HPPs; (iv) R$ 17 million in payroll costs; (v) R$ 7 million in transactions effected in the short-term market; (vi) R$ 6 million in the costs of materials and third party services; and (vii) R$ 9 million relative to other revenues, costs and operational and administrative expenses. These effects were atenuated by the decrease in the following factors: (viii) R$ 237 million in energy purchases; and (ix) R$ 52 million of hydrological risk renegotiation, booked in 1Q21.

Adjusted Ebitda[1] and Ebitda Margin



1 Adjustes Ebitda: net income + income tax and social contribution + financial results + depreciation and amortization + impairment + non-recurrent effects.

Generation Adjusted Ebitda Margin

The adjusted Ebitda margin in the generation segment reported a reduction of 4.1 p.p., decreasing from 65.6% in 1Q21 to 61.5% in 1Q22.

Consolidated Adjusted Ebitda Margin

The consolidated adjusted Ebitda margin reported an increase of 7.8 p.p. from 53.5% in 1Q21 to 61.3% in 1Q22.

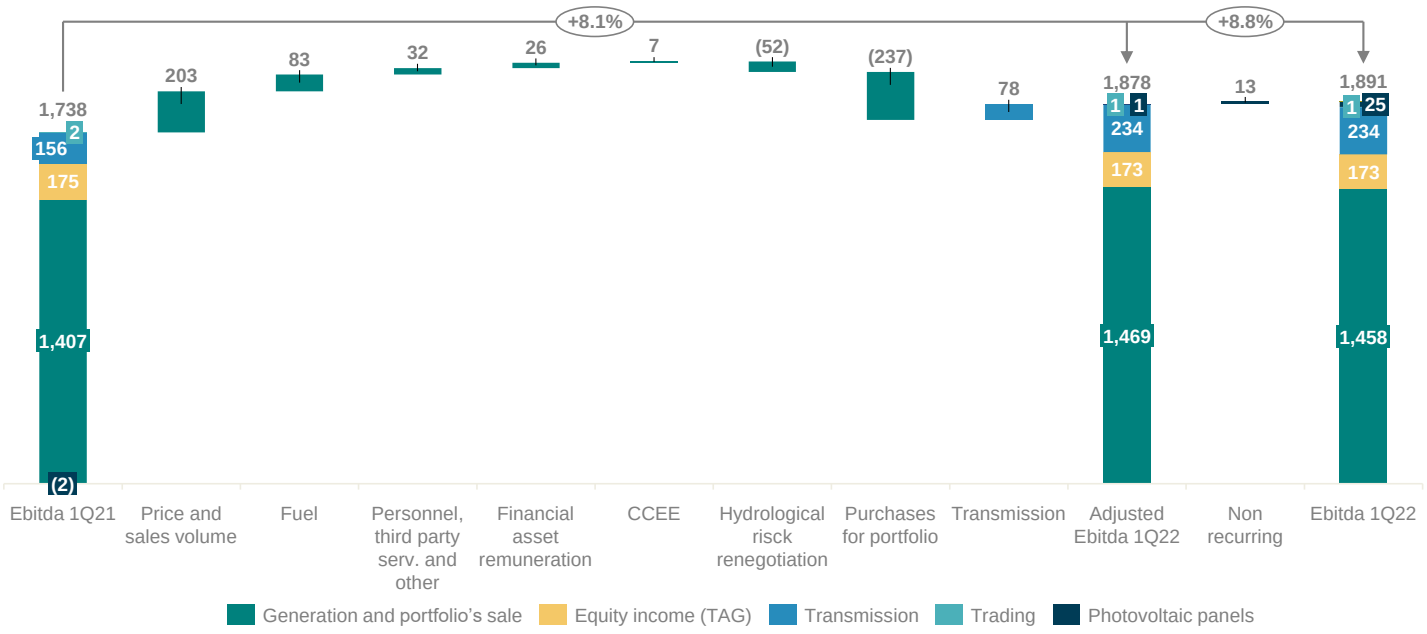
It should be pointed out that the consolidated adjusted Ebitda margin is partially reduced by the effects of the energy trading operations, the booking of revenue and costs relative to the construction of the transmission lines and operations executed by the EGSD subsidiary, the margins of which are thinner than those recorded in the other Company business.

For the purposes of reconciliation of net income with Ebitda, we show the following table:

(In millions of R$)	1Q22	1Q21	Chg. %
Net income	645	529	21.9
(+) Income tax and social contribution	173	146	18.5
(+) Net financial result	824	832	-1.0
(+) Depreciation and amortization	249	231	8.0
Ebitda	**1,891**	**1,738**	**8.8**
Non-recurrent effects			
(+) Impairment	(107)	-	-100.0
(+) Disposal of subsidiary	94	-	100.0
Adjusted Ebitda	**1,878**	**1,738**	**8.1**

Ebitda Change

R$ million




Conjunto Eólico Umburanas

Financial Result

(In millions of R$)	1Q22	1Q21	Chg.
Income from financial investments	137	20	117
Other financial income	13	5	8
Total financial income	**150**	**25**	**125**
Debt:			
Monetary restatement	(298)	(217)	(81)
Interest	(372)	(230)	(142)
Concessions:			
Monetary restatement	(158)	(279)	121
Interest	(110)	(93)	(17)
Other financial expenses	(36)	(38)	2
Total financial expenses	**(974)**	**(857)**	**(117)**
Net financial result	**(824)**	**(832)**	**8**

Financial expenses: in 1Q22, financial revenues reached R$ 150 million, R$ 125 million or 500.0% above the R$ 25 million recorded in the same quarter 2021, mainly due to the increase of R$ 117 million in the revenue from financial investments due to the variation in the CDI between the compared quarters.

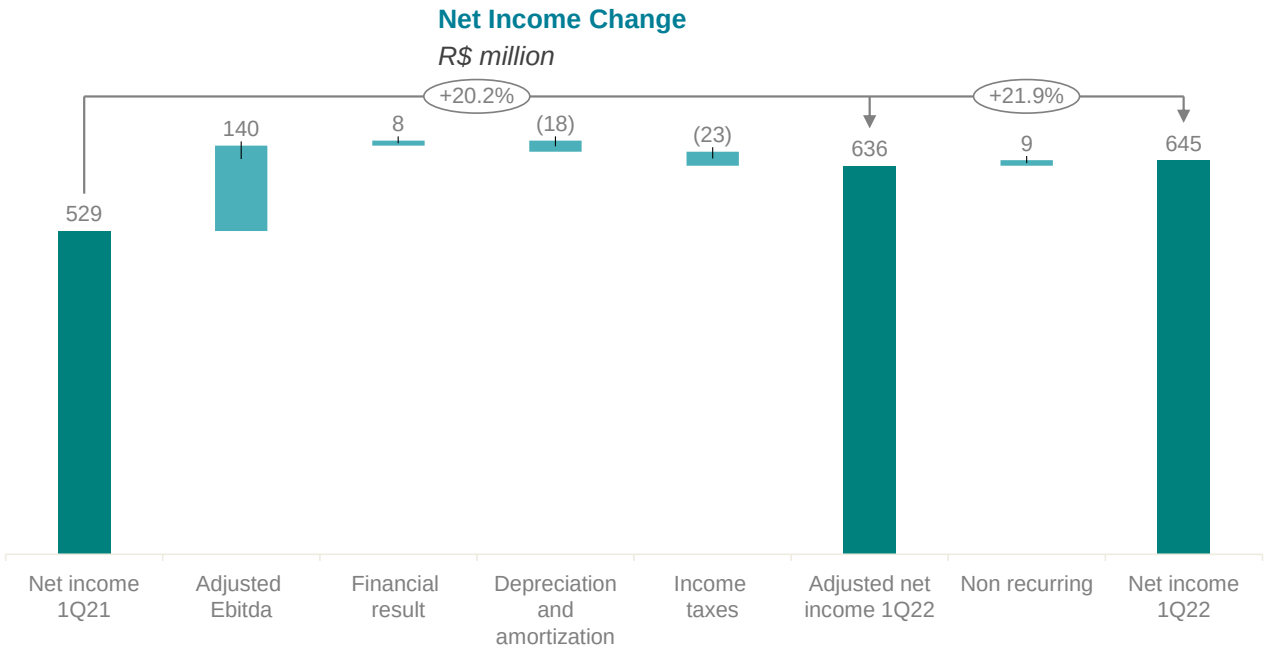
Financial income: expenses in 1Q22 were R$ 974 million, that is, R$ 117 million or 13.7% more than the R$ 857 million reported in the same quarter in 2021. The leading variations were: (i) an increase of R$ 223 million in debt between the two quarters, of which: (i.i) R$ 81 million in monetary restatement reflecting the variation in inflationary indices; and (i.ii) R$ 142 million of interest and adjustment to fair value due mainly to the issue of debentures and the contracting of loans and financing during the course of 2021; and (ii) the reduction of R$ 104 million in concessions payable between the periods analyzed, of which: (ii.i) R$ 121 million in monetary restatement, largely due to the alteration in the index for monetary restatement but counterbalanced by the acceleration in IPCA; and (ii.ii) a R$ 17 million increase in interest.

Income Tax and Social Contribution

Income Tax and Social Contribution expenses in 1Q22 were R$ 173 million, R$ 27 million (18.5%) more than registered in the same quarter 2021, of R$ 146 million, due to the increase in profit before Income Tax and Social Contribution 1Q21 x 1Q22. This effect was partially attenuated by the greater benefits from tax incentives in 1Q22 when compared with 1Q21. Excluding non-recurring effects, expenses with Income Tax and Social Contribution reported a variation of R$ 23 million or 15.8%, between the quarters for the two consecutive years.

Net Income

Net income for 1Q22 was R$ 645 million, R$ 116 million or 21.9% greater than the R$ 529 million presented in the same quarter of 2021. This growth reflects the following factors: (i) an increase of R$ 140 million in the adjusted Ebitda; (ii) an increase of R$ 18 million in depreciation and amortization; (iii) a decrease of R$ 8 million of net financial expenses; (iv) a growth of R$ 23 million in income tax and social contribution, considering recurring transactions; and (v) the booking of the non-recurring effects with a positive impact of R$ 9 million.



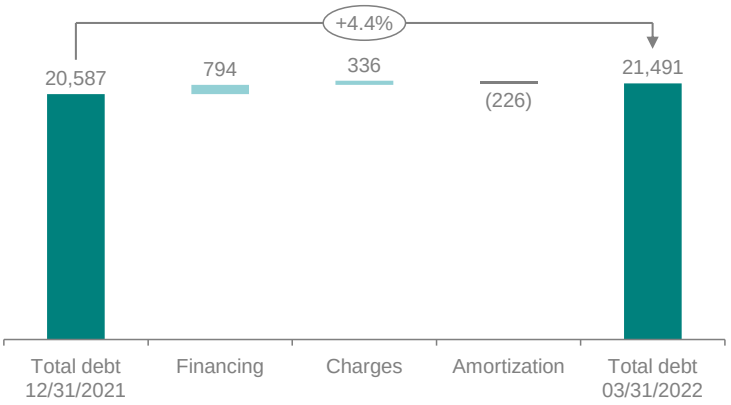
Debt

As of March 31, 2022, **total consolidated gross debt**, representing principally loans, financing, debentures and preferred shares redeemable, net of hedging operations, **totaled R$ 21,491 million — an increase of 4.4%** (R$ 904 million) compared to the position as of December 31, 2021. The **average debt maturity** at the end of the 1Q22 was **7.1 years**.

The variation in the Company's debt is related essentially to a combination of the following events during the 1Q22: (i) recognition of R$ 794 million in financing from the Brazilian Development Bank (BNDES) and on-lending banks, arising from the acquisition of the Paracatu and Floresta Photovoltaic Complexes; (ii) generation of R$ 336 million in charges to be paid and monetary restatement; and (iii) R$ 226 million in amortizations of loans and financing.

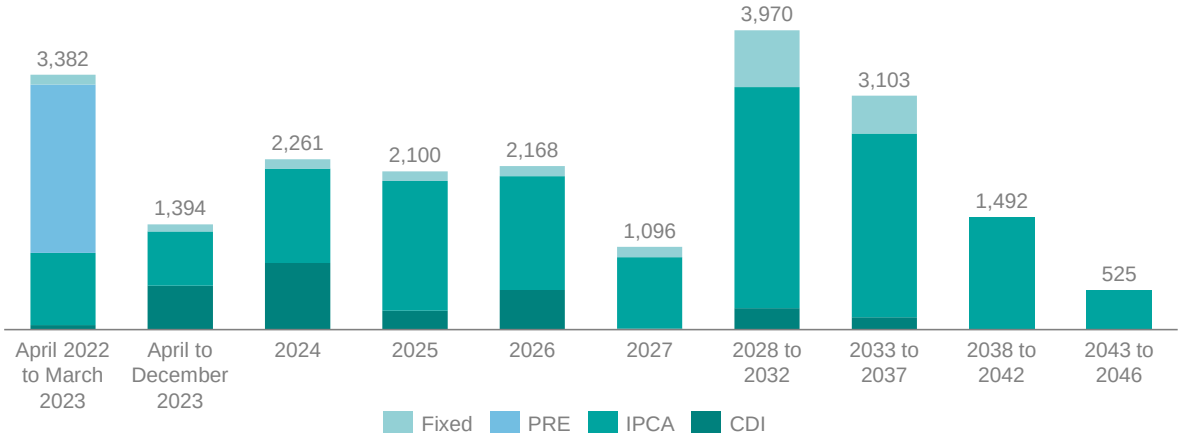
Total Debt

R$ million



Maturity Term Loans

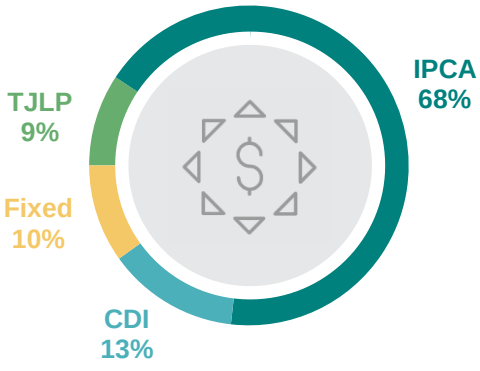
R$ million



The average weighted nominal cost of debt at the end of the 1Q22 **was 14.5%** — equivalent to IPCA + 2.9% — (8.7% — equivalent to IPCA + 2.5% — at the end of the 1Q21). The increase in relation to the same quarter in the previous year is mainly due to the acceleration of the IPCA index in the period.

On March 31, 2022, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 16,045 million**, **an increase of 9.8%** compared with the end of the 1Q21.

Debt Breakdown



Net Debt

R$ million

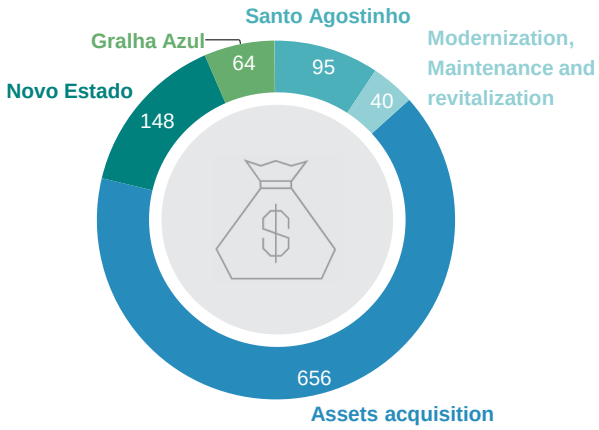
	3/31/2022	12/31/2021	Chg. %
Gross debt	21,118	20,645	2.3
Result of hedge operations	373	(58)	(743.2)
Deposits earmarked for the payment of debt	(858)	(819)	4.9
Cash and cash equivalents	(4,588)	(5,156)	(11.0)
Total net debt	**16,045**	**14,612**	**9.8**
Net debt/Ebitda last 12 months	**2.2X**	**2.0X**	


Salto Osório Hydro Power Plant

Capital Expenditures

Total investments at ENGIE Brasil Energia in 1Q22 were R$ 1.003 million, of which (i) R$ 656 million to the acquisition of the Paracatu and Floresta Photovoltaic Complexes; (ii) R$ 307 million was invested in the construction of the new projects, being: R$ 148 million concentrated in the Novo Estado Transmissora de Energia transmission line; R$ 64 million in the Gralha Azul Transmission System; e R$ 95 million in the Santo Agostinho Wind Complex – Phase I; (iii) R$ 39 million dedicated to maintenance and revitalization projects in the generator complex; and (iv) R$ 1 million destinated for the modernization of Salto Osório Hydroelectric Power Plant.

Capital Expenditures
R$ million



Commitment to Sustainable Development

Sustainable Management

ENGIE's ambition is to spearhead the carbon-neutral transition process worldwide, supporting our clients in their journey of reducing emissions and associated to differentiated socio-environmental offers, thereby encouraging sustainable development with positive impacts both locally and globally. Through our medium term Strategic ESG Goals, we endeavor to address the trinomial of "People, Planet and Performance", with a focus on the commitment for reducing CO_2 emissions by 46% between 2019 and 2030 which is a Science Based Target, and achieving neutrality of emissions by 2045.

All plants under the Company's responsibility adhere to ENGIE Brasil Energia Sustainable Management Policy, which covers the areas of Quality, Energy Management, Environment, Climate Change, Occupational Health and Safety, Social Responsibility and Engagement of Related Parties. On March 31, 2022, out of the 76 plants installed in 12 states of Brazil's five regions, 11 are certified in accordance with NBR ISO 9001 (for Quality), NBR ISO 14001 (for the Environment) and NBR ISO 45001 (for Occupational Health and Safety) standards, with an aggregate capacity of 79.8% of the total operated by the Company.

In addition to the Sustainable Management Policy mentioned above, other commitments to sustainable development can be accessed from Company's website, covering such themes as Human Rights and Ethics. The Sustainability Reports are published annually according to the recommendations of the Global Reporting Initiative (GRI), Sustainability Accounting Standard Board (SASB) and the framework of International Integrated Reporting Council (IIRC).

Sustainability Forum

ENGIE Brasil Energia Sustainability Forum was set up in 2007 and is currently made up of 12 members drawn from different areas, more especially those related most closely to stakeholders, such as shareholders, clients, suppliers, employees, the media and communities. Coordination is the responsibility of the Administrative Director's Office while one of the Committee members is the Board employees' representative. Among others, the Forum has as its objectives to:

- Contribute towards maintaining the balance of interests of the different stakeholders in relation to the Company;
- Develop awareness programs to propagate concepts and practices of sustainability among both internal and external audiences;
- Contribute to the use of best corporate governance practices; and
- Propose, obtain approval from the Management Board and work on a coordinated basis with the organizational units to achieve the annual corporate sustainability goals ("ENGIE Brasil Energia Sustainability Goals"). These goals are based on four Programs — Cultural Development, Environmental Improvement, Social Inclusion and Education for Sustainability —, with initiatives linked to indicators and weightings so permitting an evaluation at the end of each year.



Estreito HPP – Gotas de Esperança Project

Highlights of the Quarter

- The Company ran an ESG Gap Analysis Tool and a carbon intensity evaluation using the G-Res tool, at the São Salvador Hydroelectric Power Plant, both of which developed by the International Hydropower Association (IHA). These tools are used by the Climate Bond Initiative for the certification and issue of Green and Climate Bonds backed by hydroelectric projects.
- Meetings were held with representatives of city governments in municipalities surrounding the Salto Osório and Salto Santiago hydroelectric power plants for presenting the revision process of the Conservation and Usage Plan for the Areas Adjoining the Artificial Reservoir (Pacuera). The Plan for the Miranda Hydroelectric Power Plant is also undergoing a process of updating, the public consultation stage having been finalized. The Pacuera is an important instrument for understanding between the regulators, Company and community, on multiple uses of the reservoirs.
- The Company's Greenhouse Gas Inventory for 2021 with third party assurance has been published. Available in full at https://www.engie.com.br/uploads/2022/04/Inventario-de-GEE-ENGIE-2021.pdf.
- "White January" was celebrated at the beginning of the year as a month dedicated to reflections and raising awareness as to mental health. As well as specific talks on the theme, additional emphasis was given to the use of the current tools already available to the employees and their family members for psychological support as well as for the adoption of a life style where there is a balance between personal and professional aspects.

Sustainability Indices

Since 2012, it has been standard practice of the Company to include the principal sustainability indicators for each period in its quarterly and annually results presentations. The following table shows the indicators for 1Q22 X 1Q21, associating each indicator with GRI Standards recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index	Material themes	GRI disclosure[4]	1Q22	1Q21	Change
1	Quality	Operating plants	- Economic-financial and operational performance - Decarbonization of own operations and customers	102-7, EU1	76	63	13
2		Installed capacity		102-7, EU1	10,174	10,511	-3.2%
3		Proprietary capacity		102-7, EU1	8,453	8,790	-3.8%
4		Number of certified plants		102-7, EU1, EU6	11	12	-1
5		Certified installed capacity (MW)		102-16, EU6	8,115	8,127	-0.2%
6		Certified installed capacity in relation to the total		102-16, EU6	79.8%	77.3%	2.4 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,829	9,309	5.6%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	96.6%	88.6%	8.0 p.p.
9		Energy generation (GWh)		EU2	7,113	9,938	-28.4%
10		Certified energy generation		102-16, EU6	5,593	8,031	-30.4%
11		Certified energy generation in relation to the total		102-16, EU6	78.6%	80.8%	-2.2 p.p.
12		Energy generation from renewable sources (GWh)		EU2	6,687	8,230	-18.7%
13		Energy generation from renewable sources in relation to the total		EU2	94.0%	82.8%	11.2 p.p.
14		Global uptime ratio		EU30	93.5%	89.7%	3.8 p.p.
15	Environment and climate change	Saplings donated and planted (sum-total of planted and donated saplings)	- Mitigation and adaptation to climate change - Support of communities sustainable development - Biodiversity	304-3, 413-1	60,186	95,077	-36.7%
16		Number of visitors at the plants and environmental education		413-1	19,966	21,172	-5.7%
17		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	1.087	0.932	16.6%
18		CO2 Emissions from Tractebel Energia's generation complex (t/MWh)		D305-1, D305-2, D305-3	0.075	0.160	-53.2%
19	Occupational Heath and Safety (OH&S)[3]	Frequency Rate (FR) operation and maintenance [5]	- Health, safety, well-being and development of employees	403-9	2.461	0.000	↑
20		Severity Rate (SR)) own employees[6]		403-9	0.000	0.000	-
21		Frequency Rate (FR) construction[5]		403-9	0.330	0.572	↓
22		Managerial Safety Visits - VGS		403-9	113	452	Not applic.
23		Registry of Risky and Near Accident Situation		403-9	663	1,429	Not applic.
24	Social Responsibility[7]	Non-incentivized investments	- Support of communities sustainable development - Promotion of human rights and diversity, equity and inclusion	201-1, 413-1	823.7	1,639.5	-49.8%
25		Investments through the Infancy and Adolescence Fund (FIA)		201-1, 413-1	136.0	244.0	-44.3%
26		Investments through the Culture Incentive Law (Rouanet)		201-1, 413-1	1,423.8	810.8	75.6%
27		Investments through the Sport Incentive Law		201-1, 413-1	94.0	147.1	-36.1%
28		Investments through National Program of Support to Oncology Care (Pronon)		201-1, 413-1	0.0	0.0	-
29		Investments through the National Care Support Program for People with Special Needs (Pronas/PCD)		201-1, 413-1	0.0	0.0	-
30		Investments through the Municipal Fund for the Elderly		201-1, 413-1	38.5	0.0	-

Notes:

1 Additional information regarding the sustainability at the Company are available at Sustainability Report (www.engie.com.br/en/investors/financial-information).

2 Reference: ENGIE Sustainable Management Policy.

3 The Health and Safety indicators underwent a methodological change at the beginning of 2021, which is why there are no comparisons with previous periods.

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 thousand hours of exposure to hazards.

7 Amounts in thousands of reais.


Trairi Wind Complex – Irmã Vanda Project

Corporate Governance

The Company seeks to regularly improve its management mechanisms, with optimization of control procedures, compliance and transparency. It is a component of the Novo Mercado, the listing segment for companies with the highest level of corporate governance trading their shares on the Stock Exchange. The Company has an Audit Committee composed of three members, two of whom are independent members of the Board of Directors. The aim of the Committee is to advise the Board of Directors on the financial statement's evaluation, ethical matters, internal controls, the internal and external audit and risk management. On another related front, the management of corporate compliance procedures was improved, implementing three policies to give greater transparency to the activities and procedures of senior management: Nomination, Remuneration and Evaluation.

Additionally, the Company is a component of the Stock Exchange Sustainability Index (ISE). ENGIE Brasil Energia's Board of Directors comprises nine effective members, one representing the employees while three are independent directors. None of the Board members hold executive positions in the Company and consequently the Chairman of the Board does not occupy the position of Chief Executive Officer. With the exception of the member chosen by the employees, all are elected by the shareholders at the Annual General Meeting.

A Code of Ethics provides the basis of conduct at the Company: a public document available from its website. The Company also has an Ethics Forum responsible for constantly updating the Code and for evaluating ethical issues. **In 2021, ENGIE Brasil Energia signed up to the Brazilian Business Pact for Integrity and against Corruption:** an initiative of the Ethos Institute, in association with the United Nations Global Compact, of which ENGIE Brasil Energia has been a signatory since launch. In 2020, ENGIE Brasil's ISO 37001 certification was ratified, this evaluating the requirements and providing guidance in order to establish, implement, maintain, revise, and improve the corporate antibribery management system.

ENGIE Brasil Energia's dividend policy establishes a minimum mandatory dividend of 30% of net income for the fiscal year, adjusted pursuant to Law 6,404/76. In addition, the Company policy determines the intention of paying in each calendar year dividends and/or interest on shareholders' equity for a value of not less than 55% of adjusted net income in the form of semi-annual payouts.

With respect to the asset transfer model and other transactions with related parties, ENGIE Brasil Energia and its controlling shareholder understand that its existing corporate governance standards should be raised even further. Among the initiatives implemented stands out the creation, by means of adaptation to the Company's Bylaw, of the Special Independent **Committee for Valuation of Transactions with Related Parties**, a non-permanent body, which, when called, will be composed in its majority by independent directors of the ENGIE Brasil Energia's Board. This Committee was instrumental in the acquisition of the stake in Transportadora Associada de Gás (TAG).



Florianópolis Administrative Headquarters

Capital Markets

Since its listing on B3's Novo Mercado, ENGIE Brasil Energia has become a component of the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG), incorporating those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake. The Company's shares are also included in the Corporate Sustainability Stock Index (ISE), comprising companies with a recognized commitment to social and corporate responsibility, as well as the Electric Energy Stock Index (IEE), which is a sector index made up of the more significant listed companies in the industry. The Company' shares are also traded on B3's leading stock index – the Ibovespa and on Euronext-Vigeo EM 70 — a stock index made up of companies with a premium performance in corporate responsibility in developing countries. Vigeo is the leading constituent agent for ratings of corporate social responsibility and analyzes approximately 330 indicators.

ENGIE Brasil Energia's shares are traded on the B3 under the **EGIE3 symbol**. On the United States Over-The-Counter (OTC) market, the Company's Level 1 American Depositary Receipts (ADR) are traded under the **EGIEY Code**, one ADR being equivalent to one common share.

Share Performance – EGIE3

In the first quarter 2022, the Brazilian financial market was characterized by the appreciation in the Real against the US Dollar – a direct reflection of the hike in commodity prices on the global market, pressured due to conflict in eastern Europe, — and by the positive performance of the Ibovespa (the leading Brazilian stock exchange index) — in response to higher interest rates in the domestic market, — Brazil being seen as attractive by foreign investors, despite continuing concern on the levels of public debt affecting credibility. And we cannot fail to mention the lifting of Covid-19 restrictions in place since the outbreak of the pandemic, raising the prospects of a resumption in production, sales and services in Brazil as well as above the expected rainfall for the period, replenishing reservoirs and eliminating the need for rationing in 2022.

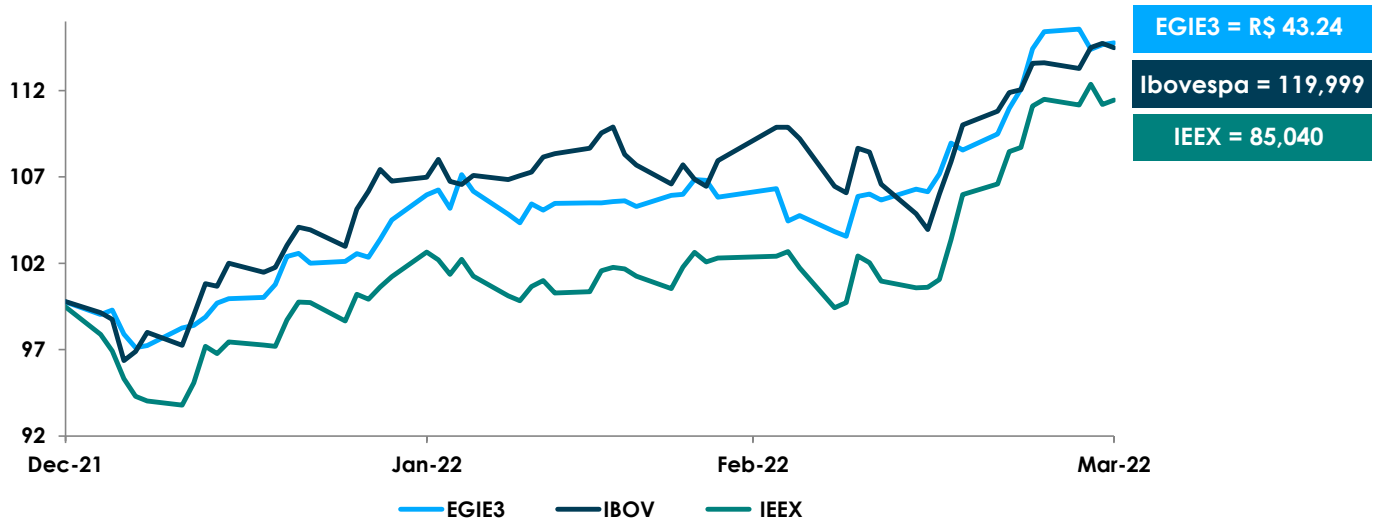
ENGIE Brasil Energia's shares appreciated 14.8% in the first quarter of 2022, slightly above the Ibovespa, which closed 14.5% up reaching practically the 120 thousand points mark. Meanwhile, the Electric Energy Stock Index (IEEX) recorded an appreciation of 11.5% in the same period, reflecting an improvement in hydrological conditions nationwide.

EGIE3 recorded an average daily trading volume of R$ 55.0 million in the 1Q22, 28.2% lower than in 1Q21 when the volume was R$ 76.6 million.

On the last trading day in March 2022, the closing price of the Company's shares was R$ 43.24/share**, translating into a market capitalization of R$ 35.3 billion.**

ENGIE Brasil Energia's equities appreciated 14.8% in 1Q22, above the Ibovespa which closed up at 14.5% and the IEE which reported a gain of 11.5%.

EGIE3 vs. Ibovespa vs. IEEX
(Base 100 – 12/31/2021)





Upcoming Event

ENGIE Brasil Energia will be holding the following event to discuss the earnings results:

Earnings Release Video Conference

(In portuguese - simultaneous translation into English)

Date: May 6, 2022

Time: 10:00 a.m. (EDT) / 11:00 a.m. (BRT)

Link to connection:
https://tenmeetings.com.br/ten-events/#/webinar?evento=Engie-1T22_385

Important

This release contains information and opinions on future events subject to risks and uncertainties, which are based on current forecasts, projections and tendencies in relation to the Company´s businesses. Innumerous factors can affect the estimates and assumptions on which these opinions are based. For this reason, the estimates and forward looking statements in this release may not become a reality. In the light of these restrictions, shareholders and investors should not adopt any decisions based on estimates, projections and forward looking statements contained in this release.

ATTACHMENT 1

ENGIE BRASIL ENERGIA S.A.

CONSOLIDATED BALANCE SHEET — ASSETS

(In thousands of R$)	03/31/2022	12/31/2021
Current Assets	**8,048,054**	**8,517,934**
Cash and cash equivalents	4,587,654	5,156,406
Accounts receivables from clients	1,202,250	1,114,105
Credit of income tax and social contribution	240,763	248,324
Inventory	152,184	151,146
Unrealized gains on hedging transactions	12,150	42,577
Unrealized gains on trading transactions	183,850	206,647
Restricted deposits	654,614	638,606
Risk premium to appropriate - Hydrological risk renegotiation	15,089	15,089
Concession financial assets	344,136	333,638
Contractual assets	458,025	387,529
Other current assets	192,762	219,290
Non current asset held for sale	4,577	4,577
Non Current Assets	**31,557,090**	**29,597,791**
Long Term Assets	**8,957,115**	**8,668,982**
Unrealized gains on hedging transactions	-	184,155
Unrealized gains on trading transactions	96,685	100,523
Restricted deposits	291,711	265,432
Deposits in court	82,814	79,198
Risk premium to appropriate - Hydrological risk renegotiation	81,735	85,507
Concession financial assets	2,794,630	2,729,112
Contractual assets	5,328,718	4,936,101
Other non current assets	280,822	288,954
Investments	**3,035,800**	**2,366,708**
Property, Plant and Equipment	**15,366,665**	**14,378,787**
Intangible	**4,024,857**	**4,038,156**
Right of use of leases	**172,653**	**145,158**
Total	**39,605,144**	**38,115,725**

ATTACHMENT 2

ENGIE BRASIL ENERGIA S.A.

CONSOLIDATED BALANCE SHEET — LIABILITIES

(In thousands of R$)	03/31/2022	12/31/2021
Current Liabilities	**5,791,562**	**5,775,159**
Suppliers	609,664	649,962
Dividends and interest on shareholder´s equity	9,612	56,558
Loans and financing	2,657,359	2,848,070
Debentures	625,163	542,864
Lease liabilities	22,838	19,568
Concessions payable	280,196	274,071
Tax and social contribution obligations payable	163,092	82,443
Other fiscal and regulatory obligations	103,832	106,555
Labor obligations	185,523	171,232
Unrealized losses on trading transactions	170,202	190,348
Provision	19,969	22,060
Obligations related to retirement benefits	54,245	42,064
Other current liabilities	889,867	769,364
Non Current Liabilities	**25,450,361**	**24,407,969**
Loans and financing	11,153,448	10,749,031
Debentures	6,156,720	5,994,752
Redeemable preferred shares	524,909	510,160
Lease liabilities	134,255	106,816
Concessions payable	4,735,336	4,544,720
Unrealized losses on trading transactions	77,709	80,414
Provision	378,781	370,767
Obligations related to retirement benefits	410,866	421,947
Deferred income taxes and social contribution	1,480,796	1,504,825
Other non current liabilities	397,541	124,537
Shareholders' Equity	**8,363,221**	**7,932,597**
Share capital	4,902,648	4,902,648
Capital reserve	(192,449)	-
Net income reserves	2,670,980	2,695,290
Adjustment on fixed asset	320,696	331,070
Retained earnings	657,425	-
Non controlling interests	3,921	3,589
Total	**39,605,144**	**38,115,725**

ATTACHMENT 3

ENGIE BRASIL ENERGIA S.A.

CONSOLIDATED INCOME STATEMENT

(In thousands of R$)	1Q22	1Q21	Chg. %
Net Operational Revenue	**3,062,301**	**3,249,940**	**-5.8**
Operational Costs	**(1,535,308)**	**(1,846,405)**	**-16.8**
Electric power purchases	(575,931)	(432,452)	33.2
Transactions in the short term energy market	(79,222)	(71,270)	11.2
Charges for the use of and connection to the electricity grid	(148,859)	(142,209)	4.7
Fuel expenses	(41,520)	(125,388)	-66.9
Financial compensation for use of hydro resources (royalties)	(20,389)	(25,774)	-20.9
Personnel	(49,172)	(68,176)	-27.9
Materials and third-party services	(85,017)	(92,301)	-7.9
Depreciation and amortization	(240,825)	(224,975)	7.0
Insurance	(18,903)	(20,768)	-9.0
Reversals of operating provisions, net	5,057	7,114	-28.9
Cost of implementing transmission infrastructure	(264,642)	(680,416)	-61.1
Cost of selling photovoltaic solar panels	(1,908)	(4,973)	-61.6
Hydrological risk renegotiation	-	51,961	-100.0
Others	(13,977)	(16,778)	-16.7
Gross Income	**1,526,993**	**1,403,535**	**8.8**
Operating Income (Expenses)	**(58,068)**	**(70,676)**	**-17.8**
Selling, general and administrative expenses	(70,550)	(70,101)	0.6
Reversal (Constitution) of impairment	107,264	-	100.0
Disposal of subsidiary	(94,430)	-	-100.0
Other operating (expenses) revenues, net	(352)	(575)	-38.8
Result of corporate participations	**172,566**	**174,529**	**-1.1**
Equity income	172,566	174,529	-1.1
Income Before Financial Result and Taxes	**1,641,491**	**1,507,388**	**8.9**
Net Financial Result	**(824,287)**	**(832,306)**	**-1.0**
Financial income	149,914	24,903	502.0
Financial expenses	(974,201)	(857,209)	13.6
Income Before Taxes	**817,204**	**675,082**	**21.1**
Income tax	(119,939)	(102,712)	16.8
Social contribution	(52,213)	(43,260)	20.7
Net Income for the Period	**645,052**	**529,110**	**21.9**
Income allocated to:			
ENGIE Brasil Energia's shareholders	644,720	528,801	21.9
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	332	309	7.4
Number of Ordinary Shares	**815,927,740**	**815,927,740**	
Net Income per Share	**0.7902**	**0.6481**	**21.9**

ATTACHMENT 4

ENGIE BRASIL ENERGIA S.A.

CONSOLIDATED STATEMENT OF CASH FLOW

(In thousands of R$)	3M22	3M21
Cash Flow from Operating Activities		
Income before taxes on income	817,204	675,082
Reconciliation of net income with operating cash flow:		
Equity loss	(172,566)	(174,529)
Depreciation and amortization	249,026	230,675
Impairment Reversal	(107,264)	-
Renegotiation of hydrological risk	-	(51,961)
Monetary variation	456,557	507,957
Interests	487,793	335,077
Subsidiary sale	94,430	-
Contract asset remuneration	(248,573)	(137,766)
Remuneration of financial concession asset	(154,213)	(127,678)
Unrealized losses (gains) on trading operations, net	3,784	(5,620)
Others	(21,345)	(4,458)
Adjusted Net Income	**1,404,833**	**1,246,779**
(Increase) reduction in assets		
Accounts receivables from clients	(72,810)	220,318
Tax credits recoverable	5,564	18,015
Deposits in court and restricted deposits	(4,052)	13,478
Financial concession asset	78,197	72,172
Contract assets	(214,540)	(702,242)
Other assets	93,375	40,074
(Reduction) increase in liabilities		
Suppliers	(107,884)	(34,376)
Other fiscal and regulatory obligations	(3,847)	(595)
Labor obligations	15,475	20,844
Obligations related to retirement benefits	(10,387)	(8,593)
Other liabilities	8,859	(20,458)
Cash Generated from Operating Activities	**1,192,783**	**865,416**
Payment of interests on debt, net of hedge	(153,123)	(64,080)
Payment of income tax and social contribution	(192,144)	(190,297)
Net Cash from Operating Activities	**847,516**	**611,039**
Investments Activities	**(540,755)**	**(233,319)**
Dividends received from joint ventures	-	32,501
Used in fixed assets and intangibles	(86,610)	(265,845)
Acquisitions of subsidiaries	(656,157)	-
Cash and cash equivalents from acquired subsidiaries	199,870	
Others	2,142	25
Financing Activities	**(875,513)**	**(602,644)**
Loans and financing contracted	-	871,039
Payment of loans and financing, net of hedge	(73,264)	(67,899)
Payments of concessions payable	(71,273)	(59,380)
Payments of dividends and interest on shareholders' equity	(694,473)	(1,250,462)
Payments of leases	(3,780)	(5,532)
Debt servicing deposits	(32,723)	(90,684)
Others	-	274
Increase in Cash and Cash Equivalents	**(568,752)**	**(224,924)**
Reconciliation of Cash and Cash Equivalents		
Opening balance	5,156,406	4,538,946
Closing balance	4,587,654	4,314,022
Increase in Cash and Cash Equivalents	**(568,752)**	**(224,924)**
Transactions that do Not Affect Cash and Cash Equivalents		
Interim dividends	638,669	-
Unclaimed dividends and interest on equity	7,817	6,829
Net assets of subsidiaries acquired	499,414	-
Constitution of capital reserve	192,449	
Credit of income tax and social contribution	(10,961)	328
Supplier's of fixed assets and intangibles	37,026	(34,179)
Capitalized interest, monetary variation and depreciation	14,002	37,934
Provisions for expropriations without cash effect in construction of transmission	-	1,997