INSIDE ENGIE 2020

VIRTUAL

December 11



Capital Allocation

Guilherme Ferrari - Chief Officer for New Businesses, Strategy and Innovation

Marcelo Malta - Chief Financial Officer

ENGIE

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What are the factors guiding our capital allocation?



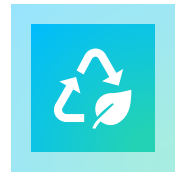
Strategic alignment



Generation of future cash via organic growth and acquisitions which generate value



Risk management



ESG – Socio-environmental auditing of the projects



Raising of competitive financial resources



Continued AAA credit rating



Minimum payout of 55% of net income

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Gas Industry Outlook and Effects on TAG

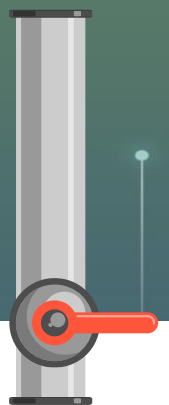
Ovidio Quintana - Commercial and Regulatory Director
Eduardo Takamori - Manager of Market and Regulatory Affairs

TAG

TAG

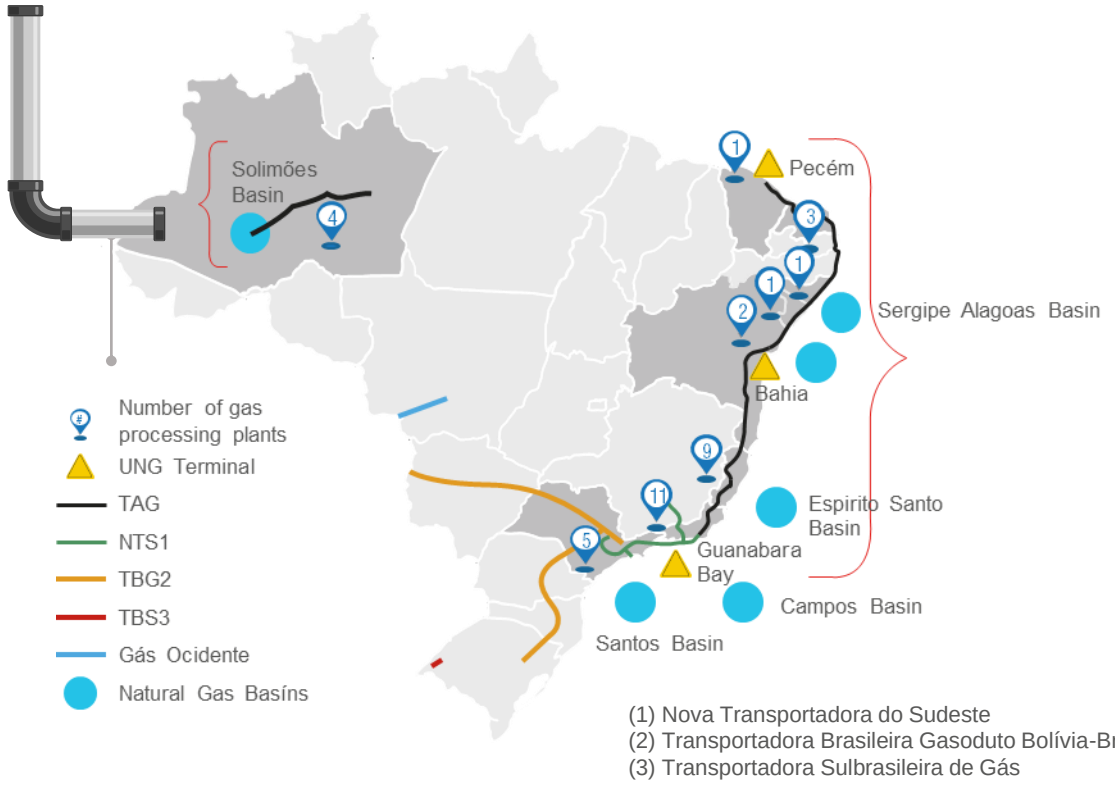
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Inside TAG



Main characteristics of the assets

THE LONGEST NATURAL GAS TRANSMISSION NETWORK IN BRAZIL



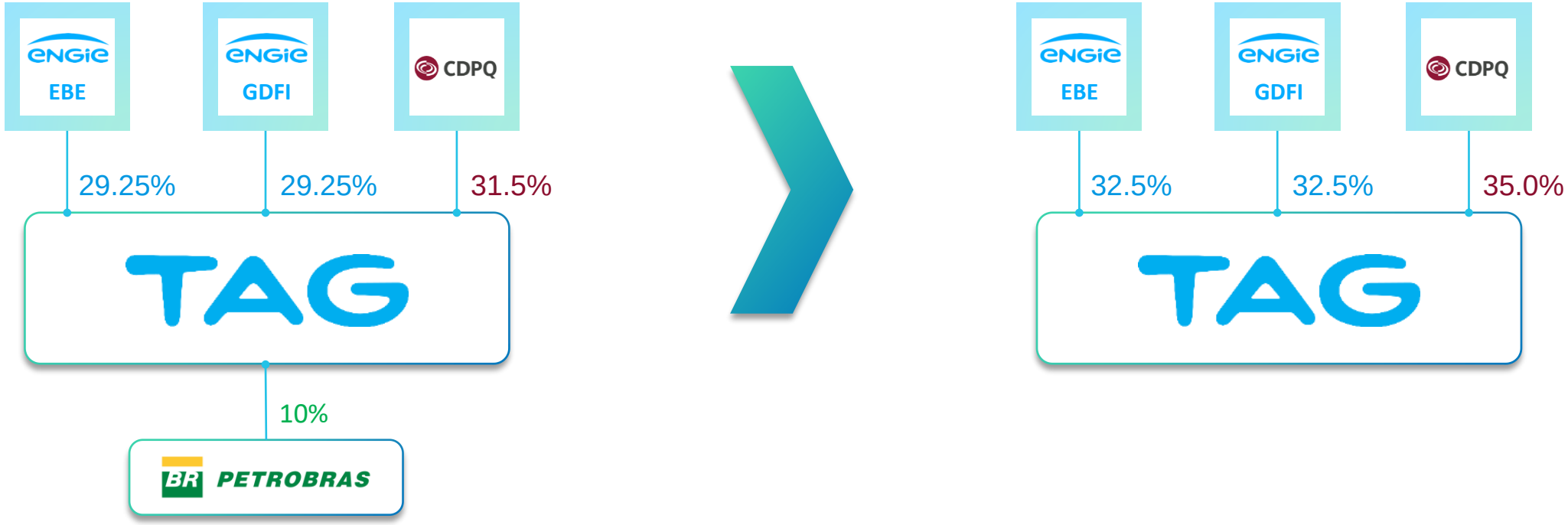
(1) Nova Transportadora do Sudeste
(2) Transportadora Brasileira Gasoduto Bolívia-Brasil
(3) Transportadora Sulbrasileira de Gás

- Largest Brazilian gas transmission company **in terms of length**
- **~4,500 km of high-pressure gas pipelines** on the Northeast seaboard (3,700 km) and in the Amazon region (800 km)
- **11 compression stations** (6 proprietary and 5 subcontracted)
- Network with **several interconnection points:**
  - 10 gas distributors
  - 91 delivery points
  - Supplying refineries, fertilizer plants and electric power plants
  - 12 gas entry points (including 2 LNG terminals already connected + 2 with a potential connection)
  - Opportunities for connection of new offshore (Pre-Salt + Sergipe Alagoas basin) and onshore (REATE) offers

Shareholding structure

ACQUISITION OF THE **REMAINING 10% OF PETROBRAS** CONCLUDED IN JUNE 2020.

TAG BECOMES THE 1ST GAS TRANSMISSION COMPANY TO BE **100% PRIVATE SECTOR OWNED IN BRAZIL**



Non-recourse financing

FINANCING TOTALLY BASED ON CASH FLOW GENERATED BY THE ASSET

- **Largest non-recourse financing in Brazil** (~ USD 6 billion)
- Key to increased **competitiveness in the "bid"**
- Financing in BRL:
  - Debenture issue
  - Financed by 3 local banks
  - Total amortization for a term of 7 years
- Financing in USD:
  - Fully matched with GTA indexed in USD
  - Financed initially by 7 international banks and subsequent syndication including a further 6 financial institutions
  - Amortization with a duration of 8 years

R$ 14 billion

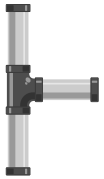
bradesco · Itaú · Banco do Brasil

USD 2.45 billion

Crédit Agricole · Societe Generale · ING · MUFG · BNP Paribas · Mizuho · Santander · CIC · SMBC · Allianz Global Investors · ABN·AMRO · Intesa Sanpaolo

Seine River Funding LLC

Commercial agreements



ATTRACTIVE CONTRACTUAL FRAMEWORK

Current contracts with an average residual term of 11 years

Pipelines	Length [km]	Agreement maturity	Authorization term	Contracted volumes [MMm³/day]
Gasene	~1,400	Nov. 2033	Mar. 2039	30.3
Malha NE	~2,000	Dec. 2025	Mar. 2039	21.6
Pilar-Ipojuca	~200	Nov. 2031	Nov. 2041	15.0
Urucu-Coari-Manaus	~800	Nov. 2030	Nov. 2040	6.7*
Lagoa Parda Vitoria	~100	Pending signature	Mar. 2039	0.7
Total	**~4,500**			**~74**

(1) * up to 01/01/2020

Stable Net Revenue based on Transmission Tariffs in medium-/long-term Gas Transmission Agreements (GTAs) with **ship-or-Pay clauses**

Agreements readjusted annually at Brazilian inflation and BRL/USD exchange rate (~65% IGP-M, ~16% IPCA and 19% FX)

- **After the maturity of the existing agreements:**
  - new tariffs will be proposed by TAG and approved by the ANP(1), based on a maximum allowed revenue
  - Start of five-year tariff review cycle
  - Public offer of transmission capacity
- **Potential expansion of the commercial portfolio:**
  - Access of new agents in the short-term using existing infra
  - New investments for expanding transmission infrastructure
  - Additional connections (thermo-electric power plants, re-gasification terminals, distributor intakes, free consumers…)
  - Development of gas storage: important flexibility for E&P (associated gas) and electricity generation.

(1) ANP = National Petroleum Agency

Principal financial data

HIGH EBITDA MARGIN AND OPTIMIZED CAPITAL STRUCTURE

Principal Financial Indicators

Net revenue:
5.2 BBRL
(2019 data)

EBITDA Margin:
>85%

Total assets: 35.2 BBRL (Dec/19)

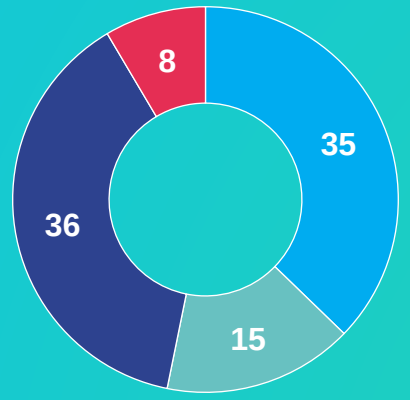
Equity: 9.8 BBRL (Dec/19)

Net debt: 23.2 BBRL (Dec/19)

Dividend Payout

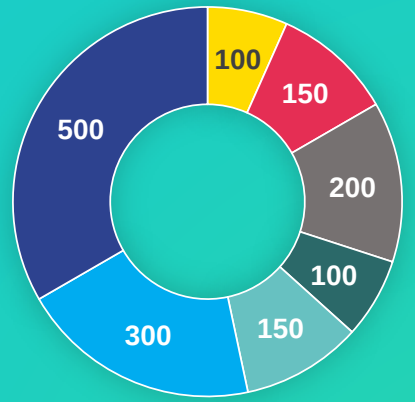
- Dec/2019: 1,200 MBRL
- Jun/2020: 1,100 MBRL

CAPEX 2020
(Jan-Nov) - MBRL 94

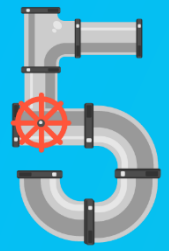


Estimated CAPEX*
2021-2025 MBRL 1,500

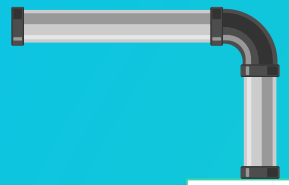
** Subject to the Regulatory Validation process*



Creation of the identity and new culture



STRATEGIC OBJECTIVES **2020**



1. **CREATE VALUE** FOR THE SHAREHOLDERS IN A SUSTAINABLE WAY
2. **CONSOLIDATE THE COMPANY'S STRUCTURE**, FOCUSING ON PEOPLE, PROCESSES AND SYSTEMS
3. **TO HAVE GREATER CONTROL OVER THE OPERATION**, ENSURING UPTIME OF PIPELINE NETWORK AND INTEGRITY OF THE ASSETS
4. **TO ENSURE ETHICS AND ATTENDING AT HIGH STANDARDS OF SMS**, FOSTERING THE DEVELOPMENT OF THE TAG CULTURE
5. **TO BE RECOGNIZED BY THE STAKEHOLDERS AS A** BENCHMARK COMPANY IN THE GAS MARKET

MISSION

To transmit energy safely, integrating the natural gas market for the sustainable development of society.

VISION

To spearhead the transformation of the natural gas market connecting energy to life.

Initiatives during the pandemic

CARE WITH THE HEALTH AND SAFETY OF EMPLOYEES AND PARTNERS.
CONTINUITY OF THE GAS TRANSMISSION OPERATIONS, AN ESSENTIAL ACTIVITY FOR SOCIETY.
UNION OF EFFORTS WITH PARTNERS IN SOLIDARITY INITIATIVES.

SOLIDARITY ACTIONS

Donation of **more than R$ 1 million to Fiocruz** for the installation of the Covid-19 Molecular Diagnostics Support Unit in Bahia State.





North

- Donation of 2,500 basic basket of goods, 10,000 units of individual protection masks and 2,500 units of alcohol gel.
- Partners: Transpetro, Mesa Brasil of Sesc and Brazilian Navy.

Espírito Santo State

- Improvement work for the Areal community.
- Donation of 728 basic basket of goods.
- Partners: ENGIE and Transpetro.



ENVIRONMENTAL INITIATIVES

Start made on monitoring fauna along the Catu-Carmópolis gas pipeline







TAG

2

New Gas Market



73.58 million m³/day

Contracted natural gas transmission capacity

STRATEGIC INFRASTRUCTURE FOR THE DOMESTIC MARKET:

The TAG network with 12 Active Gas Entry Points as well as new potential: LNG, Offshore & Onshore Gas (REATE)

Bi-directional gas pipelines permits the supply of the Southeast Region from injections in the TAG Network

Covering variations in dispatch of the electric energy sector can represent up to 50% of the gas transported

Infrastructure with capacity to meet the Daily and Intra-daily variations in the market

Contractual Indicators – 2020 (up to October)

Contract/ Section	QDC (MMm³/day)	QDC %	Share of revenue (%)	Average Transmission (MMm³/day)	Maximum Transmission Recorded (MMm³/day)	Date Maximum Recorded
Gasene Sul	20.00	27.18	20.44	7.19	14.46	10/14/2020
Gasene Norte	10.30	14.00	16.57	8.15	15.22	10/20/2020
Malha Nordeste	21.58	29.33	22.68	16.35	23.71	01/22/2020
Pilar-Ipojuca	15.00	20.39	5.95	5.03	7.81	02/21/2020
Urucu-Manaus	6.70	9.10	34.36	5.04	5.64	02/14/2020
Total	**73.58**	**100.00**	**100.00**	**41.77**	**66.84**	-

HIGHLIGHTS

- **Revenue based on availability of the network for meeting agents' requirements**
- **High level of contractual use of the network even in a year affected by the pandemic**
- **Uptime and Reliability for serving the market (24 x 7 regime)**

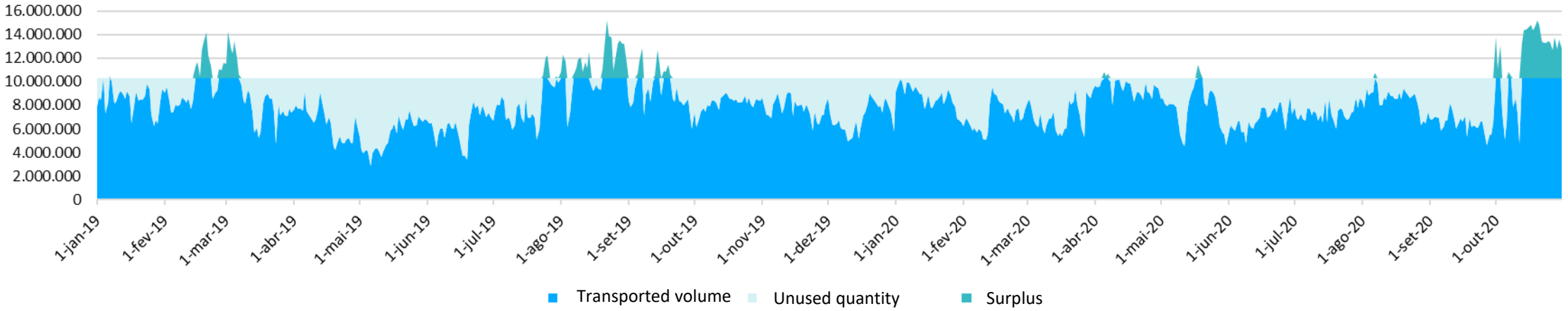
Flexibility to connect offerings in the integrated network industry



TAG operates as an agent of flexibility for the national system with the strategic function of covering fluctuations in demand from the southeast region, particularly significant with the opening of the market

Gasene Norte

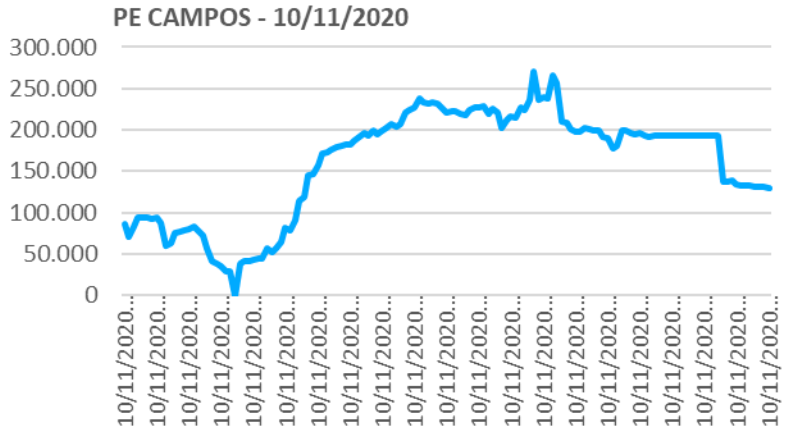
Gas transported x Unused quantity
(Monthly average Mm^3/d)



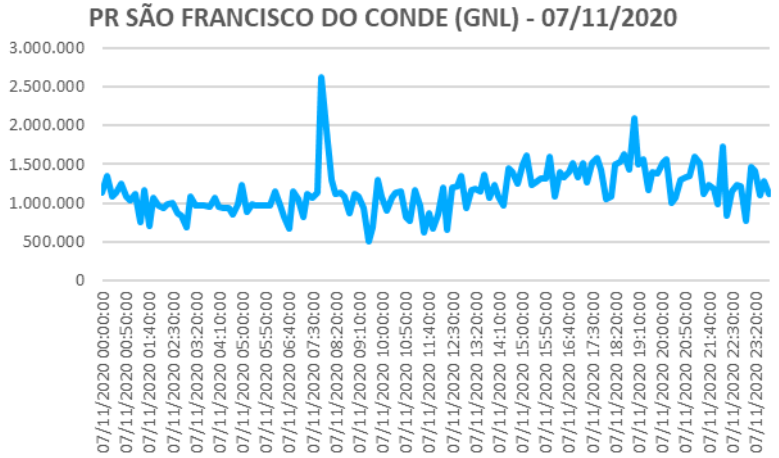
Flexibility to meet agents' operational needs



FLEXIBILITY IS ESSENTIAL FOR MARKET SERVICE
Examples of intra-day variations in receiving points and delivery points throughout the TAG network



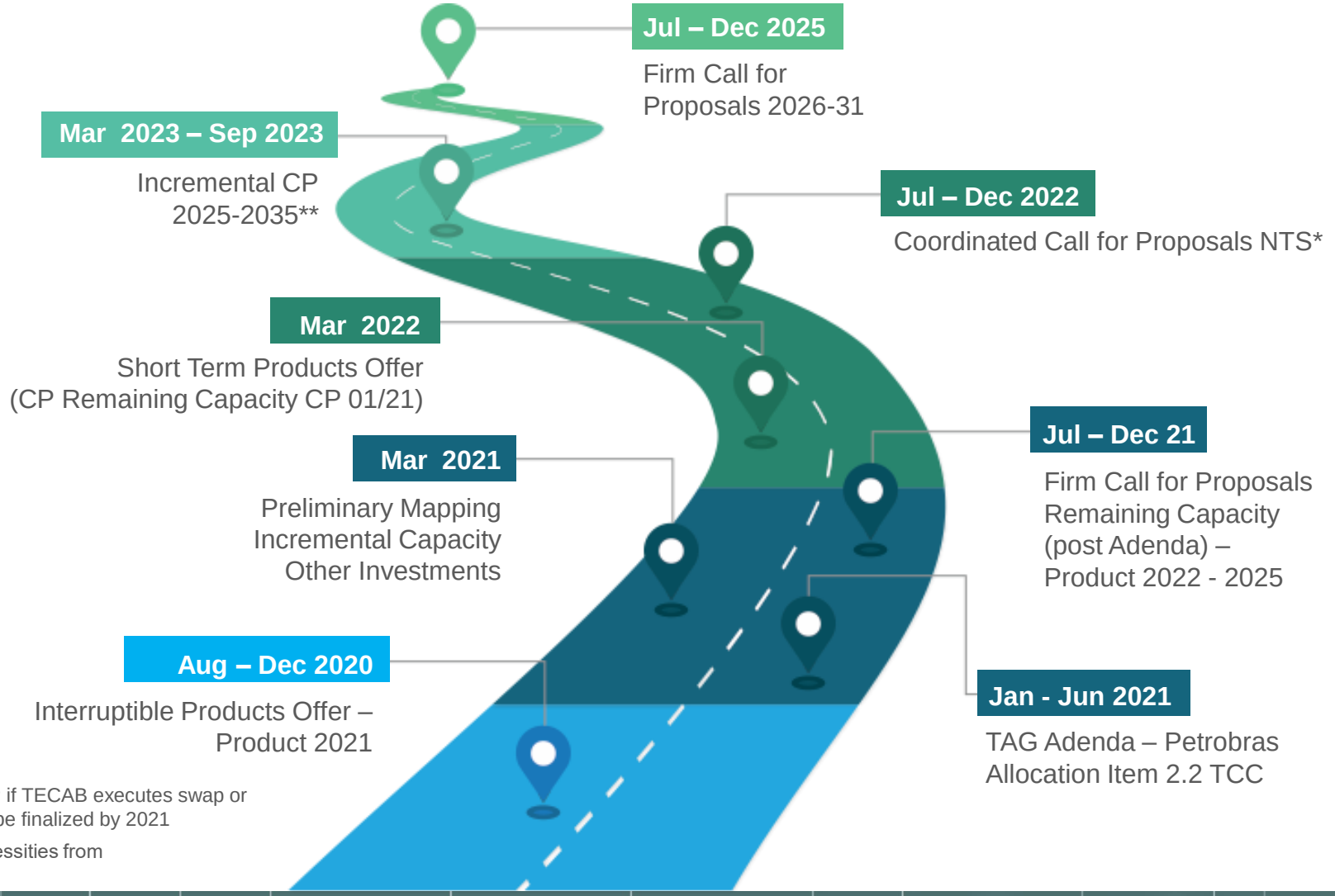
Type	Date	Output (m³/d)
Month Average	-	156,018
Max. Day Average	11/13/2020	174,857
Maximum Intraday	11/10/2020 14:50:00	270,541
Minimum Intraday	11/10/2020 04:00:00	0



Type	Date	Output (m³/d)
Month Average	-	1,212,598
Max. Day Average	11/09/2020	1,639,225
Maximum Intraday	11/07/2020 07:50:00	2,627,796
Minimum Intraday	11/07/2020 09:30:00	498,856

Access to the Gas Transmission System – Chronological Road Map

- **30 agents** have already expressed an interest in access to TAG's network
- **More than 10 investment projects** requested by new agents at the analysis phase
- **2 investment projects** at development phase for permitting access to new entrants
- **More than 50 of Petrobras' disinvestment projects** are connected to TAG's Network generating opportunities along the natural gas chain

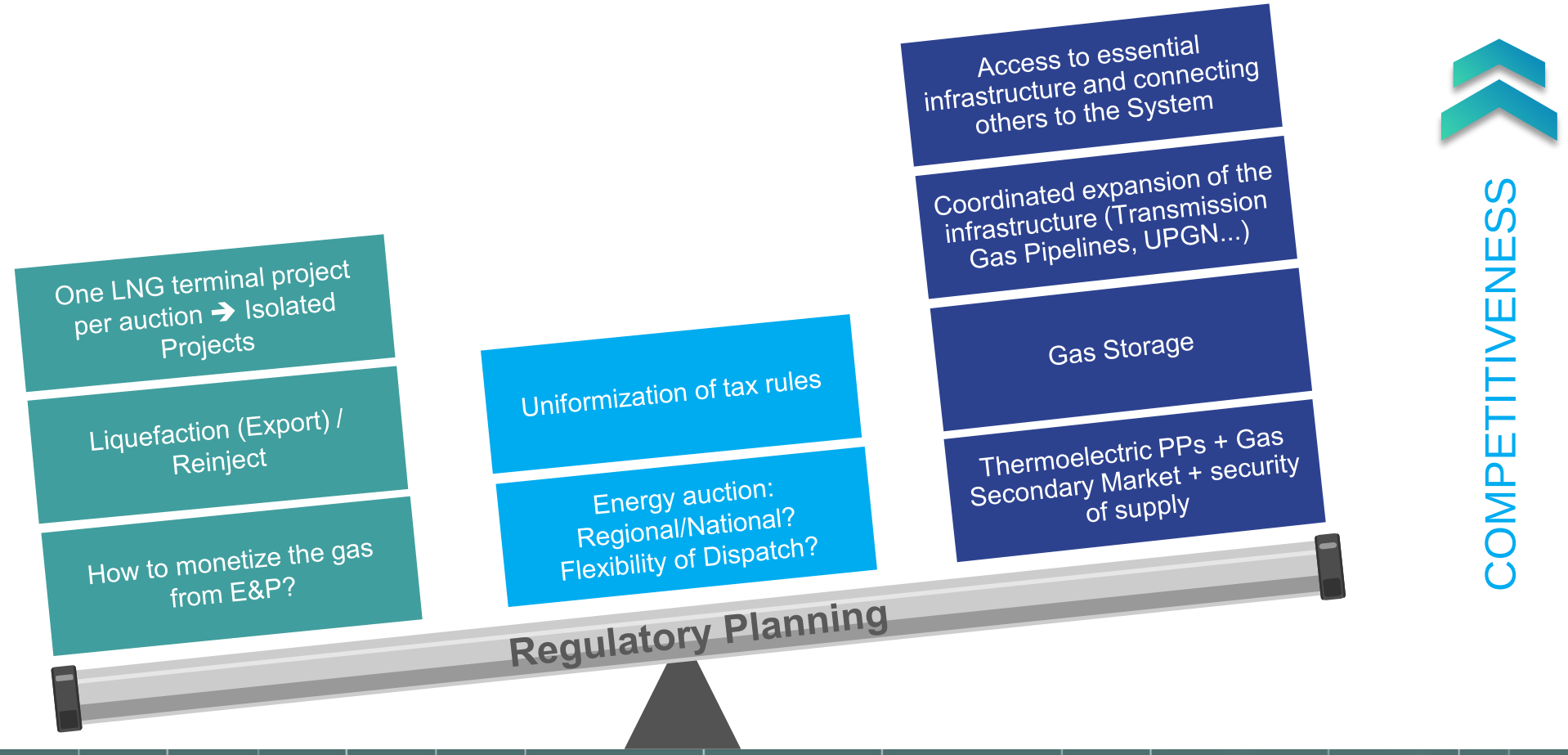


* Can be anticipated together with the Remaining CP if TECAB executes swap or if the independent physical interconnection were to be finalized by 2021

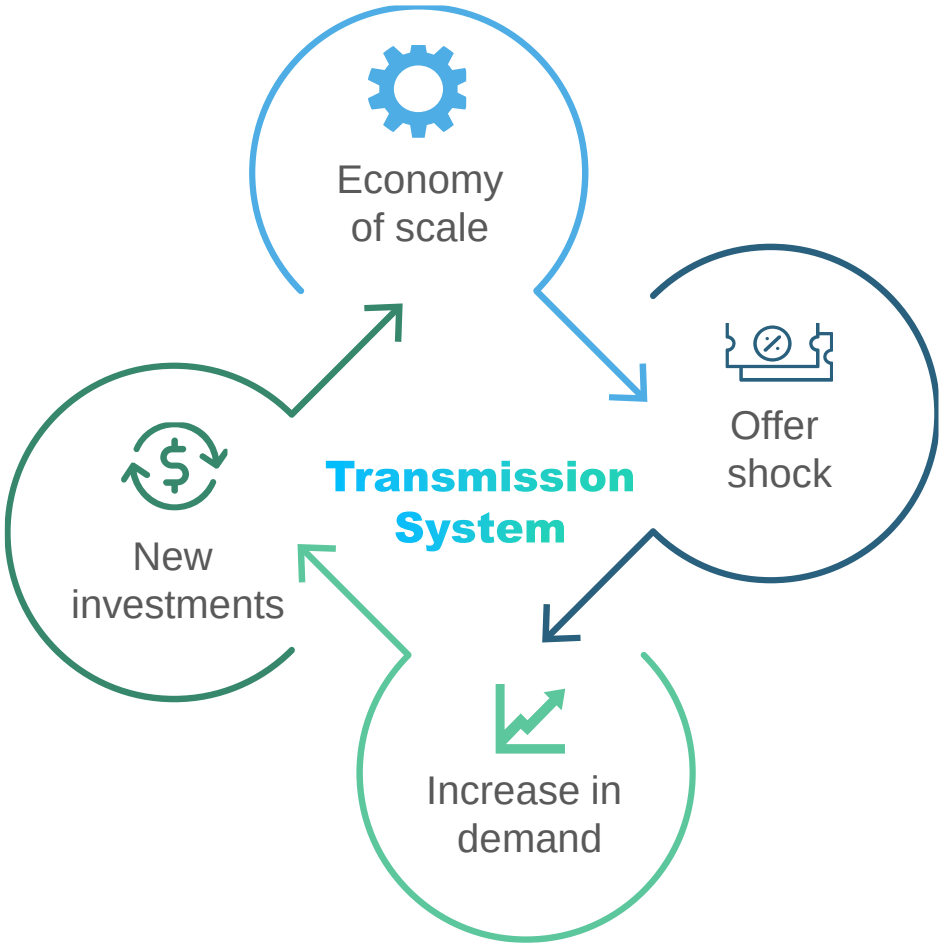
** Could be anticipated, contingent on the agents' necessities from September/October-21

Challenges of the New Gas Market

Verticalized Market » **Integrated Market**



Virtuous circle of the New Gas Market

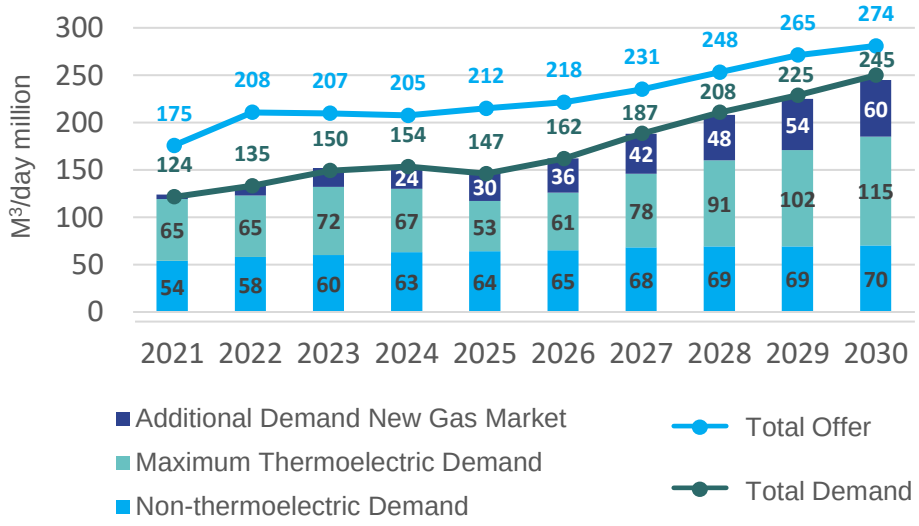


GAS

as an important raw material in the development of the Brazilian energy matrix

Natural gas balance – total Brazil

New Gas Market Sensibility



Source: EPE – Studies of the Decennial Energy Expansion Plan 2030

Final Considerations/Highlights

- The transmission sector has a fundamental role in the opening of the natural gas market in Brazil
- It represents the principal connecting axis of the offers which guarantee the possibility of competition in the molecule
- The integrated development of the network industry (transmission and distribution) renders the tariff modicity for the agents by ensuring the optimization in the use of these infrastructures
- The New Gas Law approved by the Lower House represents the consensus of various sectors following ample debate over the past few years
- The sustainable development of the natural gas market is an important economic sign for attracting new investments in network infrastructure

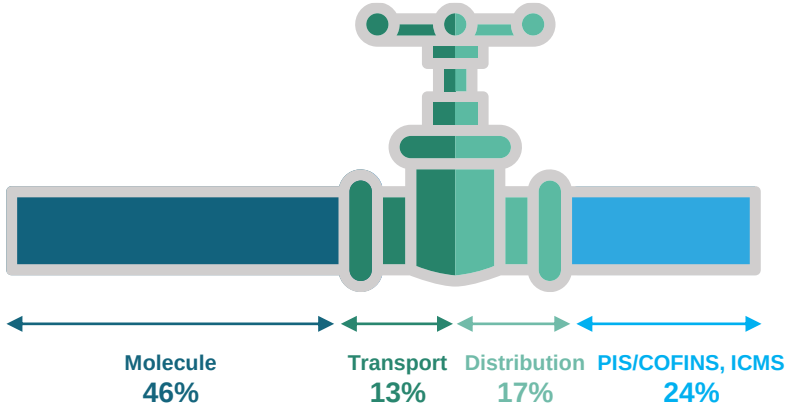


Figure 5. Average price composition to the final consumer (average 2018)
Source: inhouse preparation from MME (2019) data.
Note: average distribution margin in Brazil to consumer in the region of 50 thousand m3/d.

TAG

www.ntag.com.br

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Flamengo - Rio de Janeiro - RJ

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Digital Transformation – Advances and Opportunities

Luciana Nabarrete - Chief Administrative Officer

Gabriel Mann - Chief Commercialization Officer

Marcos Keller - Chief Regulation and Market Officer

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Trajetory | Combating COVID

1 HEALTH AND EMERGENCY PREVENTION

Tests, masks, gloves, alcohol gel and sanitary barriers

2 CLEAR AND PRECISE INFORMATION

Communities, guidance and information on safety and prevention

3 SUBSISTENCE AND BASIC SUPPORT

Solidarity campaigns and donation of basic basket of goods

4 HEALTH STRUCTURES

Beds, medications, ventilators, EIPs, training and R&D for vaccine

5 INCOME GENERATION

Commitment to local initiatives and cultural sponsorships for guaranteeing jobs

6 STIMULATING AND FOSTERING

Operating through corporate networks and recovery in the economy (Estímulo RJ, Estímulo SC and Lide Solidariedade SC)

People | Scenario 2020 (as at 12.07)

347 projects and actions supported during 2020

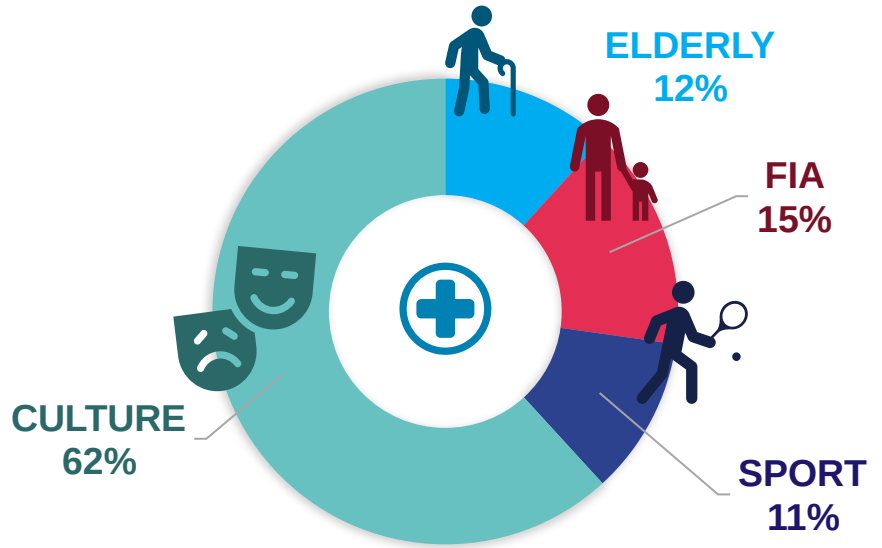
64 projects sponsored by incentivized resources

283 donations and projects supported with **non-incentivized resources + COVID initiatives**

30% used in institutional sponsorships

INCENTIVIZED PROJECTS
R$ 10.8 million

NON-INCENTIVIZED PROJECTS + COVID
R$ 7.1 million



***Pronon and Pronas approved projects will be published by December 11, 2020**

Planet | Scenario 2020

+ R$ 30 million invested in socio-environmental programs linked to the licensing processes

+ 250 Head Water Springs protected
(+ 1900 headwater springs protected over the course of the years)

+ R$ 10 million approved for Special Projects (R&D and Inove)

7 Environmental Licenses obtained or renewed
(total of 76 licenses and +1,500 conditionalities)

+ 6,500km reservoir margins inspected + 200 property/environmental-related incidents – APP's 30kha – Remaining Area – 7.5kha

+ 660 thousand seedlings donated and planted (08 Nurseries with an annual output of 692.000 indigenous seedlings)

Biodiversity Matrix Program
Spatial mapping of all the Power Plants and the biodiversity parameters recognized

Finalist Engie Innovation trophy:
New Technologies for Conservation of the Aquatic Biodiversity at UHMA

