ENGIE BRASIL ENERGIA S.A.

TRANSCRIPTION OF THE VIDEO CONFERENCE

RESULTS FOR THE THIRD QUARTER 2021

NOVEMBER 5, 2021 – 11:00 A.M.

Rafael: Hi and good morning! Let's begin the video conference on ENGIE Brasil Energia's third quarter results 2021. I am Rafael Bósio, the Company's Investor Relations Manager. Please note that currently those people connected by phone are in listening mode but later when we open for the questions and answers session, participants will be able to send questions by telephone as well as by platform chat. Please note that this video conference is being recorded. We have made available in our website both results presentation as well as the release wherein are published a more detailed information of the operations, the progress on the implementation of projects and analysis of the financial statements.

Before proceeding further, I would like to clarify that any statements that may be made during this video conference with respect to the business outlook for the Company should be treated as forecasts contingent on the economic scenario for the country, performance, and electric sector regulations as well as other variables and are therefore subject to change.

With me today is Marcelo Malta, Chief Financial Officer of the Company, who will also comment on the performance of ENGIE Brasil Energia in the third quarter. We would remind you that journalists wishing to ask questions should do so via e-mail, sending them to the Company's Press Relations office. I will now hand you over to Malta. Malta you may go ahead.

Malta: Thank you, Rafael. Good morning everyone. It is a pleasure to be with you today to talk and comment about our third quarter results. We can now move on to the slides, please.

Rafael: I think listeners can see the first slide. Can we begin with slide 5, right?

Malta: Ok. So in slide 5 we show the highlights for the third quarter, separating out some of the positive drivers and others which are negative. This quarter we had the approval of the law as the basis for the renegotiation of hydrological risks. This relates to the negative impacts experienced in the past and now during this quarter with the sanctioning of this law, we shall be able to compensate these effects of the past.

Just by way of a reminder, last year we also registered the effects relative to the plants which sold energy in the free market but now we are referring to energy sold in the regulated market between 2012 and 2014 with a positive effect on our result in the quarter and the booking of R$ 372 million.

Also important to point out that there is still an amount, probably to be booked in the fourth quarter of this year, with respect to the plants in which we participated via consortium. There is a requirement on the part of ANEEL that by November 16 of this year, we have to deliver all the required documentation duly signed. So some partners have already signed this documentation, others still not, more for questions of internal governance of each one of them. However, we are hopeful that by November 16, we shall have all this documentation registered at ANEEL and we can thus book the effects of these plants as well - also involving important amounts.

Also in this quarter, we recorded a reduction in the volume of PPAs. This had already been foreseen in our portfolio management strategy, and this decline gained a little more momentum due to the high energy prices prevailing in the quarter. On the other hand, as we shall also see later on, that due to this, there was also a reduction in energy sales. In terms of amounts, reduction in PPA volumes represented R$ 153 million.

Moving on to the transmission segment, there was a positive effect of R$ 89 million, this the result largely of restating at the IPCA the financial assets of Novo Estado and Gralha Azul and, in addition, enhanced working capital as implementation of these projects gained momentum.

We also had the impact of inflation with an important knock-on effect on our revenue, remembering that in the case of our contracts, these are indexed in the majority of cases

to the IPCA. We also have a part indexed to IGPM, a considerable amount of our concessions payable indexed to the IGPM, this however ending up having an overall net positive impact on our financial result, something to the tune of R$ 235 million.

As for the negative drivers, there was an increase in the IPCA when compared with third quarter 2020, this index restating a good portion of our debt, which in turn ramped up our financial expenses to something in the region of R$ 210 million. As mentioned before, since we had a reduction in PPAs, we also saw a reduction in the amount of energy sold, this decrease also a reflection of the result of our portfolio management process, in addition to the energy purchases as mentioned.

If the third quarters for consecutive years are compared, then there was a negative impact of R$ 203 million in relation to transactions conducted across the CCEE, more especially, GSF. Here it is important to point out that the R$ 203 million, as I have said, is the variation between quarters. For this third quarter 2020, we had an impact on CCEE transactions of just R$ 80 million. I say ‘just’ because this quarter registered the peak impacts of the hydrological question we are experiencing in Brazil as well as a PLD touching its ceiling.

If we take the first nine months as a whole in 2021, we reported a negative impact for transactions realized across the CCEE of R$ 94 million. Thus this result in the face of this grave hydrological crisis in Brazil, is indicative of the effectiveness of our portfolio management here for the year to date.

And finally, we had greater fuel consumption in the quarter due to enhanced thermoelectric generation for mitigating the effects of hydrology. This was a source of further consolation when compared to the third quarter 2020 of R$ 68 million. We also have here a small non-recurring impact of R$ 34 million, reflecting the reversal of an asset impairment, largely a reflection of a more positive outlook for the returns from these assets.

The middle column of the slide shows the increase of our EBITDA, of R$ 265 million, representing growth of 18.5%, while for the full 9 months of the year, we reported EBITDA growth of 22.9%.

Looking at net income, in the quarter, we posted growth of 30.4% and for year to date, a reduction in our net income, this due largely to the application of the IGPM on the balance of concessions payable with an important impact on our result.

Remembering that this effect on our result also acts as a cash flow hedge over the period since we have an important part of our revenue which is also indexed to the IGPM. And since some of our agreements fall due during the year and in the light of the difficulty of signing new agreements indexed to the IGPM, we successfully applied to ANEEL to change the indexer of our concessions payable to the IPCA, given the greater effectiveness of this hedge. So as from October, these contracts cease to be indexed to the IGPM and are now restated at the IPCA.

So, on the right hand side of the slide, we have the key values impacting not only EBITDA but also net income as well. Most of them already mentioned when discussing the key drivers in the quarter.

With this, I think we can go onto slide 6 which I think is already shown on your screen. So as a highlight, we show the Gralha Azul Transmission System, already authorized from August this year, to begin commercial operations in the case of the Ponta Grossa - São Mateus do Sul and Ponta Grossa – Ponta Grossa Sul lines. This incorporates a RAP – still small in relation to the total RAP – but already signaling the start of operations on at least some of the lines. Forecast for concluding the work continues to be the end of the year. So as from January of next year we shall be generating RAP in full from the Gralha Azul Transmission System.

Another key event was ANEEL's authorization for operating all the wind farms in the Campo Largo 2 Complex, thus in this way, we already have the entire asset up and running. Important to mention here that with the inclusion of this wind complex, we now have an output of about 1.3 gigawatts of installed capacity from our wind assets.

Very well, as another highlight, we concluded the sale of the Jorge Lacerda Thermoelectric Complex to FRAM Capital. This operation closed on October 18 with the fulfillment of all conditions precedent, in so doing reducing by 75% our emissions and with prospects for selling our Pampa Sul coal-fired plant before the end of 2022.

Once this occurs, our portfolio will be made up entirely of energy generated from renewable sources.

Remembering that as a consequence of the sale of Jorge Lacerda, we continue to purchase all the energy generated by the plant this year, while between 2022 and 2024, we shall purchase a further 400 megawatts. This for us was important as part of the process for managing our portfolio.

Next slide please. Very well and as a further highlight, we have acquired a project in the state of Rio Grande do Norte, namely the Assú Photovoltaic Complex, close to our solar asset of the same name of Assú, and with an installed capacity of 750 megawatts. This is indicative of our continuous growth in our renewable energy portfolio. Since we already have the preliminary licenses together with all the leasing contracts of the areas in question signed as well as the process for obtaining the asset's operating grant at an advanced stage, in all probability we shall be ready to implement this project and still enjoy the transmission and distribution cost reduction benefit before its expiry in March of next year.

Also as a highlight, we are one of the 14 most transparent Brazilian companies in sustainability among 70 names evaluated. This accolade is awarded by the Transparency Observatory also showing our commitment to ESG practices and also one of the factors which has kept us in the Corporate Sustainability Index since its inception. We are only one of seven companies in Brazil that are components of this index.

Another aspect worthy of mention is the conclusion to modernization work on one of the units at our Salto Osório hydroelectric plants. This was responsible for adding 7 megawatts to our energy portfolio. We are also modernizing the remaining units at the plant although with these it is more to maintain the asset's operational performance and the work does not imply any addition to installed capacity in assured energy.

I forgot to mention that in this quarter, we were also winners of the Transparency Trophy, organized by ANEFAC – FIPECAFI, again indicative of our commitment to governance and transparency.

And finally, in the third quarter we won yet a third prize, the Exame, Better and Biggest award for 2021 in the energy category - once more underscoring our commitment to the best governance practices with transparency and also certifying the Company's management quality.

I am now going to pass you over to Rafael to comment on the next slides. Then I will come back to give you a little more detail on our financial performance and to conclude our presentation. Please, Rafael.

Rafael: Thanks, Malta. Slide 9 please. This slide is where we show our strategy, update our energy commercialization strategy data. Here I think the most important new aspect to this slide is the updated energy balance which can be found here in the graph on the left hand side, where we adjust contracting forecasts for the current year, for the next few years, and already showing the effect of the sale of the Jorge Lacerda Thermoelectric Complex built in. In other words, we are removing the commercial capacity of Jorge Lacerda, which has been divested, from the own resources line, from the line of Company assets, adjusting the purchases line for resale, as Malta has commented, since we are going to acquire an average of 400 megawatts from the plant as from next year and its full energy output up to the end of this year.

With this adjustment then, note that we still have a comfortable position in the portfolio of energy availability to mitigate the impact of GSF over the short and long-term. Clearly, this here, this available energy, the volume, we adjust in line with our forecasts for hydrology and demand and over time all components becoming more precise.

The remainder of the slide shows how diversified our sales to the free market are, seeking not to concentrate on a given sector of the economy, as well as our gradual strategy for selling energy. Thus, for example, despite having a greater volume of contracted energy for 2026 at 40%, naturally, with the passage of time, this availability reduces to a level deemed as optimum.

Next slide please. Slide 10. Still on the energy commercialization strategy, here we should note a reflection of our strategy for protection against the impacts of GSF which was the reduction in the number of clients, or in other words, we have secured our sales for this year to guarantee available energy. Of course, this means loss of revenue but on the other hand, a considerable reduction in cost given that the acquisition price of this energy in the short-term market, especially in the third quarter, was much higher than our average selling price, remembering that the PLD reached R$ 581 this quarter. Clearly, this also results in a reduction in market share, although this is a one-off and momentary situation and one which should begin reverting now with improving hydrology since September as well as good hydrology in October and a positive outlook for November as well. So we can continue fine-tuning this availability in the best way possible probably reverting to selling this energy for the next few years.

Moving onto the next section, slide 11 through slide 12, more specifically where we give some updates on our projects under implementation. The first of them is the Santo Agostinho Wind Complex, now, because as we have concluded the Campo Largo 2 Wind Complex, we no longer have that slide, so here, Santo Agostinho is a project with an installed capacity of 434 megawatts; the installation licenses have already been issued and we are in the middle of the process of obtaining the remaining authorizations. Thus, in the third quarter, we concluded the mobilization of the contracted parties responsible for the civil work, with overall physical completion reaching 3.5%, construction of the access ways beginning, excavation of the wind turbine foundations, as can be seen in the photographs, and the implementation of the medium voltage grid as well as the activities involving the construction of the collector substation. Startup in operations continues to be scheduled for March 2023.

Next slide please, slide 13, where we now give an update on the implementation of the Gralha Azul Transmission System. As Malta has already mentioned, we were able to record the startup of commercial operations of two short stretches in this system. This is a milestone for the Company because it confirms that we are now also an energy transmitter with the operations of the Ponta Grossa - São Mateus do Sul and Ponta Grossa – Ponta Grossa Sul lines. Commercial operations of the project's remaining installation groups are forecast for now in this fourth quarter, allowing us to receive our full RAP.

Next slide, please. Slide 14, where we give an update of the transmission project at Novo Estado Transmissora de Energia. So at the end of the third quarter 2021, the overall completion of the project had reached 89%. Work continues in progress on the tower foundations, assembly, and stringing of the cables. Commissioning is underway for both the Serra Pelada and Itacaiúnas substations. Energization of the first systems is expected now in the fourth quarter, ensuring receipt of about 55% of the RAP. Complete entry into operations is now scheduled for the first half of 2022.

Moving on now to the next slide, please, slide 15, where we present the process for evaluating the Paracatu and Floresta photovoltaic complexes, which today belong to our controlling company, ENGIE. The Special Independent Committee for Transactions with Related Parties, installed to evaluate this transaction and manned by directors and independent members, reported significant progress with the hiring of consultancies to support the process, and as these companies are listed, attracting the attention of Banco Bradesco to become financial advisor with Machado Meier, retained as legal, jurisdictional advisor among others. So that the whole process can advance with due transparency.

Next slide please. Here we update the situation with Jirau Hydroelectric Plant - still an asset which belongs to the controlling company. It has 40% of the asset together with other partners, and an asset which is already in the process of recovering, and which has reported very consistent operating results. Just by way of a highlight here: a FID of 99.2% in the third quarter and an asset where, once some uncertainties are overcome, should be, could be, should come to be offered to ENGIE Brasil Participações, and just as with the Paracatu and Floresta projects, be subject to the assessment/evaluation of the Independent Committee for Transactions with Related Parties.

Concluding this section, in slide 17, here we update volume, the number of projects and the total of installed capacity which we have in projects at a more advanced stage of development such as the acquisition of the Assú Sol Photovoltaic Complex, to which Malta has alluded at the beginning of the presentation and which added 750 megawatts to this portfolio and now surpassing 2.2 gigawatts. Thus, a consistent portfolio and one in line with our ambition to grow in renewable generation and our proposal to accelerate the transition to a carbon neutral economy, with environmentally sustainable projects. I

now conclude this section and pass you back to Malta to talk about financial performance in slides 18 and 19.

Malta: Thanks, Rafael. On to slide 19. This slide illustrates the solid nature of our financial performance. Looking at return on equity, we have always maintained levels of more than 30%. As to the return on invested capital, we recorded some important growth in the quarter, and this largely due to the booking of the outcome to the hydrological risk renegotiations of R$ 372 million, as already mentioned.

In the chart to the right, we show information on the Company's financial performance over the past 5 years. Hence, in this period, we invested more than R$ 19 billion, with a very significant leverage. Our installed capacity rose 24%, we acquired TAG and making our debut in the gas transportation business as well as power transmission with construction of 2,800 kilometers of transmission lines. Important to mention here that these two initiatives primarily are for diversification of our portfolio with very significant returns. Our EBITDA increased 74% in the period and net income, 66%. We distributed dividends and interest on equity of more than R$ 9 billion.

Slide 20, please. This slide shows the trajectory of our net operating revenue, notably transactions across the CCEE, this amount of R$ 102 million due by and large to an increase in thermoelectric generation. We also had the effect of inflation on our financial assets which yielded R$ 49 million while the combination of energy price and sales volume generated a reduction in the operating revenue line of R$ 60 million. Finally we added a further R$ 104 million to revenue from our transmission area.

Slide 21, please. This slide shows the financial performance at TAG in the quarter and very significant it is. TAG increased results by R$ 147 million and our share of this R$ 147 million contributed to an increase in our result of R$ 48 million, 46% of TAG's profits in this period. The factor driving this stronger financial performance at TAG was the restating of the company's sales agreements. Worth remembering that a large majority of the agreements is indexed to the IGPM, allowing us to capture this significant increase in our results.

Next slide, please. This slide shows the trend in EBITDA. I have already commented on many of these amounts in the highlights at the beginning of the presentation, but I think

it is worthwhile repeating them a little more objectively here. The main driver adding value to our EBITDA was the booking of the impact of the hydrological risk renegotiations, adding R$ 372 million to our result. Other important effects as I have already mentioned were the reduction in purchases in our portfolio combined with a similar reduction in energy sales volume and also taking into account an increase in our energy sales revenue, principally a reflection of the restatement of our agreements with the application of inflation indexers.

Important to mention again here about the CCEE, that the variation between quarters generated a reduction of R$ 203 million. This occurred mainly because in the third quarter last year, we had a net credit position which generated an important revenue flow in that quarter, thus repeating that here, in this quarter, the impact of the GSF, of the transactions across the CCEE amounted only to R$ 80 billion.

Also as already mentioned, in the transmission segment, we reported an increase of R$ 89 million in the result due to higher CAPEX injections in the work as well as the effect of inflation on our financial asset.

Next slide please. Here we show the impact of the trend in our net income on EBITDA already mentioned. Another component was the negative effect on our financial result due principally to the restating of some of our debt indexed to the IPCA.

Slide 24, please. This slide shows the breakdown of our financing. In particular our capital structure and very favorable to our growth ambitions. So our degree of leverage in relation to net debt/EBITDA, closed the quarter at two times, a very suitable level as I said for our growth strategy. Thus, the increase in our debt is due basically to withdrawals relative to the financing of the Gralha Azul and Novo Estado projects. We closed off the quarter with cash at R$ 4.6 billion, very healthy, and a net debt of R$ 14.2 billion.

Next slide, please, 25. Here is the profile of our debt, highlighting a duration of 6.9 years, and there is another factor I think worthy of mention: last year we took a decision to swap our debt indexed to CDI for a prefixed rate for debt maturing this year and maturing in 2022. So this decision is having an important impact on our financial result, very significant I would say. The breakdown of our debt, the vast majority of it indexed

to the IPCA and at a nominal cost of 12.8%, equivalent in this quarter to IPCA plus 2.3%.

Next slide, please. Here is a breakdown in our investments, over the last few years, significant investments, as shown here. In 2021, our investments were concentrated in our Gralha Azul and Novo Estado transmission projects and from 2022, as already discussed here, we have forecasts for CAPEX in the Santo Agostinho project, which is already being implemented.

Next slide, please. This slide shows the track record of dividend payments, confirming our commitment of paying the maximum possible dividend over several years with a pay-out of 100%. In the first half of 2021, the distribution of the result for this half was approved, the amount being somewhere in the region of R$ 790 million. Our outlook is that by the end of this year, these amounts will be paid. Possibly during the course of the next months, we will announce to the market the date when we shall be paying out dividends. With this we conclude our presentation and open for questions and answers. It will be a pleasure to share with you information with respect to our debt.

Operator: Thank you.

Rafael: Please, Thiago. Go ahead.

Operator: Thank you. Ladies and gentlemen, we shall now begin the questions and answers section. To ask a question, touch asterisk 1, to withdraw a question from the list, touch asterisk 2. Once more I would like to remind you that to ask a question, touch asterisk 1, to withdraw a question from the list, touch asterisk 2.

Rafael: Thiago, I have received a question here from Carol, Maria Carolina Carneiro, at Banco Credit Suisse, on the contracting of energy during the quarter and demand and prices of PPAs, Malta. A quarter when liquidity was a little low. Would you like to comment?

Malta: Thanks for the question, Carol. Good, a very critical quarter due to hydrology. We needed uncontracted energy to mitigate our GSF risks, and there was little liquidity in the market. Of course it is natural that we should be accessed by potential clients for more medium-term purchases, so when there is demand to supply this energy, for

example as from 2021 or 2022, in order to keep our short-term portfolio in equilibrium for mitigating GSF risk, we end up having to incorporate the cost of replacement of our portfolio in the average price of energy, particularly in relation to the years 2021 and 2022. So being more objective, the sales volume in short-term contracts was very small due to price and the need to protect our portfolio but with some sale operations over the more medium-term.

Rafael: One more question from Carol at Credit Suisse. She commented that there was strong demand apparently for renewable assets and we saw various companies buying portfolios in the quarter, both solar and wind. She would like to know what we think of the valuation of these assets and if there really is strong demand in the renewables segment, Malta.

Malta: Really the demand is pretty strong and we can see robust competition for projects. For this period especially, we have a very significant volume of projects with the aim of capturing the benefit of the transmission and distribution cost reduction. The information that we have is that due to this demand for a reduced wire costs, we have something in the region of 8 gigawatts in projects under development.

We have here a portfolio that we also intend to ratify and decide when to implement. As a preference, we have sold this energy in the free market where we can lock into attractive prices for enabling our projects. And with respect to the CAPEX that we have seen in new projects, we have been very surprised at the current levels. In the case of Santo Agostinho, for example, our forecast is R$ 5.3 million per installed megawatt. We have seen projects out there where the implementation is envisaged at levels of CAPEX of around R$ 4 million per installed megawatt. Due to the significant ramp up of commodity prices, our outlook is that this CAPEX will go beyond what we envisage for the viability of our projects. I think Santo Agostinho in our expectation or perspective is going to be somewhere between R$ 5.3 and R$ 6 million per megawatt/hour.

I believe it worth pointing out that despite the elevation in commodity prices in the context of Santo Agostinho, we have total contractual protection. Whenever necessary, we have executed all the currency and commodity hedges to mitigate all and any risk and for this reason we are confident that we can deliver the project at the levels of return that we believe ensure its viability.

It is clear that in all probability we will suffer some type of pressure on the part of our suppliers, but as I said, our contract is a thoroughly robust one with very significant guarantees, so we are imagining that any need to renegotiate with suppliers will not have any material impact for the project.

Rafael: Ok. Thanks, Malta. Now a question from André Sampaio at Santander. What is the strategy for inorganic growth over the next few years? Focus is on which segments and how to successfully manage growth in a material way in order to have an impact on such a large company as ENGIE?

Malta: Our focus continues to be on renewable energy. We believe in opportunities not only in wind projects but in solar as well. We believe it to be relevant to expand our investments in solar generation if for no other reason than to complement our wind portfolio. We know that the intensity of wind is more significant at night and at dawn, so where energy consumption is more expressive during the day, solar projects provide greater portfolio equilibrium for us.

We have been monitoring opportunities in the market and we are always alert to all and any possibility of increasing our portfolio also in inorganic investments. We have also acquired a lot of experience in transmission with the installation of these two projects. We made our debut in this activity recently, and as we had already imagined, our performance in terms of installation and implementation on time and according to estimated CAPEX, gives us additional security to further expand our investment in the transmission business. And as we have seen, the viability of many projects is based on very low levels of CAPEX so we think in the short- to medium-term, there will be some very interesting opportunities for M&As, as was our case in the past. So, we are prepared to capture any good opportunities that may come up. As we have already mentioned, we have a capital structure which allows us to grow, we have financial robustness which gives us the tranquility to capture all and any good opportunity which comes up in the market.

Rafael: Thanks, Malta. Since you mentioned capital structure, I will take the opportunity here to pose the question from Giuliano Ajeje at UBS in relation to this. And he comments that ENGIE is a company that always had a very robust balance sheet and reduced volatility in results and he asks if the increase in Selic might make us

revisit the capital structure or even our plan for CAPEX. I think this relates to your reply.

Malta: Good, like I said, we have a very robust capital structure, still with a lot of space to finance the equity of these projects. I also mentioned there in that track record of five years is a leverage of 86%, which is very significant.

Today, in spite of all that we have witnessed in the financial market, we have still been able to raise funding at good rates. This we were able to verify with the recent debenture issue for financing the Santo Agostinho project, where the interest rates were very favorable. But I agree, looking at the short- and medium-term and the prospects for Selic, we are always evaluating the possibility of anticipating the raising of financing. However, we need to have a slightly more positive view as to the feasibility of new projects and M&A opportunities. Yes, this is an important factor which is permanently on our radar and when we believe it necessary to adopt a strategy for altering our capital structure, we shall certainly do it.

Rafael: Thanks, Malta. We are receiving various questions. I am trying to filter them so that we have a more logical sequence, and a question which we could include now and which you mentioned in relation to growth, two questions in fact, from Antonio Luis Rizzo, our personal investor: in relation to generation, if the Company believes it important to have intermittent energy assets, he cites gas-fired thermoelectric plants, and also if there is still an interest in hydroelectric generation, Malta.

Malta: Very well, with respect to gas-fired thermoelectric plants, our current perspective is that we have more interesting opportunities in the market in terms of returns. Today, as I mentioned, the focus is on renewable energy, solar and wind. We think who ever has molecular gas will certainly have some competitive advantage in the implementation of gas projects.

In the context of investments in hydroelectric assets, we have seen of recent years very few projects demonstrating viability. Today, we have the important environmental question which renders difficult or almost impossible the construction of large reservoirs and which take away a little of the competitiveness of hydroelectric projects. We are alert to M&A opportunities and since we have great experience in the

hydroelectric portfolio, this could to some degree, create a competitive advantage for us. We also have our very diversified portfolio. We have seen few interesting opportunities for hydroelectric generation, but as I said, given our vast experience in this area, for sure we are alert to good opportunities.

Rafael: Thanks, Malta. I am going to change the subject a little. We have various questions on growth but I am going to change the theme a little. A question from Renan Ulrich, our shareholder and private individual, who always follows us, he asks us about our interest in developing the distributed generation subsidiary. He comments that since acquisition, the market share of this company has declined and this despite the growth in the distributed solar generation market, Malta. I think this is a good opportunity to comment on our position with respect to this one.

Malta: Yes, the aim of participating in this activity was to get to know the market a little better. But what we discovered was that this is a very competitive business. We have standards of governance, we have our controlling company that also participated in the management of our business, as indeed it participates in all the investments around the world. So what we have found is that it is unlikely that we are going to be able to compete at a level which would allow us to expand our portfolio to any significant degree.

We have been seeing even important players investing heavily in this market. We have heard comments that the returns are significant, but our experience in this market has shown it to be rather less than what we had expected. So our view is to focus on more significant investments that add more value. As I said, if you are going to assemble a portfolio at levels equivalent to a more robust wind or solar project, for example, it is not easy, so our decision is verging on our exit from this market. We are also mapping the market to verify potential purchasers. So I think this is a little of our vision of this activity, a little of our investment strategy.

Rafael: Thanks, Malta. So again changing the focus a little, Vitor Burke has a question for us, it's a very difficult one in fact, but what is the Company's expectation for GSF in 2022? Can we comment a little, Malta?

Malta: So, the hydrological scenario still inspires great uncertainty. We were very positively surprised by the rainfall in October. It was one of the best in terms of volume for the month on record. And we have a positive outlook for November as well and as you are seeing, prices fell significantly in October and November also, but I think it very premature for us to talk about GSF perspectives for next year. I think everything is going to hinge on the end of the rainy season. I think great uncertainty hangs over the question of load, depending on the outlook for economic growth. We cannot forget that reservoir levels are low and prospects for the year-end are somewhere between 25 and 28%, this is our outlook. However, despite the uncertainty, in the light of the current scenario, we believe that we will still have GSF levels perhaps less serious than this year, but again perhaps not such a positive outlook either. Important to underscore however that we shall probably not repeat this year, one of the worst in the historic series.

Going back to your question again, it is important to mention that this quarter was the most critical of all in terms of GSF. GSF was around 51.3%, so this is very significant and translated into a PLD at its ceiling. So, as I mentioned, the impact of R$ 80 million negative in our result, in our view is very low, when set against a more serious GSF situation over such a long period in this quarter as well as the high PLD.

Rafael: Thanks, Malta. I think that just by way of an additional comment, as I showed in the energy balance at the beginning, the company is prepared and continues to be prepared to confront and mitigate the impacts of GSF. We are adopting a more conservative posture and our strategy is going to adjust over time with greater precision in our forecasts. So we are prepared, the hydrology has improved, the possibility of rationing has already been discounted for 2021, much reduced in 2022, but still not totally eliminated. So it still warrants attention, and we believe that the government will continue acting to avoid rationing to the benefit of all, both sector entities as well as the final consumer.

Malta: It is important to underscore, Rafael, a little of what you said. For 2022, we, as a process of portfolio management, we are protected. We are conservative from the outset in relation to mitigation of risk. Of course each month, we evaluate the outlook for GSF then, and as I said, it is very difficult to assess what is going to happen in 2022, but

according to our evaluations, I said these were monthly, but in fact they are almost daily, weekly. We adapt our portfolio as we go along and might eventually liberate some energy for sale should there be the prospect for a less volatile GSF and as long as we had favorable prices for selling off this energy. So I don't want to give too much of a negative outlook for GSF. Rather, I think the message here is that the challenge of predicting GSF is an enormous one.

Rafael: Perfect, Malta. Exactly. Ladies and gentlemen, the time is passing. We have some questions which I haven't mentioned here, but they relate to others which were asked and to some degree, if they were not fully answered, at least they were in part. However, we here at the Investor Relations team, continue available to attend the market and clear up any doubts there may still be after this call has been concluded. I think with that, we conclude the questions and answers section, Malta, and I return the floor to you for your final considerations.

Malta: Thanks everyone for taking part and the opportunity to talk a little about our results. It is always a great pleasure for us and we conclude our video conference. I would like to wish all an excellent weekend and see you in the next quarter.

Rafael: Thanks everyone and by way of a last call and information, reminding you that on December 10, we will hold our investor day, *Inside ENGIE* and look forward to the participation of all. Many thanks and a good weekend.

Malta: Just by way of additional information, Rafael. Unfortunately, this year Investor Day will continue to be virtual, although we hope next year it can be in-person. This can be very important also as an opportunity to have a closer contact with you.

Rafael: Perfect.

Operator: Thank you. We conclude here ENGIE Brasil's video conference and thank everyone for taking part. Have a good afternoon and thank you for using Voitel.