SCRIPT OF THE VIDEO CONFERENCE CALL WITH
RESULTS FOR
THE FOURTH QUARTER 2020
FEBRUARY 12, 2021 – 11:00 A.M

RAFAEL BÓSIO: Hi, good morning! Welcome to the videoconference on results for the fourth quarter and the year 2020 of ENGIE Brasil Energia. For those who may not know me, I am Rafael Bósio, the Company's IR manager. I want to point out that in order to interact more easily with you, we are not using masks, but for safety reasons, each one of us in an individual room respecting our protocols. Those connected by telephone are in listen-only mode, but later on when we open up the questions and answers session, participants may send them by telephone or via the platform chat facility. I would like to remind you that the videoconference is being recorded. In our website, www.engie.com.br/investidores we are providing the files for the presentation and the press release of results where a detailed analysis of the variations between periods can be found.

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

With us today are **Eduardo Sattamini,** Chief Executive and Investor Relations Officer, **Marcelo Malta**, Chief Financial Officer, both of whom will comment on the performance of ENGIE Brasil Energia in the periods mentioned. We would remind you that journalists wishing to ask questions should do so via e-mail, sending their questions to the Company's Press Relations office.
Now I would like to hand over to **Eduardo Sattamini.** You may go ahead please.

EDUARDO SATTAMINI: Good morning to all and it is a pleasure to be here once again to discuss the results for the year 2020. I am going to leave the details of the financial presentation to Malta in the second part of the presentation and begin with slide 05 where we show the highlights for the year 2020, an extremely challenging year, a year which challenged all of us, whether working for a big company or not, where society has suffered severely as a result of the pandemic. But again a year which demonstrated the great maturity of the electric sector, a year where we saw a major development in regulation, we demonstrated the agility, maturity of our agents when we resolved the COVID account about

June, July time, a major discussion, but one conducted very quickly and with a great deal of unity in the sector. This showed a maturity and an agility that gave the sector the tranquility and the liquidity necessary to remain healthy throughout the year.

Another event which also gave us an indication of regulatory maturity and tranquility is the solution to the GSF which occurred at the end of the year, early December, with the sanctioning of Law 14.052, ending a discussion, a dispute which had dragged on for nearly eight years. So these were two excellent pieces of news and ones which contributed considerably to the performance of the Company in 2020, principally solving the hydrological risk, of the pending hydrological risk, contributing more than R$ 960 million to results for the year, ensuring that our result grew in terms of EBITDA 25.7% against 14.3% which would have been the recurring growth of EBITDA. Obviously, there were contributions from the entry into operations of Pampa and occurring in the second half of 2019. So when we compare with 2019, we have a whole year of Pampa Sul against half a year in 2019. And there is also Umburanas with entry into operations in April 2019, when compared with the full year of 2020, this project also reporting growth in its contribution.

And also extremely important for us this year of 2020 was the contribution in full of TAG. For us TAG contributed more than R$ 400 million of results and above expectations. We had a better result due to the reduction in interest rates on loans: the acquisition of TAG was a leveraged one so we had a reduction in CDI, really helping us to improve the result. But various managerial measures were also taken by our team at TAG. Important that we should mention here – we have already mentioned this in previous quarters – was the identification of tax credits which had not been considered in our planning. So the year was a very good one because of this and reflected in our EBITDA, and obviously also in our net profit.

When we look at net income, our growth was 21%, but from a recurrent point of view in relation to 2019, our performance was not so good, just 0.8% of growth and there are some reasons for this. First, we have increased the leverage of the company and with it, financial expenses - our growth was a leveraged growth. In 2016, when I took over, we had an extremely underleveraged balance sheet. From then on we tried to raise debt together with lucrative projects. So we have been successful in this: we have managed to grow significantly over the past four years in a profitable way. And obviously, this also brings with it a more balanced capital structure for the company but obviously with higher financial expenses. So we have greater financial expenses, but this also came with another event, an important event which is the question of the abrupt increase in IGPM. The IGPM has risen more than 24% in 2020, and as we have a collection of concessions payable in our liabilities, the financial expenses increased significantly compared to 2019 when there was not such a large upward

movement in the IGPM and IPCA.

But the good news is that our way of hedging the IGPM in this debt is through contracts also linked to this indexer. We have more than R$ 4 billion in power purchasing contracts against R$ 3 billion of debt. This does not represent cash, this debt does not represent cash because it will be paid over time. But we are obliged to record it in the balance sheet for the year and this is where the variation occurs. While on the other hand, in the contracts we can only register the IGPM as the invoices are issued and received over the next few years. So we will continue over this year of 2021 and in the next few years also realizing this gain of IGPM on the assets side of our exposure to this index.

Very well, let's move on to slide 06, continuing with the highlights. As I said, we had a really abnormal year and this meant that we had a good part of our attention focused on guaranteeing the health and safety of our people, our activities and obviously, also the communities where our businesses are inserted. So we had a good deal of social activity, attending on an emergency basis the communities with programs for creating income, for financial support, with help for local hospitals, help in tackling COVID. So it was also a year, I would say a very proficuous one, replete with achievements for the Company because we could adopt effective attitudes of giving something back to society. So this is important for us, this social responsibility is part of the Company's DNA. And the exercising of this activity of social responsibility was very intense during the year.

We also renegotiated with our clients so that we could understand the situation of each one of them and provide some sort of short-term relief, in the form of renegotiation of invoices, postponement of payments, and this as you will see later, has guaranteed us a high Net Promoter Score from our clients, that is to say, clients satisfied with our operations even in an environment where there exists conflicts of interests between the payer and the receiver of invoices.

We saw progress at our construction sites in spite of all the difficulties of the work at Campo Largo II and Gralha Azul, and Novo Estado continued to move forward. We had rather more serious problems at Campo Largo due to the municipal decree which bought work to a standstill. However, our team is working to reduce the impact and we have Campo Largo going into full operations now in the first half, by the end of the first half of 2021. Construction at Gralha Azul and Novo Estado is running according to plan with entry into operation scheduled for the second half of this year, and we will have the benefit of these assets in some form already in 2021, although only the full benefits will come in 2022.

Good, we have already mentioned the regulatory maturity of the sector so we can jump to the highlights on slide 07 where we discuss our expansion. In January, we signed the agreement to buy the wind turbines and we are also organizing the other contracts for implementation of the Santo Agostinho project in Rio Grande do Norte at an investment estimated at R$ 2.2 million, to go into operation in early 2023. Important because this project is one also backed by sales to the free market, demonstrating how the free market contributes to operational conditions and we have already been showing this with Campo Largo II. It was the same at Campo Largo I where we had generating capacity partially allocated to the free market. In other words, the free market is already ensuring a degree support for the development of new capacity. And we should see this increasing with the Bill 232 in the Senate giving a greater guarantee for the development and supply through other measures to be adopted by the government.

Again in slide 07, we mention our sustainability. At the end of the year for the sixteenth consecutive year, we received confirmation of our participation in the Corporate Sustainability Index, and we were also chosen to comprise the carbon efficient portfolio, B3's Carbon Efficient stock index, ICO2. This was important for us as a company which still has in its portfolio coal burning activities from which we are endeavoring to make a less than traumatic but socially responsible exit. We can talk a little more about this later on.

Another piece of news and another important highlight: we are continuing to pursue our process of digitization and automation of the processes. An example of this is one more major plant, Machadinho, now being operated remotely here at our Generation Operations Center in Florianopolis so that today there are 48 plants being operated from the COG out of the Company's 61 plants.

In slide 08, on dividends. Approval was given in December for the distribution of interim dividends worth R$ 554.5 million, thus completing the distribution of 100% of first half profits. You may remember that we decided to retain part of the profit for the first half due to the uncertainties surrounding the market at that juncture of the pandemic. However, as we managed to navigate the pandemic in relative comfort – and despite volume losses at our clients and renegotiations – we successfully managed to cushion the impact of the pandemic in a very diligent way. Consequently, we proposed back in December the payment of the residual balance of first half profits. This payment was made on January 29, 2021. Payout of interest on shareholders' capital was also decided in January for R$ 175 million and set for April 05.

As part of our policy for distribution of results to our shareholders, at the last Board of

Directors Meeting, we approved the payment of complementary dividends of nearly R$ 610 million, to be ratified by the Annual General Meeting, and with this we reached in 2020 a 100% payout, ex-GFOM. We decided to retain the GFOM amount because it represents an economic result, but where the cash benefit of this result will only come in the extended concession period. Remember that the solution to the hydrological risk was arrived at through the extension of the concession period of the hydroelectric plants. So as this does not represent cash at this time, our decision was to pay 100% of the profit which represents the Company's ordinary movement, leaving this GFOM, of the GSF, to be distributed in the future when effectively we generate the cash benefit from the extended concession period. Or at any other time when we have the possibility and the available cash.

Moving on to slide 10, where we talk about our strategy of commercialization. We decided to make the presentation a little more succinct so as to allow for more discussion and questions and answers with our analysts and investors. This slide then shows our portfolio. On the upper left hand side, we show our contracted energy in the regulated market, in the free market and how much uncontracted energy we still have. Uncontracted energy is not necessarily energy available for contracting, but it is energy which can be made available for contracting or serving as a hydrological hedge in the case of GSF. So as we always tell you, we always leave some uncontracted energy, this year of the order of 12%, 675 average megawatts and this we consider reasonable for dealing with the hydrological situation this year - one more year of difficult hydrology. We have a growing amount of uncontracted energy and obviously we have a commercial strategy that can be seen in this slide in the lower right hand corner, where we contract energy each year little by little, so diluting the risk of contracting over the years and also diversifying contracting in terms of maturity.

On the subject of diversification let's go to the upper right hand part of the graph showing our portfolio of contracts by industry segment, showing there is a reasonable diversification in steelmaking where there is a small concentration, but below the levels deemed risky. Today we have 13.3%, while our maximum limit for a given industrial segment is 15%, but we are talking about companies with a high rating and also not presenting us with any problem of credit or exaggerated exposure.

Very well, let's move on to slide 11 where we continue to talk about our commercial area. And what we have been seeing is a growing number of clients, a growing opening in this market as the government reduces thresholds for consumption, for eligibility of free consumers, we are beginning to see a growing number of consumers interested in operating in the free market. We have seen this since 2016, in terms of growth, more than three times the number of clients. And with this, a growing number of average megawatts sold through

this market. You can see the number of, the volume of energy is not compatible with the number of clients because these are increasingly smaller clients which require a new methodology for contracting and management for them to become increasingly profitable. So for this reason, we are investing a lot in digitization and a digital platform and beginning to put new products on the platform. This is a totally digital platform known as Energy Place – we have already talked about this in other quarters but it is always good to be reminded that we continue to pursue this project of digitization for commercialization and segmentation of our clients. Our segmentation of clients is the same as in the bank: private, preferential and our common client. So we also segment by client so that the cost of capture and management as well as the margin which the client leaves are compatible over time and is part of the process for preparing a market which is becoming increasingly pulverized.

Today, we serve 1,639 consumer units. We had 13% of market share and 25,766 gigawatt/hour of energy sold to free consumers during the year and a Net Promoter Score of 67.2%. This percentage represents the clients that promote or which understand our commercial activity and see the company as a supplier of quality, less the remaining 32.8% which are critical of us or adopt a neutral position. That is to say, it is a very high percentage, showing what exactly we see in the CSI, the Client Satisfaction Index. We have a Client Satisfaction Index of 92.5%, an indication that we have a very good acceptance on the part of our clients and are recognized as a supplier of quality.

In slide 13, about expansion. So let's talk a little about the Campo Largo II Wind Complex. Today its accumulated progress is about 72%. We have 17 generator units out of 86 already in test operations. As I said, start-up in operations will be little by little. And by the end of the first half, we will have concluded the operational side of this project.

Let's go on to the next slide which is Santo Agostinho. Santo Agostinho is a 434 megawatt complex in the state of Rio Grande do Norte. Work has yet to begin although as I said, we approved in the first few days of 2021 the agreement with Siemens Gamesa. The project's commercial capacity is 218 average megawatts and it represents an investment of R$ 2.2 billion and in Rio Grande do Norte where we are beginning this cluster. As you will see later on, we still have some capacity there, a total of 800 megas I think of installed capacity. And we are developing new areas there at a complex near Santo Agostinho so that we also have another cluster. We have a cluster in Bahia, still with some capacity and now we are constituting the Rio Grande do Norte cluster. The forecast for this project is that the installation license will be issued now at the end of the first half of this year and with work beginning then we can deliver energy in the first quarter of 2023.

Very well, on to the next slide, slide 15. Let's talk a little about the Gralha Azul transmission line. The work is 75% of the total project complete. We had a legal problem with a stretch of the line which is the 500 kV part due to a class action filed by an NGO. We had to appeal to the Higher Court of Justice, successfully overturning an injunction suspending the work with a very favorable vote it has to be said, on the back of an environmental process which took more than two years for finding the best route to ensure the least environmental impact possible. We are also employing a new technology for stringing the cables for reducing brush clearance and using drones for the cable stringing itself. So all of this was taken into account and we managed to overturn the injunction and resume normal working. We had a minor loss of productivity because some of the team which had been working for a considerable time had to be transferred to other stretches of 230 kV, to other substations. But we continue to count on completion by September 2021 as our target. We believe this to be a reality. Our team is working hard with our subcontractors. And believe that certainly by the end of May/June we will have part of this complex of lines and substations already generating revenue and operating for the System. The final and last stretch, the last operation should be in September but as from May or June we should have part of the complex operational and at the service of the National Interconnected System.

Next slide, slide 16, we talk a little about the Novo Estado project, a project in the states of Pará and Tocantins, in this case the license was issued by IBAMA. This is important to mention because the issue raised in the Gralha Azul case was because the license had been issued by IAT, the state of Paraná agency, clearly because the entire area of the Gralha Azul Complex was located in the state of Paraná and therefore the prerogative of the state environmental agency to issue the license. However, we will not face this problem in the Novo Estado case because the project covers two states and thus the license is the responsibility of IBAMA. Work on the substation of Serra Pelada recorded an advance of 36% and we are making progress with the assembly of the power line towers, 60% of their foundations being already concluded. Novo Estado – also expected to go into operation in December of this year - is a project which does not have to advance so fast as Gralha Azul where time has to be made up due to delays caused by the class action.

Moving on to slide 17, the slide on Jirau. Jirau is reporting a very high uptime factor of 99.7%. It is not an ENGIE Brasil Energia unit, it is not our construction, but it is a part of the business model that we have had up to now whereby the hydroelectric plants were built at the controlling company level. And upon the mitigation of the major problems, the main risks, these assets would be sold to ENGIE Brasil Energia. Since the Jirau asset still has some pending issues causing an element of uncertainty in relation to its real value, such as for example, the exclusion from liability for the delays which occurred, questions regarding tax

issues. So this project is still part of our expansion plans although it will only be discussed and transferred to ENGIE Brasil Energia when we understand, that is the controlling company and us, that the major risks are mitigated and that we are taking over a healthy asset which is going to contribute to our portfolio. It remains here, the intention continues, but we are still working, the controlling company is working to resolve and mitigate these remaining risks.

And a final word on our expansion in slide 18, we list here our assets which are our project pipeline, which can be developed and which is made up basically of renewable energy, wind, solar, and for which we are making new acquisitions to maintain, as we implement projects, such as the implementation of Santo Agostinho. We are endeavoring to develop and acquire new areas so that the pipeline remains at a size to maintain growth and attend our market.

With this said, we move onto our financial performance so I am asking Malta to carry on with this part of the presentation.

MARCELO MALTA: Good day to all, Sattamini has already raised some important points about our result. So I will jump the next three slides so that we can have a little more time for the questions and answers session.

So to slide 20, showing the trend in our net operating revenue, we had a combination of impacts of price and volume of R$ 127 million. In relation to price, it is basically the restating of our contracts for inflation. And in relation to sales volume, we had a positive impact due to the entry into operation of Pampa Sul in the middle of last year. So this year we added more months to our result. And on the other hand we saw a reduction in consumption due to the effects of the pandemic.

We recovered PIS and COFINS taxes worth R$ 84 million, which also added value to our revenues. In the case of CCEE transactions, we saw a negative effect due mainly to the reduction in our secondary energy in 2020 compared with 2019. In relation to the effects in the case of transmission, we have here an impact of R$ 2,385 million, this is an economic effect only and due to the application of a specific accounting rule.

On slide 21, we show our corporate participation in TAG, in 2020 obtaining a result from the company of nearly R$ 1.6 billion, and our share of this result standing at R$ 487 million. As Sattamini has mentioned, in addition to the fact of acquiring TAG in July 2019, in 2020 we have the greater aggregation of results and in addition, a positive impact on our financial result due to the reduction in CDI.

In slide 22, we can see the trend in EBITDA. Sattamini has already touched on the effects of the hydrological risk which has added R$ 968 million to our EBITDA and treated as a recovery in costs incurred in the past. And as already said, this has an economic impact only. And from the financial point of view, we will see a recovery over the period of the extended concession which we expect to be between two and three years.

We had some non-recurring effects which influenced our EBITDA, one of these as already commented, is the recovery of PIS and COFINS worth R$ 84 million. We also registered an asset impairment this year of 2020 due in large part to our decision to close the two units at Jorge Lacerda A. These units are very old, more than 50 years old and are not dispatched frequently. The effects of closing down these units will be very small and will not impact our results in any significant way.

And the final non-recurring effect was one in 2019, which was the recognition of Pampa's Liquidated Damages, which was the indemnification arising out of the delay in the conclusion of the work on the part of suppliers. We also had in the transmission operations, the margin from management of construction work activities which I referred to previously although this has only an economic impact, adding R$ 262 million to our EBITDA.

And finally, as already mentioned by Sattamini as well, we had a result from the stake in TAG that added R$ 406 million to our EBITDA. And as mentioned, it also relates to the acquisition in the middle of last year (2019) and with a corresponding increase of the entire year of 2020.

In slide 23, we can see the trend in net income. The first impact is the addition of EBITDA to our result and the financial result. As Sattamini has already mentioned, there were some important impacts from the variation in IGPM on our concessions earmarked to this index – an effect of more than R$ 400 million on our financial result because of this. And in addition, we had an increase in our debt in 2020 of about R$ 2 billion which increased our interest bill on contracted debt.

Remembering also as Sattamini said, that these effects of IGPM will be recovered in our contracts linked to this index. In addition, we will also have the contribution that TAG is going to make, given that nearly all TAG's sales agreements are indexed to the IGPM as well.

In slide 24, we show two financial indicators, namely ROE and ROIC, as shown here, these increasing in 2020 in the light of the higher result and cash generation. And if we compare to the market, these indicators are outstanding.

In slide 25, we have the trend in our debt. As mentioned there was an increase in debt of about R$ 2 billion. We had a reduction in our leverage on account of cash generation in 2020. Today, net debt/EBITDA stands at around 1.8 times, an indication of thoroughly comfortable levels of debt and leverage. So we closed the year with gross debt of R$ 16,672 million, cash of R$ 4,539 million, and a net debt of R$ 11,786 million.

Slide 26 shows the profile and composition of our debt. We can see that in 2021 and 2022 we have a high volume of amortizations of debt. Important to point out that a large part of this is indexed to the IPCA, and another part to pre-fixed rates. And over the years, as from 2023 we have a contribution, an indexation, mainly linked to the IPCA. So the duration of our debt is about 6 years and 3 months. In relation to composition as can be seen, nearly 70% of our debt is made up of either pre-fixed rates or indexed to the IPCA. We closed the year with the nominal annual cost of our debt at about 7.6%.

In the following slide we have the investment plan where there was a significant volume of investments slated for 2020, basically due to the Novo Estado, Gralha Azul and Campo Largo projects. In 2021 similarly, we have an expressive volume dedicated to the construction of these three assets that I have mentioned. As from 2022, we have the investments in Santo Agostinho only.

Concluding, we show the trend in our dividends. As Sattamini has already mentioned, in 2019 we retained R$ 950 million of our earnings in order to cover eventual pandemic related costs. And this year as also mentioned, our proposal is to payout 100% of our profit ex-GFOM. I think it is important to mention that for account of these retentions, we have a retained earnings reserve of about R$ 1.7 billion, which can be drawn on at any moment at the Company's discretion.

With this I end my part and open the questions and answers session.

Operator: Thank you. Ladies and gentlemen, we shall now begin the questions and answers session. To ask a question, please touch asterisk 1 (*1). To withdraw the question from the list, touch asterisk 2 (*2). Our first question comes from Marcelo Sá of Banco Itaú. Please go ahead.

MARCELO SÁ: Hi everyone, thanks for the call. I have two questions. The first question is on TAG. We have seen a process for the sale of Urucu by Petrobras moving ahead with a great chance that a well-capitalized peer in the sector will acquire the asset, which would be Eneva. And it is my understanding that there is great interest on the part of Eneva, if it were possible,

to sell more gas through TAG's pipeline. Here I would like to understand how the next steps would work for you if you eventually decided to expand TAG, whether in some way you have pre-determined and self-regulatory conditions from the regulator for this investment. And up to what point would it be possible to increase the gas pipeline's capacity. Today the capacity is 6.7 million cubic meters/day, so I would like to understand what room you have for increasing this capacity also. This is the first question. Thank you.

EDUARDO SATTAMINI: Marcelo, thanks for the question. I am going to answer the part which I am able to answer and perhaps Rafael can contribute a little. Ok, so the process of expansion in capacity is through, it begins through an expression of interest. As a result TAG has now on Monday, February 8, published a public notice expressing an interest with respect to consumer/gas producer entry and exit points so that it can prepare a survey. This is a process conducted by TAG but with the coordination of the ANP so that it can verify necessities and opportunities of expanding the pipeline. So following the expression of interest, I imagine that Eneva will include under the public notice of TAG its requirements and the most adequate technical solution evaluated, obviously depending on amounts involved. I cannot tell today as to the possibility of expansion in capacity, although I would say to you that if you were to build a gas pipeline in parallel then capacity would be infinite. But with the current pipelines, what would be the capacity for expansion if any through some type of increased compression or creation of some loop in the gas pipeline which would free up additional capacity, I can't tell you and I'll have to get back to you on that one, because I don't have all the technical details still. We are not operators, EBE is not an operator of the TAG gas pipeline, rather there is a specific purpose company in which we participate through the Board of Directors, and some technical information is passed down and delegated to the management of the company. But this information I believe, I don't know whether Rafael has it, but he could possibly help you get it.

RAFAEL BÓSIO: No, that is it, Sattamini, I don't have anything to add but we could investigate. But from what I know, this is going to depend also on the interest in accessing the pipeline, which also determines the new investments.

EDUARDO SATTAMINI: Now this expression of interest is extremely important and healthy. We have to create a free gas market in Brazil with various players and with this the need for new players, to have those interested in new throughput, new entry points and new exit points, in new capacity, it is always important for us to begin to make the free gas market a reality. I think there has been an important development on this front, for last week we signed an important agreement with Unigel. Unigel is a company which acquired

the rights for use of the pipeline involving two plants close to our gas pipeline. So we have signed the first agreement with a consumer since we acquired TAG for an interruptible supply of gas. Interruptible because in fact the gas pipeline is currently entirely contracted out to Petrobras. What we do with this type of contract is to supply gas in the period, in periods when the pipeline has idle capacity. And with this, we reduce the cost to Petrobras of the pipeline while obtaining a small margin on the side with this type of agreement. So this new gas market is now becoming a reality. It is going to give us a lot of work to develop, but at the same time, a great deal of satisfaction because it is a market which still doesn't exist today. The Brazilian gas market has always been dominated by a single player and with this we are now going to have to create conditions for the market to develop. It is beginning to become a reality. And any eventual interest on the part of Eneva will be most welcome so that we can be sure of a long life in our pipeline operations.

MARCELO SÁ: This is excellent, very clear. And the second question relates to the pipeline of projects which you have, you have almost 2 GW of renewable projects which could be developed. Currently, with the approval of the Provisional Measure, the benefits of incentivized energy will end in the next few years so I imagine the race is on among the companies in the sector to try and develop projects as quickly as possible and still enjoy the rights to this benefit. That being said, I would like to see what your expectations are for developing these projects. Do you think it is going to be possible to still obtain the rights to this benefit for a large part of them? What is demand like in the free market, given as I imagine that various players are also in a hurry to close these contracts? Could you comment a little also on the relation to price, how is this price for incentivized energy also in contracts you might close?

EDUARDO SATTAMINI: Very well, we have adopted a posture of always developing a good part of the energy of the contracted projects. So in our case for example, Santo Agostinho is a project which was developed as contracting hedge, that is to say, I have all the energy contracted for a good number of years ahead. If I am not mistaken, we have contracted Santo Agostinho for at least six years after startup in operations, with a minimum total present value of the guaranteed contracts. So, we do not take decisions to invest in new projects without some kind of contractual cover. For the simple reason that if this happens and if, because of an initiative on the part of our competitors, the prices slump excessively because of oversupply for a period, probably the profitability of these projects will not be realized. In other words, if the entrepreneur is responsible he has to proceed carefully.

Obviously, there will be companies that will make their investments and develop projects, subsequently to seek incentives, failure to do so meaning they will not survive.

So we have to be careful with these sharpshooters out there and make decisions as we have always made them, with investment security, with a minimum guarantee of return. So this is our position, we are not going to change because of this. Clearly what is going to happen we believe is that there is going to be an excess of supply as a result of this Measure but that prices will return to normal as soon as this excess is consumed.

MARCELO SÁ: That's fine. Many thanks everyone.

Operator: Thank you. We shall move on now to a question via chat.

RAFAEL BÓSIO: Hi everyone, it is me again. Now I am going to ask some questions which are coming via chat. The first from Maria Carolina Carneiro of Credit Suisse. There are two questions although I think the second has just been addressed by Sattamini, but I am going to repass it on her behalf. The first question would be on the impact of the GSF agreement given the final terms and numbers are still not available, the questioner would like to understand what you have decided to recognize: the previous amount or rather an estimate of the new amount.

MARCELO MALTA: OK so ANEEL have announced a preliminary number and our in-house calculations were very similar to this preliminary number. The only additional component to this number announced by ANEEL was the cost of capital to be incorporated or which was incorporated in the account. So we have a reasonable certainty or even an elevated certainty that our numbers will be very close to those of ANEEL. In fact it is this certainty which has allowed us to recognize these values in 2020.

RAFAEL BÓSIO: That's fine, thank you Malta. The second part of Carol's question is on growth, strategic positioning for 2021 in gas, renewables. So, Sattamini, I believe you have already commented on this but if you want to add something. But I believe this question has been addressed. The next question comes from a private individual, an investor, Geraldo Barros. He sends us pernambucana greetings from the state of Pernambuco and asks if we have any project afoot for a plant in the state.

EDUARDO SATTAMINI: I don't know if it is pernambucana greetings because it is Sport Recife that helped my Flamengo, I hope it is, so pernambucana greetings. Thank you for the question, Rafael. Now I missed the question, the case of renewables?

RAFAEL BÓSIO: No... Exactly, if we have any project in the state.

EDUARDO SATTAMINI: We have no project in Pernambuco, unfortunately. We have our two clusters in the states of Rio Grande do Norte and Bahia. Obviously, we are interested in developing in other regions if for the only reason that there are distinct wind patterns in each state due to geology, topography, I would say we have a distinct wind profile. We have no project, we still have no development, we shall remain attentive, and will let you know when we have news.

RAFAEL BÓSIO: That's ok, thank you Sattamini. We have a few more questions. Another is on plans for TAG in relation to the privatization of the Urucu oil cluster. I think we have already addressed this, in spite of not being able to give numbers for expansion of the gas pipeline, which is still to be determined. And we have one more question from Rodolfo Simas, a private individual and investor, asking, requesting us to detail the objectives and risks of the acquisition of Jirau. Including from the socio-environmental point of view of the project, according to him because of issues which still exist there.

EDUARDO SATTAMINI: OK, thanks for the question Simas. Our idea is that when the project is brought for an eventual discussion between controller and controlled, we will have to assemble a Related Parties Committee which will be a Related Parties Transaction Evaluation Committee, to be composed in its majority by independent members of the Board of Directors in conjunction with additional executives of the Company with a view that the decision must be an adequate, balanced decision for the Company. At the same time, we are going to put together working and technical task forces to evaluate all aspects on an integral basis for the evaluation of an acquisition as if it were a third party project. And the evaluation of the environmental plans and eventual environmental responsibilities will be priced in in the most adequate way possible. So certainly, we shall be looking, verifying, we shall verify, but at the right moment. Today there is no point, today - we are not privy to the day-to-day activities. Once again, this is a project which pertains to our controller. I sit on the Board of Energia Sustentável do Brasil, which is the company which manages Jirau, but we have no details of the daily operation, of environmental projects. So

at the right time we will be conducting our due diligence through the Related Parties Committee, we will be making our evaluation so that people can move forward with an eventual acquisition.

RAFAEL BÓSIO: Ok, thanks to all. We have no more questions at this time so I invite anyone who would like to ask a question to let us know. I'm going to wait a second to check to see if we have any new questions whether by phone or via chat.

Operator: Just to remind you that to ask a question, touch asterisk one (*1). Once more I would like to remind you that to ask a question just touch asterisk one 1 (*1).

RAFAEL BÓSIO: I have one more question, the final question via chat. The question is: good morning, is there some sort of trigger in the decision to distribute retained earnings in the absence of projects with adequate margins, could this ever happen?

EDUARDO SATTAMINI: Good, certainly. To the extent that we have no projects for using the resources or if we have very low debt, it is possible that we might decide to make an additional distribution of dividends. We try to maintain a 100% dividend distribution using cash for investments up to the limit, which we understand to be a healthy limit for our debt - and we still have not reached that limit. But we always keep what we call hedge room, space so that we can take quick volume investment decisions. We have never had a situation where we have not had an opportunity to use capital. Perhaps back in 2005, 2006, when the company experienced paralysis in its growth, perhaps that might have been a moment when this could have been done. But today, we are living a moment of opportunity, you can see that if you look back over the last four or five years, the Company's growth has been significant. I think we have gone from a profit, if I am not mistaken, in 2016, of the order of R$ 1.2 billion to R$ 2.8 billion in these four years. I think this demonstrates growth, profitable growth of the Company. So while we are finding opportunities to create value for our shareholder above the cost of capital plus the premium we require, we are going to continue investing. So the possibility of an extraordinary distribution is small. But from the moment that these opportunities no longer appear for any market-driven reason, then clearly we are not going to invest without remuneration and an adequate risk, perhaps then we might decide to make an extraordinary distribution. For the time being nothing of the kind is on the horizon.

RAFAEL BÓSIO: Ok, Sattamini, thank you. We have some more questions. A question on whether we would be interested in the CEEE's generation and transmission assets.

EDUARDO SATTAMINI: OK, that is a question that I would not like to answer. We are examining the process but it is going to depend on format, to depend on timing.

RAFAEL BÓSIO: That's ok, Sattamini. Thanks. The final question is if we could comment on the process for the sale of the thermoelectrics.

EDUARDO SATTAMINI: We can. Our plan today for Jorge Lacerda, which is Plan A, that is decommissioning in 2025. However, on announcing this at the end of last year there was a great outcry from the community in Santa Catarina, political and society, endeavoring to find solutions for the main problems which come with selling. The key problem that we come up with is the possible, remote but possible, accusation of environmental damage jointly the mining companies. And if we manage to resolve this problem and balance the risk-return equation of the sale there are possibilities of making a sale. There are parties interested in these assets and resolving this issue, should the interested party maintain the proposal, it is possible that this could lead to a sale. Otherwise, we shall continue with the process of a phased closure of this unit by 2025, but all the while, operating the plant for it is a profitable and has its benefits. Clearly, the closure of a unit is complex because it involves social and economic aspects. So we have to be careful as well. And we have a task force specifically to address these issues. So with this Jorge Lacerda plant there will be an exit either through closure in 2025 or through a sale. And as to when we imagine the sale, it could still be this year, because if not this year the number of remaining years of operations of the plant decreases with time and the corresponding interest as well and the number of possible purchasers as well. As to Pampa, Pampa was a plant with many problems at the end of the work in the middle of 2019. We have equipment where the core is very good, the boiler, turbine, the generator are all of excellent quality. But the quality of the auxiliary equipment which we found when operating the plant, despite all the care taken, obliged us to make several small substitutions of valves and sensors and some mechanisms. This meant the plant initially operating at an unacceptable low level of uptime although since improving well this year... at the end of 2020 we had a very good level of stability. We will still have a shutdown in May and we imagine that this stoppage will sort out the problems which we have already identified and which could then bring the plant up to normal levels of operation. When this normal operation is normalized, and we believe

that we are reaching this point, it's the famous curve of the bathtub. This we believe is the moment in which we can give peace of mind to the acquirer that the plant is in good shape and will generate very well. The quality of the plant is very good, the problems are small, I would say, auxiliary systems which are being replaced little by little and this is also being resolved. So we should begin the process over the first quarter so that we can conclude a transaction over the course of 2021, or at least a commitment to a transaction for an imminent closing at least by early 2022.

RAFAEL BÓSIO: Ok, thank you Sattamini. I believe this ends the questions and answers session. I will now call on Sattamini and Malta to close the transmission of the videoconference.

MARCELO MALTA: Good, I would like to thank the participation of all. As you can see our results this year were very good and I am, together with Rafael available to clarify any other doubts if necessary. Just address them to Rafael and to his team and they will certainly reply to all of them.

EDUARDO SATTAMINI: Very well, I would like to thank all of you for the support we have had during the year 2020. I would like to say that we continue alert and diligent to the pandemic, which is still not at an end. We will still have 2021 with this threat hanging over our economy, over us, over the health of our employees, over the health of the communities that are part of our day to day. But we are focused on this, we continue diligent, we continue focused and supporting society in its struggle against this threat. And we continue, in spite of all the difficulties, to deliver first class, top quality results, with a young team and one which has fought to make our company an increasingly better one. I would like to thank our parent company which has given us all the support, to the team that supports us, and many thanks to all of you and hope that we can have a 2021 with greater expectations of growth, of improvement in conditions and that we manage to deliver results as we delivered them in this year of 2020.

Operator: Thank you. Engie Brasil Energia's videoconference is concluded. We thank the participation of all, and we wish you a good afternoon. And thank you for using Voitel.