ENGIE BRASIL ENERGIA S.A.

VIDEO CONFERENCE TRANSCRIPTION
RESULTS FOR THE FOURTH QUARTER AND THE YEAR 2022
FEBRUARY 17, 2023 – 11:00 A.M. (BRASÍLIA TIME)

RAFAEL BÓSIO: Hi, good morning! We are beginning the video conference on the fourth quarter results 2022 and the fiscal year 2022 of ENGIE Brasil Energia. I am Rafael Bósio, the Company's Investor Relations Manager and I would like to make a few announcements before beginning the call.

Currently, those who are connected are in listening mode only. Later when we open the questions and answers session to participants, you may submit your questions via the Zoom Q&A tool. Please note that this video conference is being recorded.

We have also made available in our website www.engie.com.br/investidores the files for the Presentation and the Results Release as well as the Annual Financial Information and other documents filed last night with the CVM where more detailed analysis of the financial statements, operational results, progress with the implementation of new projects, among other elements in the period, are published.

Before proceeding further, I would like to clarify that eventual statements that may be made during this video conference with respect to the outlook for the Company's businesses 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 are Eduardo Sattamini, Chief Executive and Investor Relations Officer and Marcelo Malta, Chief Financial Officer of the Company to comment on the performance of ENGIE Brasil Energia in the fourth quarter and the year 2022 as a whole. 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.

Sattamini, please the floor is yours.

EDUARDO SATTAMINI: Thanks, Rafael, and good morning to all. Once more it is a pleasure to be here with you to talk about the Company's good results in the fourth quarter and for the year 2022 as a whole.

We would like to talk much more now about the annual result than specifically about the quarter. As we say, in the light of strategy, hydrology and a series of other factors, quarter-on-quarter variations are not representative, although we can mention some important elements on this basis.

Talking about the year, we begin on slide five where we can see the Company's strategy of growth is shaping up well as the projects become operational. When we look at our adjusted Ebitda, it appears to show a decrease which might indicate that the growth strategy is not being adequately executed. However, in effect, we have an important component in that of GFOM, which affected the Ebitda for 2021 to the tune of approximately R$ 1,591 million. So if we exclude this factor, we would have reported a growth of 23.4% in cash generation represented by the Ebitda.

There were various factors which influenced this. On the right of the slide, you can see for example, an increase of price, increased volume and a better result from CCEE transactions. But these are details which you can find in a very practical and well explained way in our Release.

When we move onto net income, we have an even greater effect with a growth of 109% in relation to 2021, albeit due to accelerating inflation which we experienced in 2021. And in 2022, price growth was significantly lower.

So, we have debt indexed to inflation, we have concession liabilities linked to inflation and when we have an acceleration in inflation, we have a greater impact, which is reflected in readjustments in prices and contracts. But also, when inflation falls, we end up having a very favorable comparison. And it is for this reason that we have this year-on-year increase in profit – excluding the GFOM effect - of the order of 110%.

Let's move onto the next slide where we talk about highlights. In the last quarter, we approved an investment in the Assú Photovoltaic Complex of about R$ 3.3 billion. This project will have an installed capacity in the region of 752 MW, generated from the plant located in the state of Rio Grande do Norte.

Another of our highlights is our Energy Place platform, the first digital platform for energy trading. It has been in operation for two years now and with great success. This represents our initiative preparatory for acting in this increasingly pulverized market we shall see next year with the complete opening to high voltage consumers.

In the last quarter, we also concluded financing with the BNDES for R$ 1.5 billion for installing the Serra do Assuruá Wind Complex, situated in Gentio do Ouro, state of Bahia, with 846 MW of installed capacity.

The next page of highlights please. At yesterday's meeting, we approved complementary dividends

worth R$ 1,455 million. This is expected to be ratified at the Annual General Meeting, making a total dividend for the year 2022 of R$ 2.7 billion, reaching a 100% payout, equivalent to a dividend yield of approximately 8.1%.

Another important highlight is that for the first time, the Company made its debut in the Carbon Disclosure Project, in the CDP, this being a condition of participation in the Corporate Sustainability Index - ISE. Previously, we had the CDP and the CDP rating for the ENGIE Group as a whole, but now we have our own qualification, our own rating. And for this first year, we received a B score. We are now working using gap analysis for identifying improvements so that we can go even higher in this rating.

In December of the last quarter, we also approved Interest on Shareholders' Capital of R$ 200 million, payout date to be set by the Executive Board.

One more highlight on this page is our participation in the ISE for the eighteenth successive year. We are one of only a few companies that have been included in this index since inception. And for the third consecutive year we are also in B3's Carbon Efficient Index.

And the final highlight is an important one: as a result of our appeals to ANEEL, we obtained an 852-day extension in the Estreito Hydropower Plant grant. This affects our participation of 40% in the Estreito Plant, at the same time benefiting our investors and partners, which have the other 60%, bringing additional value for us as well. This agreement on the part of Aneel is a function of delays and waivers as a result of late entry of the plant into commercial operations.

Moving on, we show in this slide, slide 9 the annual ESG indicators. Some of these are very important. We continue to grow in the percentage of our installed capacity of our generation in renewables. In 2023, with the closing of the operation for the disposal of Pampa, we expect to reach 100% in renewables.

This also has contributed to a reduction in emissions intensity. During 2022, there was a major reduction albeit due to a problem in Pampa Sul's boiler. There would have already been a reduction due to the sale of Jorge Lacerda, in 2021, but the decline was much accentuated by the problem of the boiler, which shut down operations at Pampa for a period.

The plant has returned to normal working since August. Currently, it is not dispatching because the price in the spot market is at its floor and its Unit Variable Cost, its CVU, is slightly more than the Differences Settlement Price - PLD.

Also, as a result, we saw a reduction in emissions in 2022. Today, we could say that we are a net

credits generator. If we consider the amount of carbon credits generated less the Company's emissions, we would be classified as a net generator of carbon benefits.

Water withdrawal is closely connected to the thermoelectric operation. Due to the reduction in thermoelectric activity in 2022, we were also able to report a significant reduction in water consumption.

On another ESG front – diversity – we show the indicator for women in the work force. We are working arduously with affirmative policies to bring more women into the Company, notably in our operational area.

We have two important programs which have been implemented in recent years. One is the formation and training of operators for our wind farms. And now we are also doing the same in the context of our hydropower operations and in the areas close to our plants. And in our national program for women trainees, women engineers have already joined our operations team.

Today, when you look at our administrative work force, it already stands at the 50/50 ratio. However, in the operations area there is still a shortage of female talent. But it is not enough to passively accept this situation. We have to find ways to introduce female labor in the operations area as well.

In relation to our social investments, we use a metric which is the percentage of resources invested in social responsibility in relation to our incentivized resource limit and in 2022 we reached 100%. This is our target: to spend our incentivized resources, whether those related to the Culture Law, the Sports Law, PRONON and PRONAS, and Accessibility Law. We have the objective of using these resources in projects on which you can also find information in our sustainability report, in our website and in YouTube, on many, many great and inspirational projects.

Let's move onto the next slide. One more. Talking a little of commercialization strategy. You already know this well: our objective is to seek diversity across various segments of industry and commerce. Today we are concentrated in highly diversified segments, namely food and steel, given the veritable importance of this activity in consumption. It is an electro-intensive activity and a heavy consumer. But we look for diversification of risk, always maintaining a maximum limit of exposure to a given segment.

Also, as part of our vision of risk dilution, we have a system of commercialization where we are always in the market selling energy and seeking little by little to increase our percentage of contracting. This we can see on the left side showing our energy balance for 2023 as totally sold. We have a very low exposure, or zero — just residual —, in relation to the low price in the spot market.

In 24, we have 6% of energy available for sale, still uncontracted, but nevertheless, a very small percentage. Little by little, this uncontracted energy grows, because as the years go by, we have expiring agreements. Remembering, we have in the Free Market, agreements being made for an average of five years, 4 or 5 years of duration. So, it is natural that gradually our agreements in the Free Market are maturing and in parallel, with a need to recontract.

Our situation is comfortable during this period in which we are seeing excess supply and a high level of contracting at good prices. But it is concerning to look ahead and see market prices today – and already announced on several occasions in the media – below the marginal cost of expansion. This is the situation we are experiencing today. However, we expect that with industrial growth and with the failure of some projects which we understand will not get off the ground in a low-price scenario, these prices will show a tendency in the medium- and long-term to revert to the marginal cost of expansion. This we think for non-conventional renewable energy is of the order of R$ 200/KWh.

Moving onto the next slide: Commercialization Strategy. We have focused a lot on the preparation of the Company for the opening of the market. There was a reduction in the number of clients in 2021, set against a scenario of very bad hydrology in that year. So, we decided to look for more security and as we say, a flight to quality as far as our clients were concerned. But, in 2022, the commercialization environment normalized and we are preparing to meet a major increase in the number of clients with the liberalization of the market as from 2024.

We are already closing various agreements for those consumers that will become free in 2024 and hence the importance of our digital and low touch platforms so that we have a much lower transactional cost and can be highly competitive.

Let's move on to the next slide. Speaking of expansion, we report on Santo Agostinho. Santo Agostinho, the first machine going into operation now in the first quarter of 2023, and gradually ramping up the operation. This is a 434 MW project in Rio Grande do Norte, the project adding this total installed capacity by the end of the year or the beginning of next.

Let's carry on. In transmission, Novo Estado. We have some very important information here. We had 99.2% of the work totally executed by the end of last year and now as of today's date, we have 100% of the work completed. And we are programming the operation, the energization of the last part of the line, ensuring 49% of the project's RAP now on February 25. And then, next weekend, that is not this coming Carnaval weekend, but the next one, the energization of the last part of the transmission line will take place, allowing us to become totally operational.

This is a major milestone for us, because it means we can demonstrate our capacity of execution

and capacity to deliver our strategy of taking clean and sustainable energy to consumer markets. Transmission plays this role for us.

One more project. This is a marginal project there in the Itacaiúnas substation, an expansion which we won at an auction last year and currently at the phase of hiring suppliers. With the suppliers already hired in fact, and a start on implementation beginning now with the mobilization of the teams in this first quarter of 2023. This is a project in which Aneel set a CAPEX limit of R$ 110 million, but we have made significant reductions in contraction.

Let's go. One more wind project in installation, Assuruá. We have already mentioned it: it is at the signature stage of the contracts and we have signed financing with the BNDES, with the idea of the installation license to be issued now at the beginning of 2023. We will be giving you more news on the implementation of this project as we are able to report developments on licensing and with the mobilization of the teams onsite.

In the case of the Assú Sol photovoltaic project, we have the Preliminary License and signed land use agreements. Supply contracts are already in the process of execution and the outlook is that in the second quarter of 2023, we will be in a position to begin construction work on this project.

When we talk of expansion, expansion at ENGIE Brasil Energia, we always bring up the question of Jirau. You may remember that Jirau is a project which was begun and constructed by the controlling company, ENGIE, here in Brazil and at some point in time was destined to be transferred, this 40% stake in the project, to ENGIE Brasil Energia. In this context, there was a very important event last year which was the revision of the Tariff for Use of the Transmission System – this tariff falling by about 35%. With this, the project, in fact, the project, the plant, the SPC, began to see cash generation and this in my perception sends a signal that the project is beginning to reach a level of maturity which could allow discussions on the internalization of this project to begin.

Nothing still from the controlling company but we believe that at any moment this question could be raised for discussion in accordance with our governance of assets through the intermediary of the Related Parties Committee, made up of representatives of minority interests, supported by advice from well-known companies and investment banks to help us decide a fair value for the transaction.

We recall that in 2021, there was a related party transaction with two solar assets constructed by a company which the Group acquired on a globally. A good transaction was concluded for the acquisition of Floresta and Paracatu, producing returns very much in line with the risks of the operation. We hope to see the same approach in the case of Jirau, so that as always, security is provided for minority interests, ensuring that the transactions are conducted in a fair manner.

Next slide. We today have a pipeline in development amounting to 1.8 GW, in the case of many of the projects, complementary to already existing ones, turning them into hybrid projects. They have a future commercial advantage, but in a scenario of low prices, we will probably delay any decisions a little. Let's wait for the market to return to an even keel so that we can execute these projects that we call greenfield.

In the meantime, in all probability, if we want to continue growing and using cash generation capital, the capital we have available, we should look for some type of contracted acquisition, through which we can generate value, so that we can, in some way, benefit from synergies in conjunction with existing assets, our operational skills and our technical excellence.

Let's move on. Here let's look at our financial performance. I am going to give the floor to Malta now and then come back to talk further a little later on.

MARCELO MALTA: Thank you, Sattamini, and good morning to all. This slide shows some of the indicators of our financial performance. As can be seen, we have presented high levels of return on equity and on invested capital. 2021 was an exception given the reduction in our profitability, driven mainly by negative financial impacts on our debt.

In the chart on the right side, we list some performance indicators from 2016 to 2022. We invested about R$ 25.7 billion, with a 75% leverage on these investments. Our proprietary capacity increased 21%; notably in the case of renewables, with a growth of 36%. In the period, we acquired a stake in TAG and made our debut in the transmission segment. As Sattamini has mentioned, next week we shall conclude the implementation of these assets, which are going to generate a RAP in 2023 of something in the order of R$ 620 million.

Our Ebitda in the period rose 108% and our profit by 65%. We paid out between dividends and interest on shareholders' equity R$ 13.8 billion.

This slide shows the evolution of our operating revenue. Some significant impacts here. The first was the increase of 11.5% in prices and 4.3% in energy sales volume.

As for CCEE business, there was a negative impact on our revenue. On the other hand, we also saw a reduction in costs of R$ 461 million, which ramped up our Ebitda by approximately R$ 250 million. This is due principally to a combination of an increase in GSF — this increased from 0.73 to 0.85 in 2022 — and also a reduction in PLD, which on average stood at R$ 60 in 2022.

In trading operations, we also reported a reduction in our revenue, although there was a decrease

in cost as well, generating a negative impact of just R$ 2 million in our Ebitda. This is mainly due to the mark-to-market of our trading agreements.

As to transmission, we have a specific accounting rule for registering transmission revenue and cost. Our revenue corresponds to our CAPEX plus a margin as well as the remuneration of the financial asset linked to transmission. We also saw a reduction in transmission costs of R$ 1,424 million, which fed through to a positive variation in our Ebitda of R$ 291 million. Just to point out that in transmission as the work advances, we have a reduction in the cost and construction revenue of the assets.

This slide shows TAG's financial performance. It closed the year with a profit of about R$ 2.2 billion. This represents an increase of nearly R$ 600 million. Our participation in this profit was R$ 727 million, which represents a growth of R$ 125 million in relation to the preceding year.

This slide shows the evolution in our Ebitda. As Sattamini mentioned, the impairment at Pampa Sul and the result from the sale of Jorge Lacerda are registered in the Ebitda for 2021. By excluding this from our Ebitda, we arrive at an adjusted figure of R$ 7,217 million. Another adjustment which we made was to exclude the impacts of transmission from our result. These impacts are principally economic ones and, in the evolution in Ebitda, we sweep up the RAP as well.

The main changes shown in 2022 were growth in price and volume as already mentioned; RAP from transmission, which for the year was R$ 348 million — as I commented, in 2023 this will increase to R$ 620 million; in CCEE, as already mentioned, we saw growth in Ebitda of R$ 247 million; there was a reduction in the cost of coal due to the sale of the Jorge Lacerda assets; equity income on the result from TAG, as already mentioned, resulted in a growth of our Ebitda, of R$ 125 million. We had an increase in energy purchase volume. This increase reflects an increase principally in the acquisition of Diamante's energy. This operation was contracted at the time the asset was sold.

As Sattamini has already mentioned, the impact of GFOM was nearly R$ 1.6 billion. If we exclude this effect from our Ebitda of 2021, as also already mentioned, we would have had an increase in Ebitda in 2022 of approximately 24%.

Here is the evolution in our profit. In the same way as Ebitda, we also excluded the impairment effect — here net of Income Tax and Social Contribution —, giving an adjusted net income of R$ 2,369 million.

As already pointed out, the main variation for the year is a reduction in our financial expenses, driven largely by a combination of the reduction in inflation indices and also the increase in CDI

and TJLP.

Here we show the evolution in our debt and leverage since 2019. A significant hike in our debt. In 22, we reported a reduction of about R$ 1.8 billion, the result of reclassification of Pampa's debt. Since we sold the asset, the accounting rule dictates the need for a reclassification of the debt to asset/liability available for sale accounts.

This drove a reduction in our gross debt/Ebitda ratio. On the other hand, we had an increase in the net debt/Ebitda ratio. The main reason for this was significantly increased cash consumption in 2022, largely reflecting investments made and also dividends distributed.

This slide shows the evolution and profile of our debt. The first graph shows a well-balanced maturity profile. The duration of our debt closed at 7 years and 6 months. In 2021, it was 6 years and 9 months.

In the chart on the right-hand side, we show the debt breakdown by index, highlighting the predominance of IPCA. We also have TJLP on debt raised with the BNDES together with debt indexed to the CDI, used for shorter term debt. Worthy of note is debt indexed to the IPCA, which is hedged by energy sales agreements, nearly all indexed to the IPCA. The annual nominal cost of our debt closed at 11.4%, which is equivalent to the IPCA + 5.3%.

Here, we show the value of our investments since 2019 and the outlook until 2025. Between 19 and 22, we invested about R$ 15 billion. In 2023 and 24, our expectations are for investments of R$ 12 billion, mainly in Santo Agostinho, which is in the process of implementation; and Serra do Assuruá and Assú Sol, which are both at an initial stage of construction.

We also show a track record of dividends paid. As already mentioned by Sattamini, we approved yesterday at the Board meeting, the payout in full of our net income, representing an annual dividend yield of 8.1%.

With this, I conclude the financial part of the presentation and give the floor back to Rafael.

RAFAEL BÓSIO: Thank you, Malta. We have some questions here. I will begin. The first is from Maria Carolina Carneiro, sell-side analyst from Credit Suisse. In fact, there are two questions.

The first is related to commercialization during the fourth quarter, because according to their analysis of the evolution in our energy balance in relation to the third quarter, they identified higher sales. And this is really what happened: above 200 average MW between 2023 and 27.

She would also like your comments on how the energy market is going — liquidity, prices and duration. That question is the focus at the moment. Sattamini and Malta, go right ahead.

EDUARDO SATTAMINI: Leave it to me. Leave this one to me. Thanks for the question, Carol. Basically, our strategy is: when we see downward price pressure - and we were seeing this with the improvement in hydrology and with the continuity of favorable hydrology into 2023 – we saw a possibility of this effect on prices feeding through to 23 and 24 and accelerated sales so that we could… If we look today, if I had kept this 200 MW in my portfolio, I would have lost value for the Company. So we examined the scenario of the moment and understood that despite prices being unfavorable, it would be a moment to sell so that there would not be an even greater deterioration in energy prices in our portfolio.

Remember that the Company's strategy is always to sell. We need to be selling our portfolio at market prices — obviously, we look for the best price in the market —, and we accelerate or decelerate as a function of these perceptions of price variations. So, this is the effect.

I would say that it was a strategy of success on the part of our portfolio people, anticipating this drop in price. We need to work the market now so that prices return to the levels which justify the investments. Let's work towards this but while it is not happening, we are going to continue selling as part of the Company's normal strategy.

One more question, Rafael?

RAFAEL BÓSIO: Yes, I have. The following question is on the increase in costs identified during the quarter, Sattamini, costs with personnel and SG&A, and Carol would like a comment on this variation in the quarter.

EDUARDO SATTAMINI: Quarter-on-quarter, or is she talking about the quarter in relation to the year?

RAFAEL BÓSIO: Quarter year-on-year, 4Q21 x 4Q22.

EDUARDO SATTAMINI: The quarter, year-on-year is easy to explain. Our activity, the company is growing. So, when we look at growth of 23.4% in Ebitda, we have new operations starting, many of them beginning operations but still not demobilizing the labor force involved with implementation, so it is natural that we should still have higher labor costs in the operation.

When we talk of SG&A, we have a part which is justified by the growth in the level of activity. Marginally, there is an increase but I have an important element which is the preparation of the

Company for this new market moment and therefore the formation of a team, an increase in the number of sellers, investments made in technology to meet the requirements of market liberalization.

And that is not all. We had a very good year in 2022, and with it, we are going to pay participation in profits on the results to the employees, we are going to pay a bonus to the employees and the good results also generate a provision for the bonuses that are to be made in the following year. These would be the main elements.

Carol, you know that, you know very well that we take great care with costs here and we have a very good cost performance. But as you grow, as you have good results, these costs have a tendency to increase in nominal terms, even when they represent an increase which is considered significant for you and which caught your attention.

MARCELO MALTA: Just by way of a small addendum, Sattamini, I think it worth pointing out that our ESG&A cost/Ebitda has declined over the years. This would also indicate efficiency in the management of the Company's costs and expenses.

EDUARDO SATTAMINI: Thanks, Malta. Very well noted.

RAFAEL BÓSIO: Perfect. Thanks everyone.

EDUARDO SATTAMINI: Perhaps in the next presentation we should prepare a graph showing this. Right, Malta?

RAFAEL BÓSIO: This trend, right?

MARCELO MALTA: Yes. This is what we regularly show internally to our controllers as well, right Satta?

EDUARDO SATTAMINI: Exactly.

RAFAEL BÓSIO: Perfect. The next question comes from Guilherme Ferreira Vieira. He is a personal shareholder. He says: "Good morning. Considering the growing competitiveness in the transmission auctions, is it the Company's outlook to remain competitive in these auctions or channel new investments to other areas?" This is the question.

EDUARDO SATTAMINI: OK, so let's go on this one. It's true that we are seeing major competition in transmission, very aggressive bidding. I would say that if we look a bit further forwards from

the point of view of term, even in relation to this last auction, I believe that the intensity of the competition has even declined somewhat, albeit there are still some very aggressive players.

And this is normal. In the transmission sector, we see less and more attractive price cycles. We operate on the basis of a very strong financial discipline and we go as far as we think the investment will bring us a return and create value for our business portfolio.

And at this last auction we were notably much more competitive: coming in third, the bidding for some lots in which we took part being very intense among those out in front. So perhaps at the next auction now, a very big one in June, with R$ 16 billion of CAPEX as established by Aneel, we are perhaps in with a chance. There are some really big lots.

We are seeing that some of the players competing with us in this market are selling down their assets. In other words, either this is an aversion to local risk, or a reduction in country risk or a need to generate cash.

So it could be that we may find a good moment for the Company to capture some profitable opportunities in the transmission sector, which we understand as important for the country, important for the development of renewables, because in reality this brings renewables close to the consumer market. This is the principal function of transmission and we understand that opportunities will arise.

We have a very good auction coming up now in June and at the end of the year as well with an auction of significant values. Let's continue providing guidance to our team, working so that we have good projects and, not forgetting, always with good returns.

RAFAEL BÓSIO: Thanks, Sattamini. The next question comes from Arlindo Souza, sell- side analyst at TC: "Can you comment a little about growth drivers and plans at TAG, given the legal framework for gas and the need for infrastructure in the sector?" Sattamini.

EDUARDO SATTAMINI: TAG has an asset base which was evaluated at the time the decision was taken to acquire the company, already presenting and continues to present, a very good result, a growing result, because the debt raised for the acquisition of the asset has a relatively short duration for amortization — if I am not mistaken, seven years —, so in any case we are going to have growth in results. Currently we are having a result which is even better than what had been expected.

But, yes, the growth drivers are the increase in gas consumption in Brazil and its industrial use, an increase in industrial use which is our main source of expected growth. We are going to have

an abundance of indigenous gas supplies, principally from the pre-salt layer.

Consequently, we are going to have new players as well as a more dynamic market. The exit of Petrobras from the sector brings a greater dynamism and new entrants, with installations and the infrastructure necessary to administer a greater network, a network with a greater degree of operational complexity. With this, new opportunities will emerge.

We already have some investments, connections to some terminals pertaining to new clients and this as the market expands and the number of agents grows, this also is going to increase these opportunities for TAG.

RAFAEL BÓSIO: Thanks, Sattamini. The next question comes from a personal shareholder, André Oviedo. He asks if there are any prospects for a one-off reduction in payout given the robust investments planned for 2023 and 2024. Sattamini and Malta?

EDUARDO SATTAMINI: Look, we have no expectation at this time for any reduction in payout. We have been effecting a payout of the order of 100% over the past few years. If we look over a horizon of ten or twelve years, payout, on very few occasions has been below 100%. If I am not mistaken, three years.

One of them was in a year when we had a non-cash effect involving GFOM, and where we distributed 100% of the result cash and then in the next year, compensated this. So, to a certain degree, we managed to grow paying 100% in dividends.

Today, we are still at a comfortable level of debt, within the confines of our covenants, and we see no reason at this point in time to modify this policy. Not forgetting that it can happen, should we have a large volume of investments or an eventual tightening in the market where we might understand that it would be prudent to reduce payout, as happened in some phases, mainly in 2014, during a political crisis in the country. In 2015, we also reduced payout although in 2015 it was the GFOM situation. But when there is a crisis, we tend to preserve cash and the health of the Company and wait for the crisis to blow over so that we can revert to our 100% payout policy. So, in short, we see no reason for such today.

RAFAEL BÓSIO: OK, Sattamini. I am going to jump a question because there is a related question also on dividends, coming from another personal investor, Samuel Sampaio de Souza. He makes some considerations asking why the Company has no shareholder remuneration policy. I think he means why our dividend payment policy is not in a more regular format; he mentions “quarterly”, with specified dates, defined dates, so that the personal investor has greater predictability of these terms. Not sure whether you would like to comment on this, Sattamini, the question of cash management.

EDUARDO SATTAMINI: Our policy is to pay normally twice a year; when we payout interest on shareholders' equity, we pay three times; and in accordance with the Company's cash. It doesn't vary that much. Only we do not pay quarterly. Paying semi-annually as if we were a NTN-B. We don't see any need or reason for it, if only for the fact that we do not have a uniform quarterly result. We are a company which has variations in market price, variations in the allocation of energy.

RAFAEL BÓSIO: Seasonality.

EDUARDO SATTAMINI: Results occur on a non-uniform basis during the year. So, we think that to pay twice in the year meets the requirements of the larger part of our shareholders.

RAFAEL BÓSIO: Perfect. Thanks, Sattamini. Let me mark this down as answered.

EDUARDO SATTAMINI: I prefer to pay 100% twice than pay 25% three or four times in the year.

RAFAEL BÓSIO: The next question comes from Henrique Peretti, **sell-side** analyst at JP Morgan, and it is good for us to receive an opposing point of view and clarify our growth strategy, Sattamini. He asks us to comment on our commercialization strategy for the Assú Sol project. He ponders that we are seeing project breakeven above R$ 200/MWh while free market ACL prices, even with the subsidy factored in, are well below that. Therefore, he says it would be difficult to justify this project at present. He seeks our considerations.

EDUARDO SATTAMINI: Let's go. Peretti is right, at the time these projects were approved, we took into account an initial period in which we would be generating less cash than the average for the project, but important in the final decision being a project which will enjoy a wire tariff subsidy. In other words, this is a project which, if I don't do it now, I will some years down the track but be less competitive in the market.

So, what was the idea? I am going to do the projects now, even if in the first years, we contract for a lesser duration in our portfolio. Not forgetting that these projects represent a little more than 5% or 6% of our energy, of the total contracted portfolio for 2022; that is to say, bearable for holding uncontracted energy, knowing that in the first years we would have lower prices and that afterwards we would be able to compensate these, because the system does not support growth at prices lower than the marginal cost of expansion.

This is natural: the investor will not feel motivated to add new capacity to the system if this capacity is not to be adequately remunerated. So, the price must come back and for us, come back to the level - plus wire benefit - that we intend to capture.

This wire benefit is going to increase as new layers of customers are liberated to operate in the Free Market. The entire high voltage group has been liberated and at some point in the future, low voltage will join them as well.

RAFAEL BÓSIO: Perfect, Sattamini. Thanks. Changing the subject a little now, two questions from personal shareholders, Daniel Fernandes and Tiago Panzaon on hydrogen projects. They ask how ENGIE is preparing for the green hydrogen market and what are the prospects for this market, what are the prospects that we see for this market. Sattamini.

EDUARDO SATTAMINI: This market today is still a highly uncertain one for us. It is a market which when we look at green hydrogen, there are still some issues in relation to competitivity against gray hydrogen. We are going to need governmental actions for developing this market, both at the level of Brazil as well as the global level - incentives so that consumers can use green hydrogen.

We can say that Brazil has a very favorable situation for development. We have abundant and complementary green energy when you look at wind and solar, which allows you to have, and still have hydropower, which is also renewable, and in other words, allowing operations round the clock with renewable energy for generating hydrogen, optimizing the plant utilization factor. And still more with the opening of the market. Today, we live a completely different situation in Brazil from the one in other countries around the world which have a large fossil base in their energy matrix. Prices today in Brazil are below the marginal cost of expansion, while in other countries, we see the opposite with very high energy prices.

So in Brazil, we see a major opportunity. Perhaps what is going to accelerate the development of hydrogen here in Brazil is this excess of supply that we have and this serves even as an element of regulation in our own market. While you have demand through hydrogen, it could be that this super offer can be consumed more rapidly. There is still much to be discussed in relation to governmental support, regulation, etc.

We look at the hydrogen market favorably. How are we preparing for this? We have a global hydrogen team which is looking at technology, examining opportunities; and in Brazil, at ENGIE Brasil Energia, we set up a group last year which is also looking at projects and preparing to capture opportunities. So, we have a leg here in Brazil, which is developing and on the other side, we have global teams also checking out the opportunities, the offtakers, so that we can establish ourselves in this market in the best way possible.

RAFAEL BÓSIO: Perfect, Sattamini. Thank you. Now a question from Guilherme Lima, sell-side analyst at Santander. He asks about the transfer of Jirau, although you have already commented that there has been no sign from the controller as to the beginning of the transfer process. But he goes on to ask with respect to the transfer, when it will happen, and if this incorporation comes

about, if we would maintain a payout of 100% or if this transaction takes place, whether it might bring some pressure to bear on eventual payouts.

EDUARDO SATTAMINI: Look, in terms of the value we are imagining, I do not see it as a limiting a factor. Remember, given that the acquisition with the controlling company, we have the possibility - as in the case of Estreito in 2010 - to make payment in accordance with the Company's cash generation capacity.

The sale is not being contemplated because the controlling company actually needs the cash; much to the contrary. Even the controlling company today is freeing up CAPEX due to its disinvestments in other areas — in the area of services, mainly Europe. So we do not see the acquisition of Jirau as a function of the value and the financial situation of the group or will place pressure on our cash position or create a profile which will oblige us to reduce our payout.

RAFAEL BÓSIO: OK. Thanks, Sattamini. Moving towards the end of our call, we have two more questions. The first in relation to M&A, Sattamini, in the transmission segment, whether ENGIE would have an interest in acquiring transmission lines from competitors. And with relation to TAG, if we could increase our stake in TAG or invest in another gas company. So, first the interest in M&A in transmission.

EDUARDO SATTAMINI: First, an interest in M&A involving transmission. Yes, we have had some situations where we see that in transmission M&A, we are less competitive. When we look at the value added of a strategic player in a transmission M&A, it is very small. The operational cost of a transmission line, of a transmission system is very low. So it is much more a question of required rate of return and cost of capital.

When you go to investment funds with personal investors giving support to these values, we come to the conclusion that our competitivity is not so good. Different when we are talking about more complex operations, where you have synergies with your assets and where you have technical competence for the solution of problems, such as is the case of generation, with commercialization capacity, generation capacity of the product, management capacity, geographic location. Then the situation is a little different.

So, I do not see us with a great capacity to compete, but despite this we keep looking. In a determinant situation, may be this makes sense.

RAFAEL BÓSIO: Thanks, Sattamini. One last question in relation to TAG is from our investor Carlos Ary of Stradios: "Good morning. On the debt profile of TAG mentioned by Sattamini, given the interest and exchange rate scenario in Brazil and the seven years duration mentioned — four of which have already elapsed in practice, right Sattamini? — is there any forecast on the part of the

Company, through the intermediary of ENGIE, to renegotiate this debt, doing an actual reprofiling with creditors?" That is, re-leveraging the project.

EDUARDO SATTAMINI: This is a possibility which is being examined, of re-leveraging. It is always good to have a partner splitting the cost of capital and obviously these resources could be used for the payment of additional dividends or for fresh investments. But there has been no decision taken in relation to this.

RAFAEL BÓSIO: Perfect, Sattamini.

EDUARDO SATTAMINI: These are things which we are looking at, yes, but with no decision taken.

RAFAEL BÓSIO: Thanks. With this we end the session of questions and answers. I return the floor to Sattamini and Malta to make their final considerations.

EDUARDO SATTAMINI: Malta.

MARCELO MALTA: Thank you for your participation, everyone. This interaction is always very good. I wish you all a good Carnaval and we meet again on the occasion of the next quarter's video conference on results.

EDUARDO SATTAMINI: That's it everyone. I would like to once more thank you for your attention. We have had a very large number of participants and a set of good quality questions. Our message is that we continue to grow irrespective of whatever the prevailing macro environment and we are delivering results. And continue with us, for we are still going to bring you a lot of joy in future.

Best wishes and a good Carnaval to all of you.