ENGIE BRASIL ENERGIA S.A.

TRANSCRIPTION OF THE VIDEO CONFERENCE
MATERIAL FACT – PARTIAL SALE OF A STAKE IN TAG
DECEMBER 29, 2023 – 11:00 A.M. (BRASÍLIA TIME)

RAFAEL BÓSIO: Hello and good morning. We shall now begin the video conference to discuss the partial sale of ENGIE Brasil Energia's stake in Transportadora Associada de Gás, TAG. My name is Rafael Bósio, the Company's Investor Relation Manager. Before beginning, I would like to begin with a few announcements.

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 are publishing the file with presentation we are making during this meeting as well as the Material Fact on this transaction in the CVM and in our website www.engie.com.br/investidores.

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.

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.

With me today in this video conference are our Chief Executive Officer, Eduardo Sattamini, and our Chief Financial Officer, Eduardo Takamori. I would now like to pass the floor to Sattamini. Sattamini, please go ahead.

EDUARDO SATTAMINI: Good morning, everyone. Once again, it is a source of great satisfaction to be here with you, and as part of the process of transparency in our operations, bringing you one more transaction we have undertaken — and indeed a relevant one.

Basically, the purpose of this video conference is to talk a little of how the operation was structured, the rationale behind it and the next steps prior to financial closing.

So, lets move on to the first slide where we explain the new organizational structure. Firstly, we had a structure with Engie holding 65%, but with governance already involving the co-management of the asset; thus, the new transaction will bring the new shareholding stake in the company into line with the current governance structure.

The price of the 15% stake sold to CDPQ - which will leave CDPQ with 50% equivalent to the Joint ENGIE stake (17.5% with ENGIE Brasil Energia and 32.5% with Engie S.A.) —, was R$ 3.1 billion.

This gives an implicit enterprise value for the transaction of R$ 37.5 billion for 100% of TAG, considering here an equity value of R$ 20.8 billion and a debt of R$ 16.7 billion, the current net debt, compared with the enterprise value for the 2019 transaction of R$ 35.1 billion. Remembering that for this period from 2019 to 2023, approximately R$ 1.5 billion in dividends was paid out to ENGIE Brasil Energia; thus if we take at least half of this value, we would have something in the region of R$ 600 million, R$ 700 million relative to this 15% that was also paid out in the form of dividends.

We see the transaction as a win-win one for the Company and for CDPQ, since it reinforces our partnership with the latter — and we have in TAG a very positive co-management environment between ourselves and them. CDPQ will reach a 50% stake while we have the possibility of monetizing this value generated from the acquisition of TAG and in the first years of operations, rotating assets.

Currently, we have a major pipeline of investments in ENGIE Brasil Energia and we do not wish to pressure our leverage ratios. So, this transaction is going to bring cash into the Company and permit us to make investments in the new projects.

Let’s move on quickly to the next slide where we discuss the merits of the transaction and check out the rationale which underlies it. So, as we have said, there is a partial monetization of the value generated from the acquisition of TAG. And this is something which is really very important because hitherto we have not seen TAG’s value reflected in the valuation of ENGIE Brasil Energia. Thus, the 17.5% which we will continue to hold, is going to serve as an important parameter of value. And as we have said, it will reinforce the partnership with CDPQ and provide flexibility in the rotation of the assets.

We have a major investment program for the next few years. We have just made a major acquisition in the Cruzeiro project — of GIP, and the stake in Atlas —, which is also going to require capital of the same magnitude.

We also have the continuation of the current governance structure. As I have already mentioned, this is the governance that is already in place, and we are now aligning the shareholding with this established governance. In this way, we are aligning with the Company's long-term strategy which is growth via renewable generation and transmission, integral to our growth program and core businesses.

In the next slide, we talk a little about the process involved going forward. Now on December 28, the signing process took place — namely the approval of the transaction by the Board and the signature of the Share Purchase and Sale Agreement with CDPQ.

We now have the regulatory approval phase to come. In fact, a preliminary analysis indicates that approval from the antitrust entity will not be necessary. We are already partners - and this is one of the advantages of the transaction: we are not bringing in any new player, so it is just a simple switch in shareholding within the group of existing shareholders. And closing will be very early on in January when certain conditions precedent should be fulfilled.

I think that is the final slide, right, Rafael? I don't think there are any more to come… Very well, we can now move on to doubts which you may eventually have. We are going to reply here through Q&A — questions and answers — tool, but alternatively note the possibility of contacting both Rafael and Eduardo Takamori to clear up any doubts which you may still have in relation to the transaction.

RAFAEL BÓSIO: Correct, Satta. Now we can begin the Q&A session. We already have two questions here. The first is from Daniel Isaac Nigri, sell side analyst from Dica de Hoje Research. And the question is: "If Engie Brasil needs to raise resources in future, could the Company sell the remaining 17.5% or is the shared control between Engie and CDPQ seen as a priority?".

EDUARDO SATTAMINI: Good, it could; I don't think there is any situation impeding a transaction. What we still have is a reciprocal relationship with Engie S.A. So much so that the transaction we have undertaken now was offered to them: we as EBE, saw an opportunity for raising exactly this same amount, materializing it for part of our cash flow needs; while Engie S.A. did not understand it to be in their interests to take up this

stake. So, instead of conducting the transaction *pari passu*, we at EBE took the decision to sell and they released us from this condition of acting jointly in the sale.

So yes, there is a possibility that ENGIE Brasil Energia might sell 17.5%, if the sale conditions were favorable and this was in our strategic interest. There is nothing to this effect on our radar — we do not have a sale in mind —, although it is a possibility.

RAFAEL BÓSIO: Thank you, Sattamini. The next question comes from Marcelo Sá at Itaú: "What would be the book value for fiscal questions if you have a loss from Pampa which could be used?".

I think I can help here, TAG's book value in the third quarter was R$ 10.8 billion, Marcelo.

EDUARDO SATTAMINI: In other words, there is an opportunity to indeed use the tax shield of TAG's loss…

RAFAEL BÓSIO: Of Pampa.

EDUARDO SATTAMINI: Of Pampa, that's it. Right, Taka? I think that Takamori might be able to even talk a little about this — it is one of the benefits of the transaction, yes.

RAFAEL BÓSIO: Exactly. Because it even addresses another question from Renan, which is if in accounting terms, the operation is going to generate a profit or loss and if we have the approximate value of this. Given this, I think we could go into the financial part of the transaction.

EDUARDO TAKAMORI: So, the book value then of these 15% is about R$ 1.6 bi — so on a pro rata basis of what Rafael has already given us, of R$ 10 bi and a bit for 100% —, naturally, this transaction is going to generate a capital gain. It is going to generate an important pre-tax profit as well and this question of benefiting from Pampa's loss…

It is worth remembering that this operation has been signed off on now, but its closing will only occur at the beginning of January. So naturally it is only going to be booked in the first quarter of next year (2024). So, there is the whole question of how to use the fiscal question in the best possible way, a question which we will have to evaluate. But yes, the operation does generate an important capital gain.

RAFAEL BÓSIO: Ok. Thanks, Takamori and Satta. The next question comes from Sérgio Biz, sell side analyst from GuiaInvest. He comments: "Is the tendency to return to a 100% payout for 2024 following this financial restructuring?".

EDUARDO TAKAMORI: I can take this one as well. I don't believe so. At least over the short-term, we still believe that the best allocation of the Company's cash generation is in investment.

Our focus is still very much on disbursing capital over the next 2 to 3 years for completing projects to which we are already committed. We have Assuruá, Assú Sol and are finishing Santo Agostinho… Asa Branca as well, this involving more than 1 thousand kilometers of transmission lines that we are building. This is going to require about R$ 11 bi alone over the next two years and more still in the financial effort to internalize Cruzeiro — more than R$ 3 bi. In other words, we are talking about R$ 14 billion.

It would be a little unreasonable to increase the payout at this time and to have to leverage further for meeting payout requirements. So we are of the opinion that the best solution is to keep this cash inhouse for the time being.

EDUARDO SATTAMINI: And, Taka, just by way of an additional comment, it has already been very clear: ENGIE Brasil Energia's strategy for 100% payment is only when investment opportunities have not arisen. And, besides these investments which are already contracted — such as Takamori has already mentioned —, we will also have the possibility of new projects coming up in transmission auctions - to be our focus at the beginning of 24.

And clearly, as part of our financial discipline, as part of the adequate return, obviously, we shall be seeking returns above those that would have been seen from the sale of the asset that we have sold now. So, this is creation of value; it is the way which we create value for our investors.

RAFAEL BÓSIO: Thank you, Satta and Taka. I am going to jump ahead a little in the order of the questions because we have a question here relating to what we have been discussing now. Daniel Travitzky from Banco Safra has asked if among the projects which might also be a target, whether Jirau is included.

EDUARDO SATTAMINI: Look: Jirau is not included in this equation. Jirau can happen and Jirau, if it eventually happens, can happen in various forms. It can be as an asset contribution; it can be as a payment in installments to the controlling company and it can be like the Estreito example in 2010. Jirau would not be the reason for doing this transaction now, via asset rotation.

This current transaction has to do with investments in new capacity, with investments in acquisitions and with the outlook for investments in new transmission lines for which we may eventually be the winner at the outset of the new year.

RAFAEL BÓSIO: Perfect, Satta, thanks. Bruno Oyamata at Morgan Stanley, questions if we understand there to be payment and generation of taxes in this transaction and if we have an estimate of the amount. Taka, I think you can address this one or otherwise I can address it here.

EDUARDO TAKAMORI: So, along the lines we were talking about before: if you have a sale which is worth R$ 3.1 bi… — I am talking approximate values here — having a sale worth R$ 3.1 bi and a book value of R$ 1.6 bi, it is going to generate a pre-tax profit of R$ 1.5 bi, more or less. If I apply a 34% tax rate, this is going to come to more or less R$ 500 million in tax.

So, this is naturally taking into consideration that we have this operation closing and its fiscal impact to be felt only in the first quarter of next year (2024) and that we have already done other operations here as well for consuming the fiscal loss of Pampa and other elements.

Thus, if there is no other overriding element, the tax take is going to be more or less R$ 0.5 billion, with a net income of R$ 1 bi. So, it is an operation that generates R$ 3.1 bi of cash and a net income of R$ 1 billion for us.

RAFAEL BÓSIO: Perfect. Thanks, Takamori. I have a question here that Daniel Nigri sent us with some data — he has done an analysis — and I'll summarize it here. In essence, he asks why we decided on this asset rotation, to sell this stake in TAG instead of going for an issue and raising these R$ 3.1 billion in the market; because according to him with his calculations, dilution would be between 9% and 10% only, and given this, we would have not needed to give up the contribution from TAG. He questions why we have taken this decision of going for asset rotation rather than an issue.

EDUARDO SATTAMINI: Taka, Do you want to reply to this or shall I?

EDUARDO TAKAMORI: I can begin, and after you provide anything additional, Satta. I think that - first point - it's a good question, and naturally, an issue of new shares is on the radar and one of the options. However, what we have here is a case of low-hanging fruit: an inhouse operation where we are recycling capital focused on our core business which is electric energy transmission and generation.

And an important element is the time and movement of it all. Over the period of investment in TAG, we have noticed a series of crystallizations of values: the evolution in the regulatory framework for the gas sector, legislative developments… you had the market opening which has also generated monetization as well. So, we understood that we were at an adequate moment for recycling our capital and this coincided as well with the interest of our partner, already part of the project, in increasing its stake and also aligning interests.

But we naturally do not discount a follow-on and other possible operations as well - both in terms of equity as well as debt. So, it was a decision which most added value for our shareholders at this time. But of course, a follow-on can potentially be on the radar as well as other alternatives for leveraging during the coming year. And we should recall that we have an important value in commitments to new investments over these next two or three years.

EDUARDO SATTAMINI: Perfect. I have nothing more to add. No, nothing more to add. Perfect. You scored ten out of ten for your answer!

EDUARDO TAKAMORI: Excellent.

RAFAEL BÓSIO: Thank you, Taka and Satta. Let's move on, the next question is from Tiago Panza, an investor. He asks: "Is the gas transportation business seen as a strategic business at Engie or merely as part of a portfolio for asset rotation as has taken place with the sale of the stake in shares?". I think in fact he would like to know if there is a continued interest in TAG's business.

EDUARDO SATTAMINI: As we have already said, for the Engie Group, gas is part of its business historically and gas as a fuel in the energy transition is strategic to the Group.

For ENGIE Brasil Energia, we had the opportunity of making an investment — a good one which added value —, but ENGIE Brasil Energia's core business is energy — energy generation and transmission. So yes, as we have said already, there is the possibility of future disinvestment and alignment to our purpose.

RAFAEL BÓSIO: OK. Thanks, Satta. From Marcelo Sá at Itaú, a further question asking if we are more optimistic with greenfield development in renewables. He adds that he has seen solar CAPEX falling and energy prices improving at the margin. If this doesn't make us more optimistic he wants to know.

EDUARDO SATTAMINI: Clearly, these are positive signs, but still not enough to leave us with much more of an optimistic outlook for energy generation in the short to medium term.

We have an excess supply. We have seen an increase in demand and with this, a reaction — hesitant still — in prices, and I think that at some point in time… We are conscious that the market to be sustainable has to be in equilibrium. This is going to occur: the market is going to come back into balance and opportunities are going to arise.

In the meantime, we have been searching for opportunities, as for example in the area of contracted assets such as the Cruzeiro project, GIP; transmission lines which also bring resilience, stability and cash flow to the Company; until we feel comfortable again about investing in renewable generation.

RAFAEL BÓSIO: Satta, if I could just add something, not forgetting that we have projects being implemented that are going to benefit from these movements — naturally, not from the reduction in CAPEX, but from an improvement in price at the margin —, so this is already benefiting these projects, for which this transaction is actually the objective, namely to leverage these projects. So that is one thing…

EDUARDO SATTAMINI: And in fact, these projects were approved already with this context in mind where we knew… that we would have a period of excess supply the result of the "wire scramble" — which is what we call that gold rush for authorizing projects with the wire discount.

So, this was already built into the business plan, and these projects are under construction, Assuruá and Assú Sol, which are two major projects we are currently implementing.

RAFAEL BÓSIO: Perfect. Thank you very much, Satta. We have no more questions at this time. I think we can conclude the call. I am going to give the floor back to Sattamini and Takamori, for some final comments.

EDUARDO SATTAMINI: Very well, I would like to thank everyone, in a week squeezed between Christmas and New Year — we had to close this week. We would have liked to have done it a little earlier leaving more time to digest all this, but it comes with the job I think; it is part of our day-to-day activities to be continually running to keep up and always trying to finalize objectives before the end of the year.

I would like to take the opportunity to thank and wish all a happy New Year and a 2024 with much good health, much peace and great success for all.

EDUARDO TAKAMORI: Have a great New Year's Eve, everyone!

RAFAEL BÓSIO: Perfect. Many thanks, everyone. With this we conclude our call for today. Happy New Year and see you next year!