
2Q22 RESULTS PRESENTATION



August 05th, 2022

Highlights of the period

- ✓ **Start of commercial operations** of the first **4 WTGs** in Tucano
- ✓ **First wind turbines foundations ready** in Cajuína
- ✓ Sale of **USD 2.3 million in carbon credits** from Mandacaru and Salinas wind complexes¹
- ✓ Secured **+BRL 950 million funding** for the construction of Cajuína
- ✓ Distribution of **R\$53 million in dividends** referring to 1H22, 100% of adjusted net income²





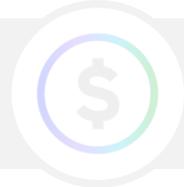
2Q22 AGENDA



Growth and Opportunities



Energy Market Overview

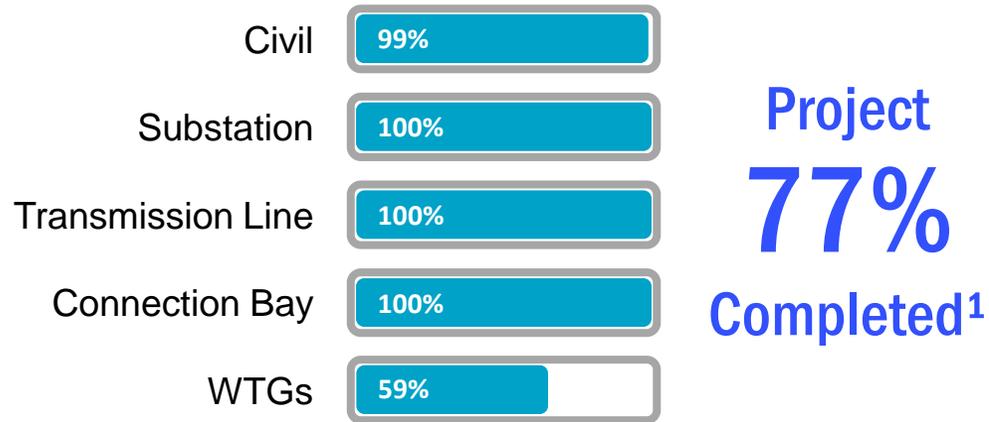


2Q22 and 1H22 Results



Conclusion and Q&A

Commercial operation of the first 4 wind turbines in the Tucano Complex (322MW)



Assembly, Commissioning and Testing Status

100% of equipment on site

 **34**_{/52}
Up to the nacelle

 **18**_{/52}
Complete Structure

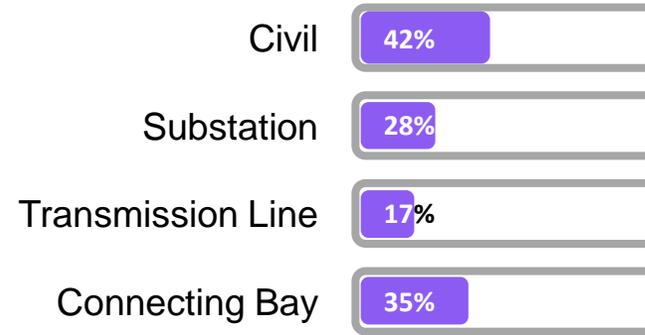
 **12**_{/52}
Commissioning process

 **4**_{/52}
In commercial operation

Progress of civil works in the Cajuína Complex (695 MW)



Cajuína 1



Project
19%
Completed¹

Active management of construction evolution

- ✓ More than 1,367 people are currently involved in the construction
- ✓ Increase of power efficiency of the wind turbines from 5.7 MW to 5.9 MW
- ✓ Start of WTG assemblance expectation: 2H22
- ✓ PPAs from 2023 to 2044 contracted with first-rate clients

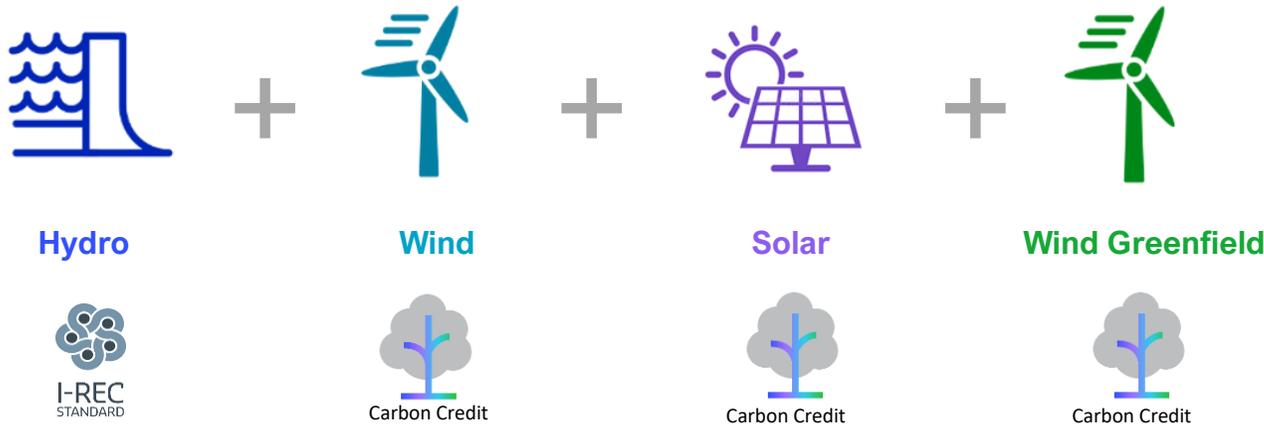
Cajuína 2: start of civil works (14% completed) – commercial operation expected in 2H23

AES Brasil enters the Carbon Credit Market

Transaction overview

- Quantity: **466 thousand** carbon credits traded
- Amount: **US\$ 2.3 million** - sold in the North American market
- Origin of credits: **Mandacaru e Salinas** wind complexes
- Credit Standard: **ACR** (American Carbon Registry)

Opportunities



Credits in the certification process

- Certification process of up to $\cong 2.8$ million credits
- Complexes with COD from 2016
 - Alto Sertão II, Guaimbê and Ouroeste
- Assets under construction
- GCC mechanism (Global Carbon Council)



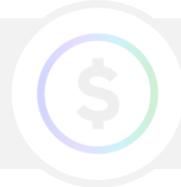
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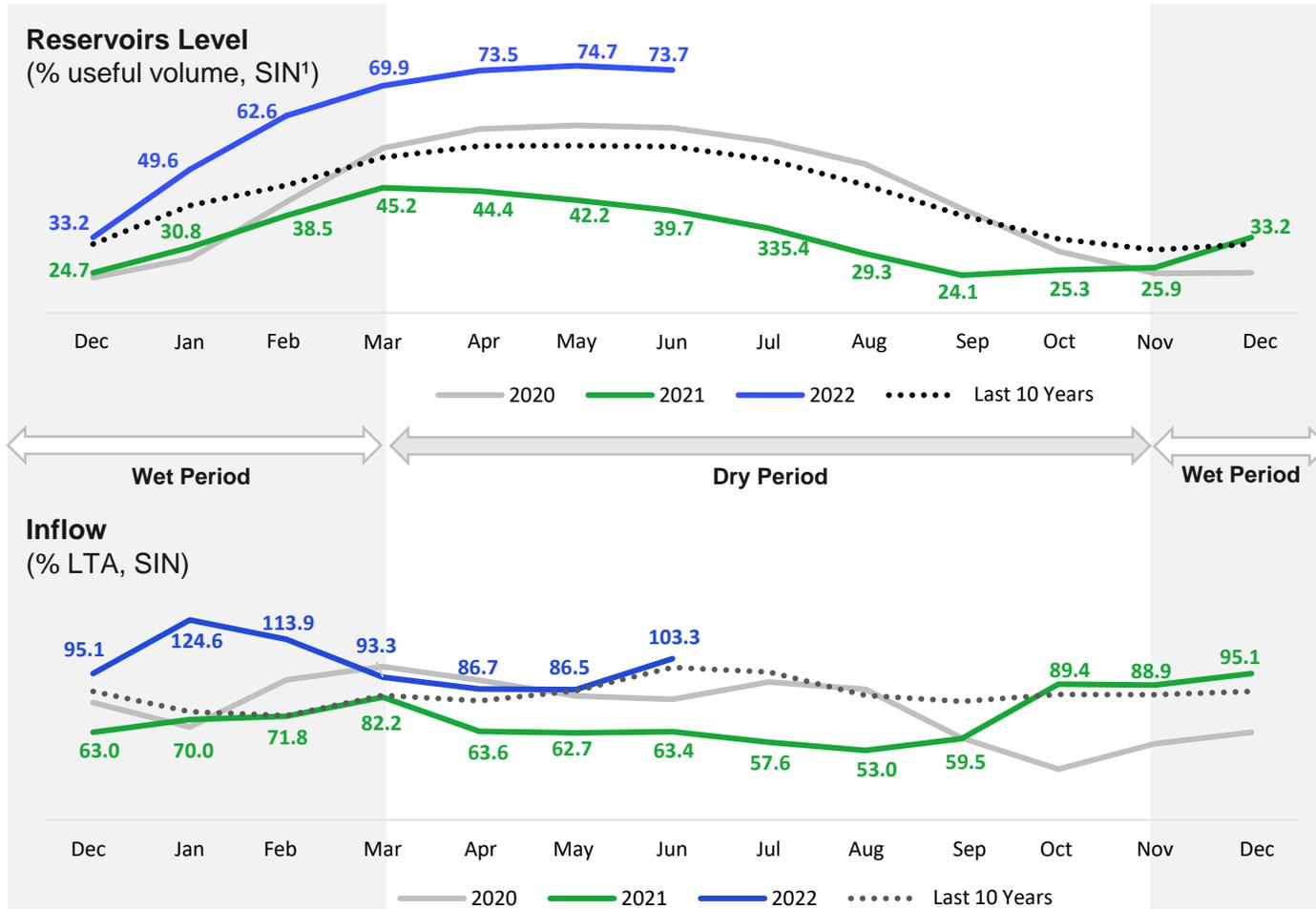


2Q22 and 1H22 Results



Conclusion and Q&A

Reservoir level above the last 10 years historical average

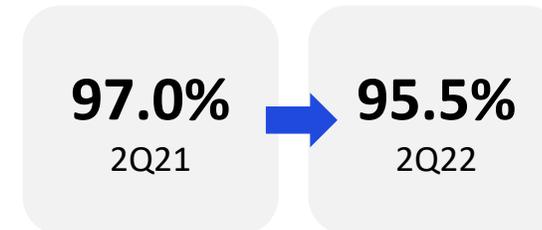


Recovery of reservoir levels combined with the lower need for thermal dispatch **reduce the spot price in the period**

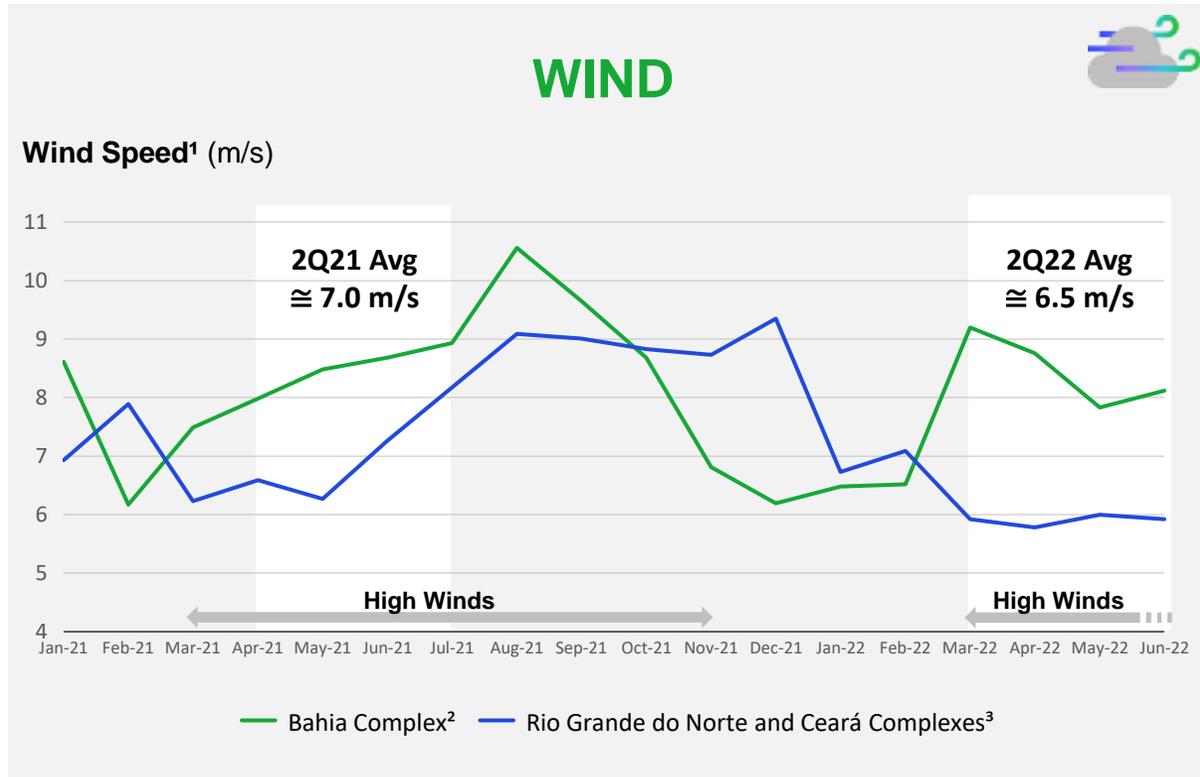
PLD Southeast



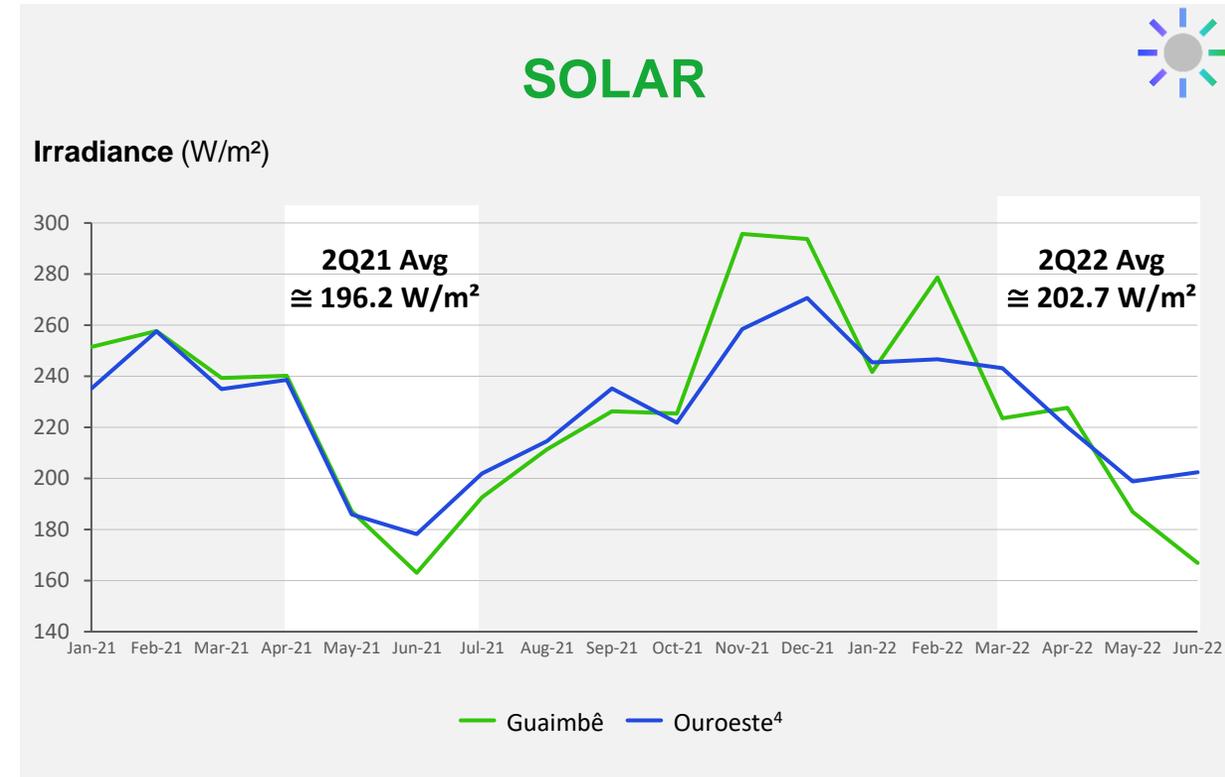
GSF (Generation Shortfall)



Higher rainfall in the Northeast reduced the wind speed observed in the region

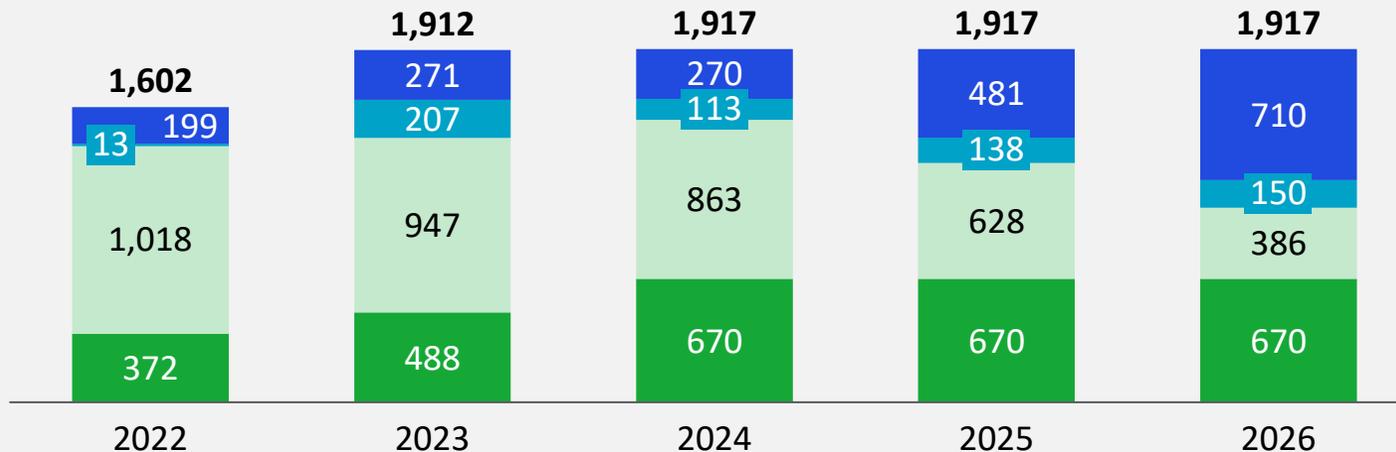


2Q Last 10-year Average: 7.7 m/s



Active portfolio management increased short-term hydro contracting level

Portfolio Average Price ¹ (BRL ⁴ /MWh)	179	198	188	187	192
Total Portfolio Contracting Level ²	87%	75%	80%	68%	55%



■ Uncontracted Conventional Energy
 ■ Uncontracted Incentivized Energy
 ■ Hydro Energy Contracted
 ■ Wind and Solar Energy Contracted

Expected Additional Generation ³ (MWavg)	6	31	31	31
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1 - Prices before taxes as of June/22; 2 - Considers Tucano Wind Complex as from 2H22 and Cajuína Wind Complex as from 2023; 3 - Difference between P50 and P90 of greenfield projects weighted by AES participation; 4 - Considers 150 MWavg from the dollarized hydropower PPA contracted from 2024 - exchange rate based on the Focus Report of July 15, 2022 (2024: BRL 5.05/USD and 2025 and 2026: BRL 5.14/USD). Note: uncontracted amount considers energy available for sale + GSF hedge



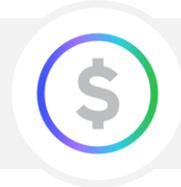
2Q22 AGENDA



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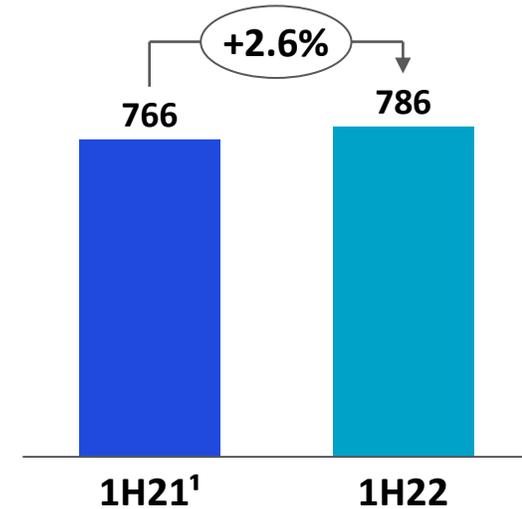
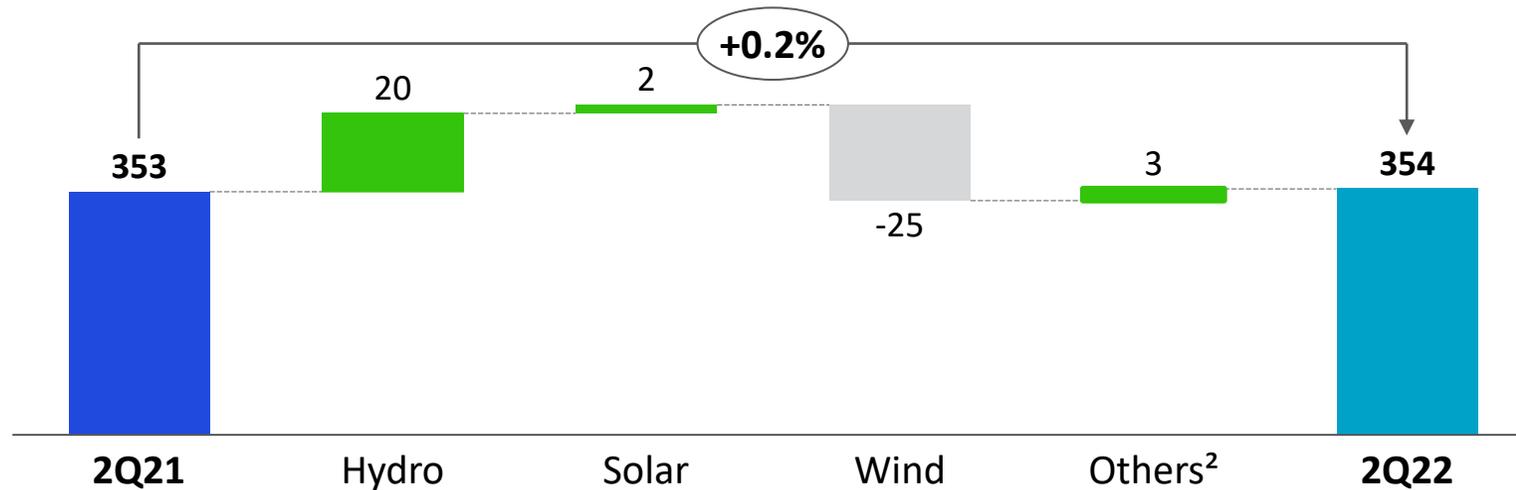
2Q22 and 1H22 Results



Conclusion and Q&A

Diversified asset portfolio balances operating margin

Net Operating Margin (BRL million)



2Q22 Main Effects

Hydro

- Positive spot exposure in the quarter-to-quarter comparison, partially offset by the GFOM reimbursement in 2Q21

Solar

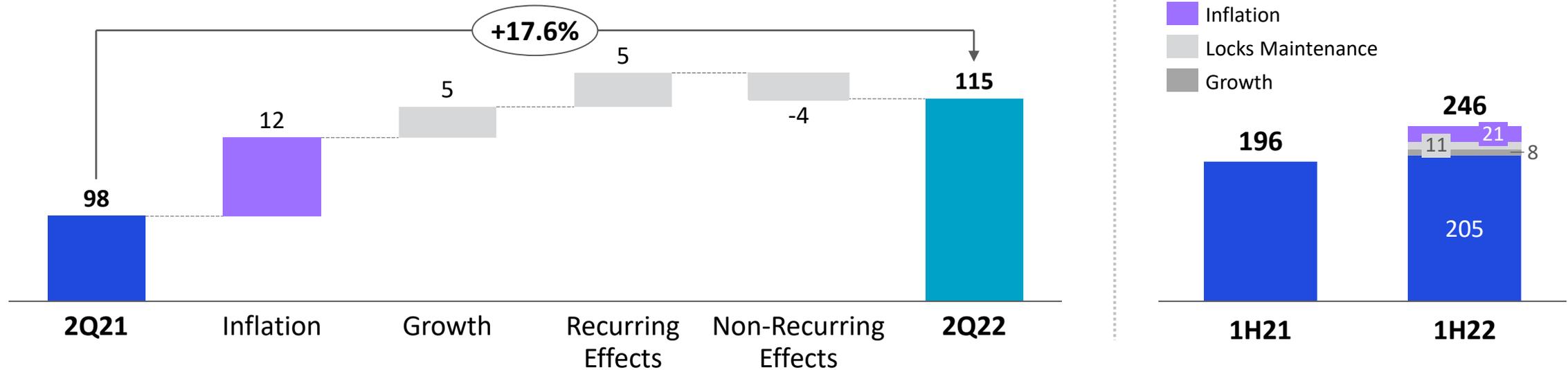
- Higher irradiance and average availability of all complexes

Wind

- Lower wind speed between periods
- Scheduled maintenance and the stealing of cables in Mandacaru

Inflation and growth increased costs and expenses in the period

Operating Costs and Expenses¹ (BRL million)



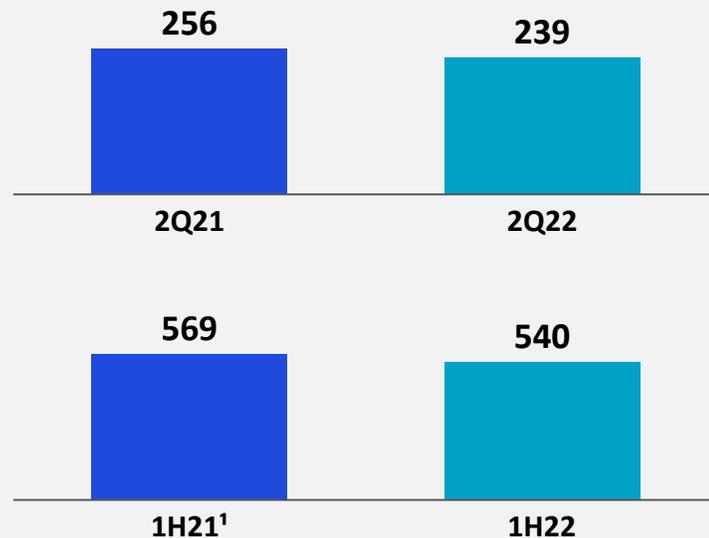
2Q22 Main Effects

- **Growth:** O&M contracts for the Mandacaru and Salinas Complexes (from May/21)
- **Recurring:** increase in insurance and IT expenses
- **Non-Recurring:** PCLD² reversal and PIS/COFINS credits from previous years in 2Q22 (-BRL 13 MM) and sale of Distributed Generation assets in 2Q21 (+BRL 10 MM)

Result reflects the performance of wind assets and the impact of inflation on costs and expenses

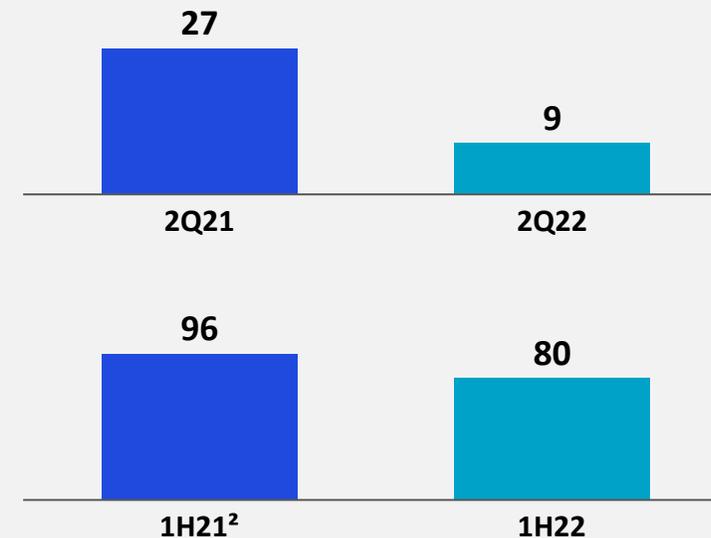
CONSOLIDATED EBITDA

BRL million



CONSOLIDATED NET INCOME

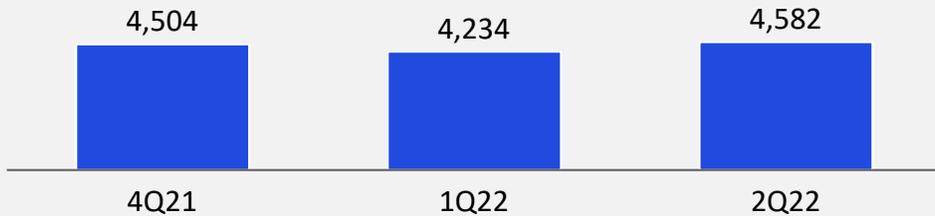
BRL million



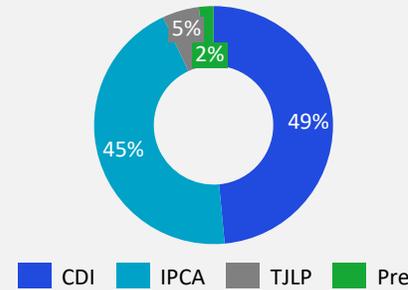
Optimized capital structure drives growth strategy

Debt¹: AES BRASIL (not subject to covenants)

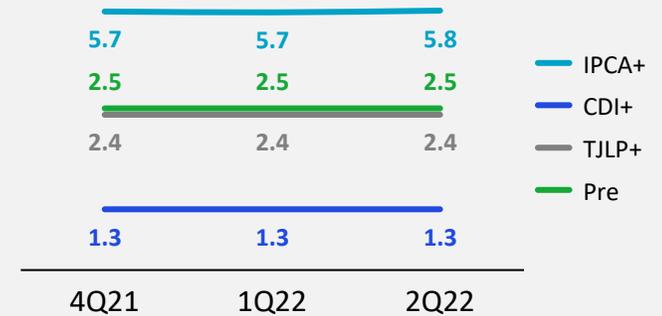
Net Debt (BRL million)



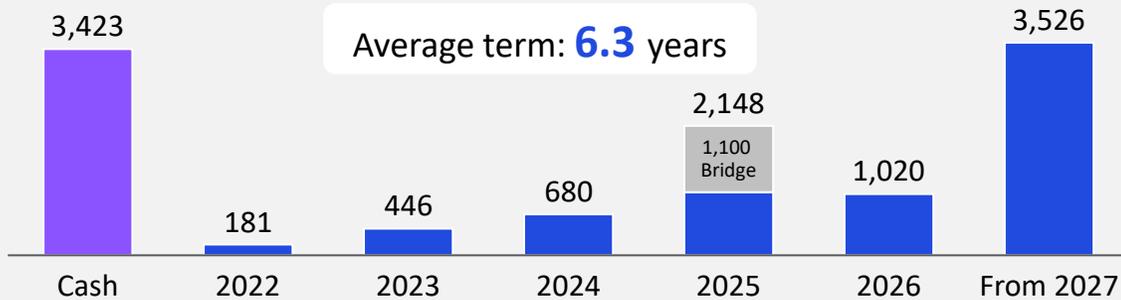
Indexers



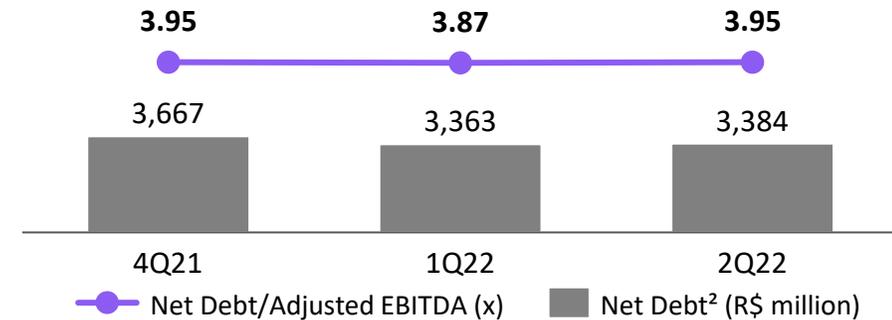
Cost of Debt (%)



Amortization Schedule (AES Brasil, BRL million)



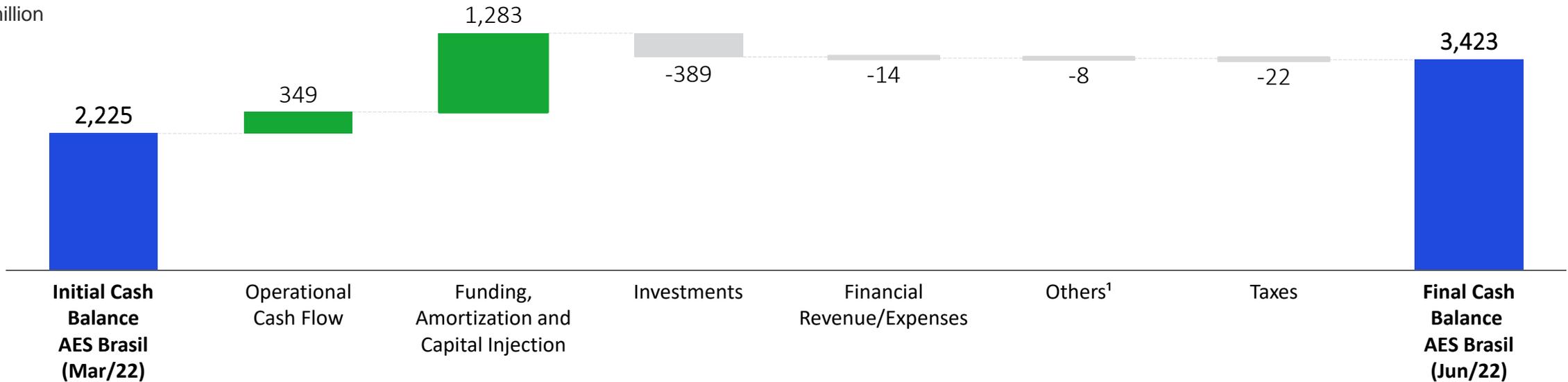
Debt: AES OPERAÇÕES (covenants of 4.5x)



Strong operational cash generation and robust liquidity

Cash Flow

BRL million



Market funding of BRL 950 million

Long-term funding of Cajuína
(22 years term, IPCA + 7.07% p.a.)



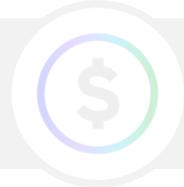
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Growth and Opportunities



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2Q22 and 1H22 Results



Conclusion and Q&A

Main initiatives for the future



Growth

- **1.0 GW under construction**
- Up to **1.5GW of pipeline** as avenue of growth
- **Opportunistic M&As** with a focus in wind and solar assets



Portfolio

- **Active portfolio management integrated** with market intelligence
- **AES Comercializadora** starts operation to increase trading
- Portfolio complementarity to maximize **value creation**



Clients

- **2.5 GW** in long-term PPAs under negotiation
- **Customized products**, considering growing ESG demand (I-REC and carbon credit)
- **Tailor-made solutions** according to customer needs

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