

# 4Q23 and 2023 Earnings Presentation

Earnings Release March 28, 2024



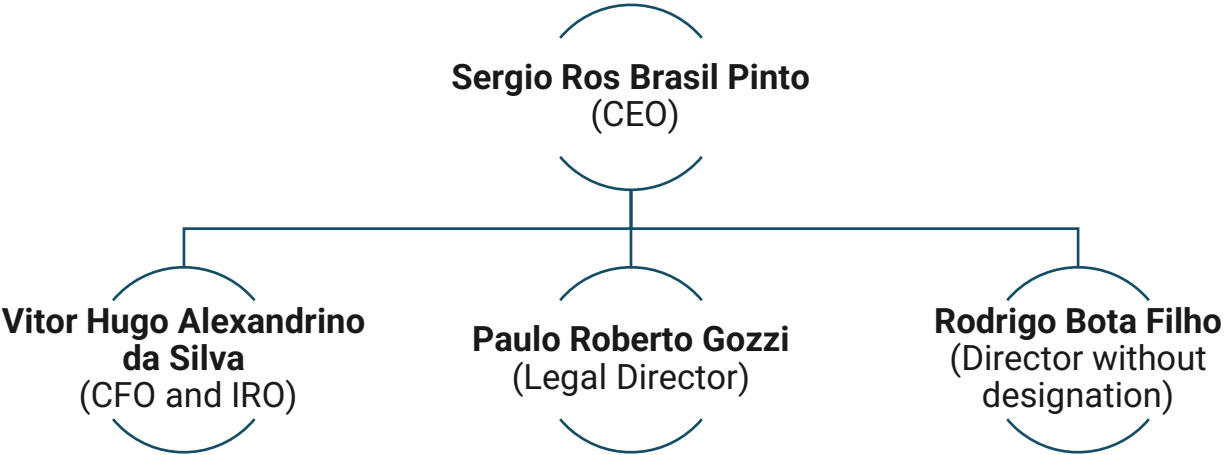
## Disclaimer

We emphasize that the information contained in this presentation and any statements that may be made during the videoconference, regarding Renova's business prospects, projections and operational and financial targets, constitute beliefs and assumptions of the Company's Management, as well as information currently available. Forward-looking statements are not guarantees of performance. They involve risks and uncertainties that may or may not occur. Investors should understand that general economic conditions, market conditions and other operating factors may affect Renova's future performance and lead to results that differ materially from those expressed in such forward-looking statements.

# Management and Board

Organizational chart

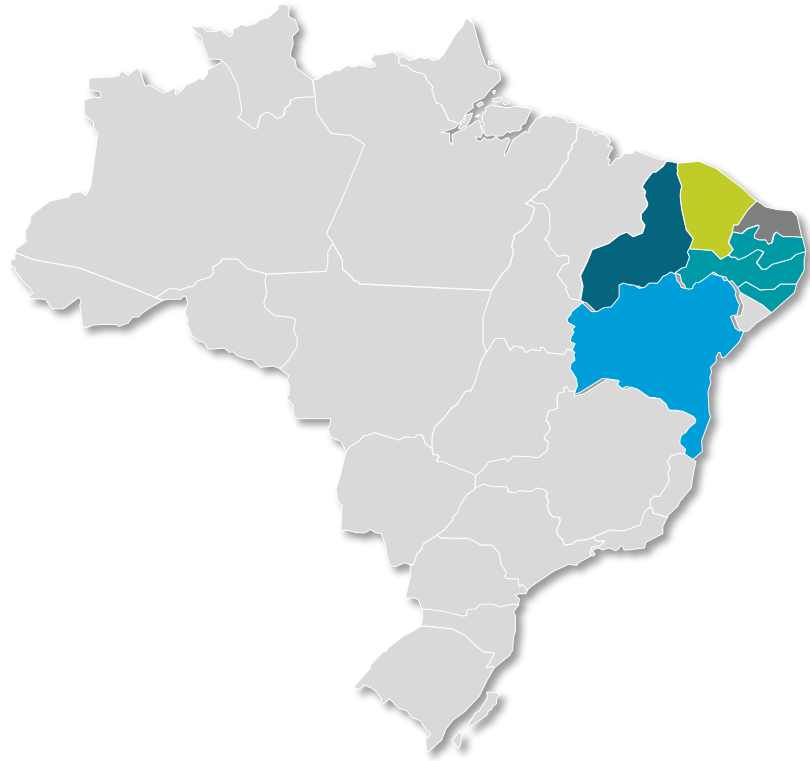
## Executive Board



## Board of Directors

- Geoffrey David Cleaver**  
President of the Council
- Sergio Ros Brasil Pinto**  
Full Member
- Daniel Teruo Famano**  
Full Member
- Matheus Guimarães Antunes**  
Full Member
- Alexandre Americano Holanda e Silva**  
Independent Member
- Antônio Ricardo Alban**  
Independent Member
- Allones Santos Pelegrino e Silva**  
Substitute Member





**Renova Energia** is a Brazilian renewable energy generation company created in 2001, with expertise in wind, solar and small hydroelectric power plants. The development of wind projects began in 2006 and has been the company's main business ever since.

The Alto Sertão III Wind Complex - Phase A, one of the 10 largest in Latin America, with CAPEX investments exceeding R\$2.5 billion, is the company's main operational asset and it began into commercial operation in December 2022.

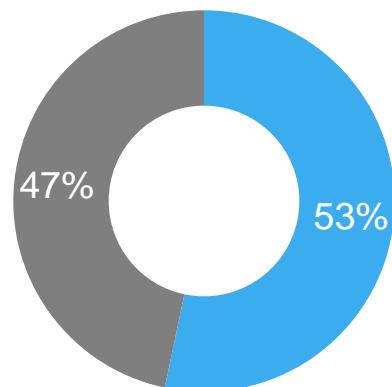
We also own the Caetité Solar Complex, located in the southwest of Bahia, with an installed capacity of 4.8Wp, which is in the final stages of commissioning.

# Alto Sertão III Wind Complex – Phase A

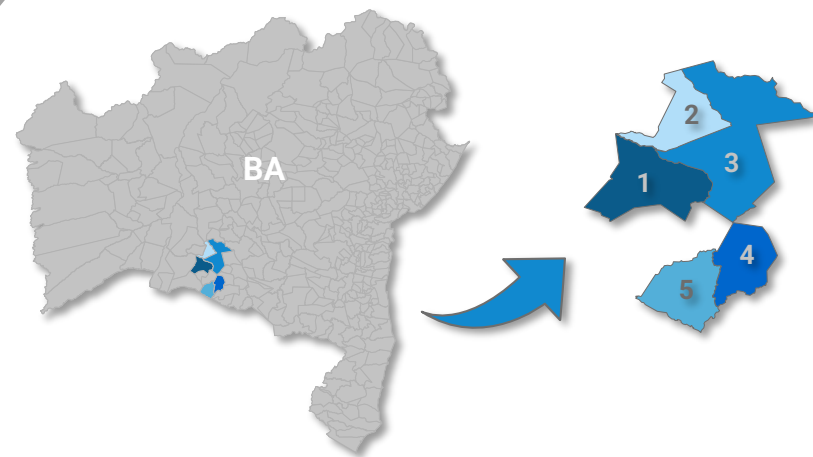
Start of commercial operation in December 2022, conclusion of the last stage of the Recovery Plan



## Commercialization



■ Free Market  
■ Regulated Market



📍 Localization: 1 – Guanambi (operation center)  
2 – Igaporã | 3 – Caetitê  
4 – Licínio de Almeida | 5 – Urandi

⚡ Installed capacity: 432.6 MW


🌬️ 26 wind parks – 155 turbines GE


🤝 In commercial operation: 424.5 MW

⚙️ O&M: Vestas


# Caetité/BA Solar Complex

Resumption of works

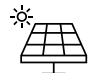





Localization: Caetité




Installed capacity: 4,8 MWp




19,200 245 W plates



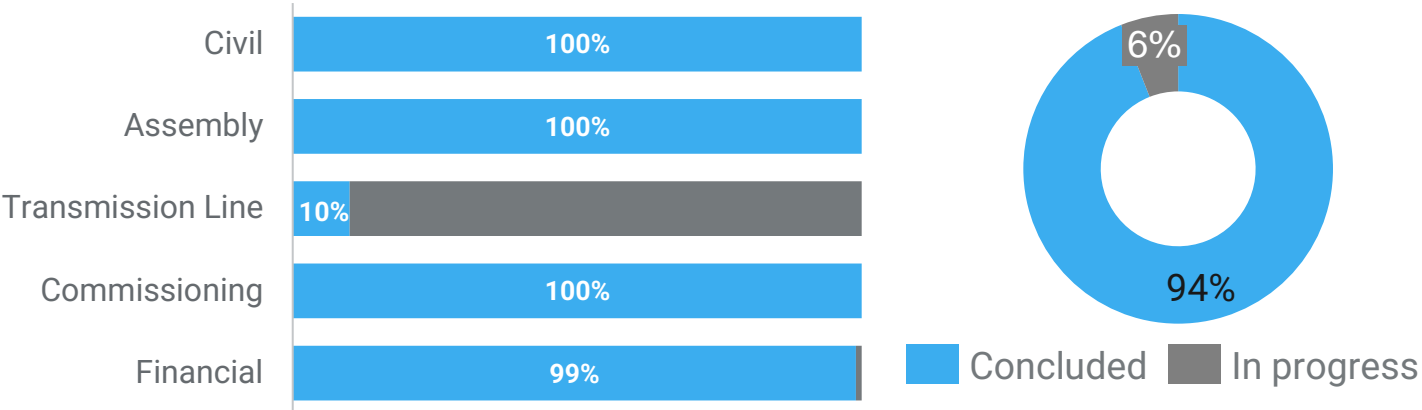
4 inverters – Ingeteam 1000 TL M400



Expected conclusion: 2<sup>nd</sup>. Semester 2023



Commercialization: Distributed Generation





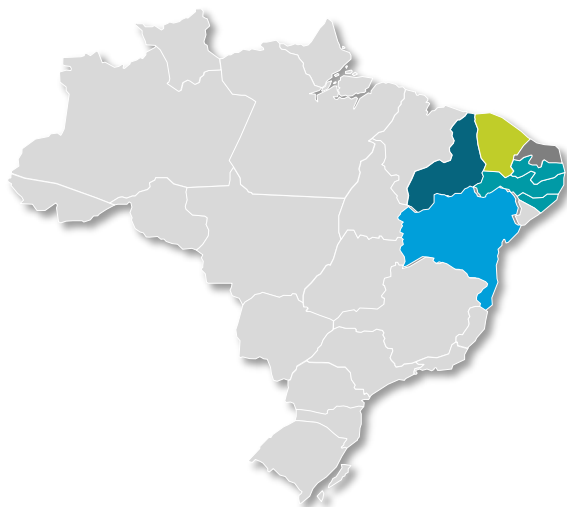
# Pipeline

Portfolio with differentiated market potential and high-quality development

- Renova has been complying with the plan to update and optimize the project portfolio, adapting the layout and model of wind turbines to the new technologies available on the market;
- Wind projects totaling 7.1 GW of capacity, most of which have had their environmental license approved, and solar projects with 2.3 GW of capacity under development in Bahia, Pernambuco, Paraíba, Rio Grande do Norte, Ceará and Piauí;
- It has a cluster of solar projects in the Caetité region, totaling 420 MW at an advanced stage.

## Localization

Presence in a large part of the northeast



## Caetité Solar Cluster

Projects in the region of greatest irradiation in Brazil and with high potential for development



GD Caetité

# Consolidated Indicators 2023 vs. 2022



## Operational :

Generation: Energy Production 1,081.9 GWh

## Finance:

**Net revenue** R\$ 227.8 millions vs. R\$ 206.4 millions

**Energy Margin**<sup>1</sup> R\$ 185.7 millions vs. R\$ 135.6 millions

**EBITDA** R\$ 303.0 million

**Adjusted EBITDA** R\$ 67.5 millions and margin of 29.6%

**Net loss negative** R\$ 9.2 millions, against R\$ 777.1 millions net income

**Closing cash balance** R\$ 23.0 millions considering financial investments

## Other relevant events

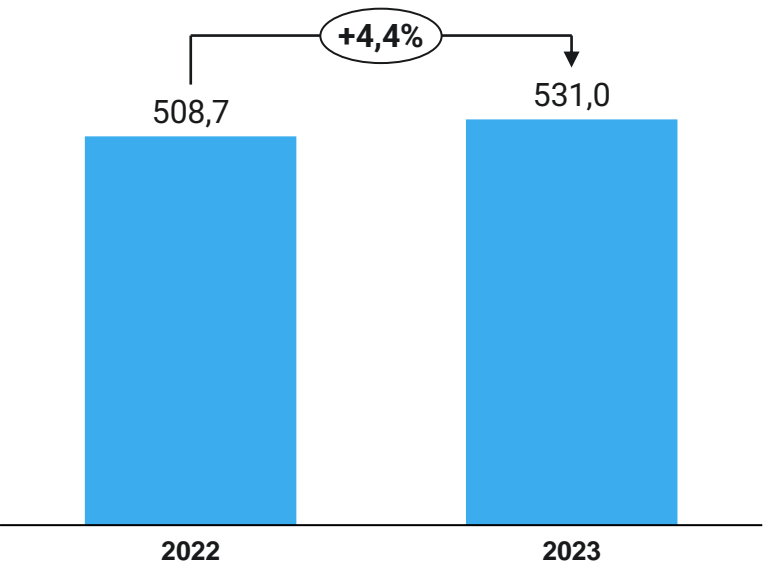
Payment of creditors

Status of Judicial Recovery

Note: <sup>1</sup> Energy margin considers net revenue, purchase costs and sector charges.



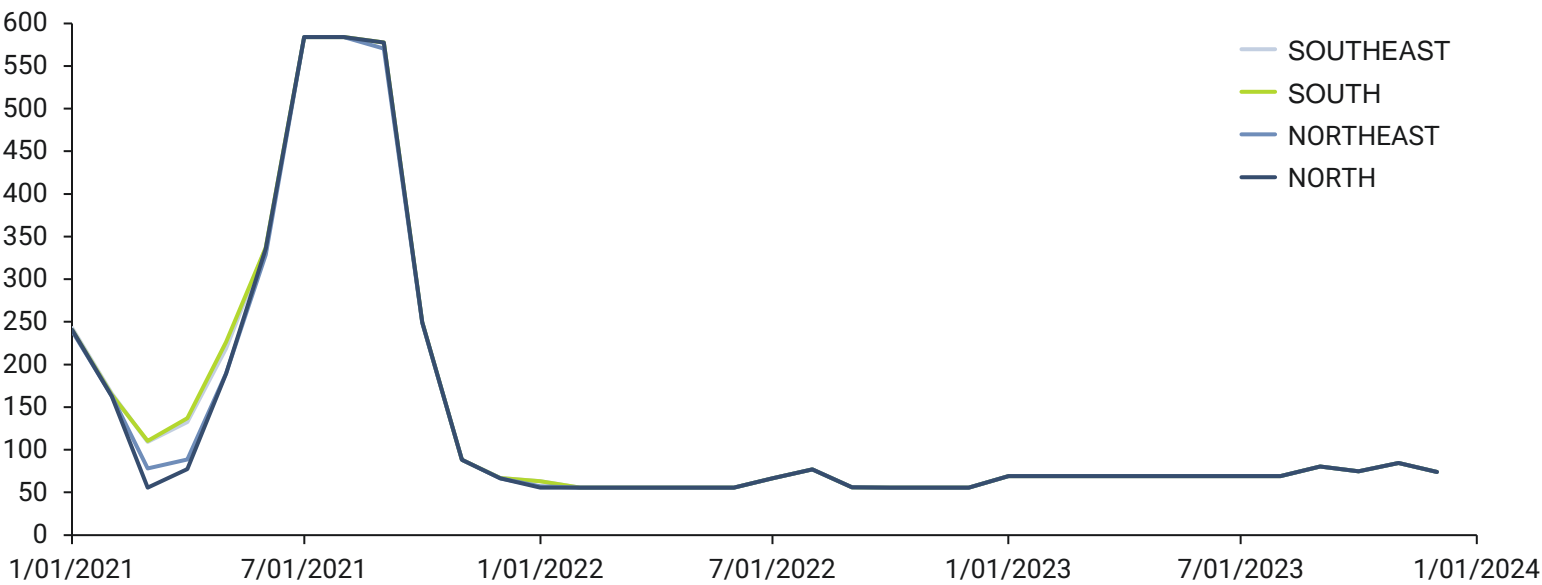
National Consumption - TWh



### Factors

- greater activity in some productive sectors;
- new companies joining the free market;
- impact of the heat on sectors such as commerce and services, which also had to use more cooling equipment.

Monthly PLD Price



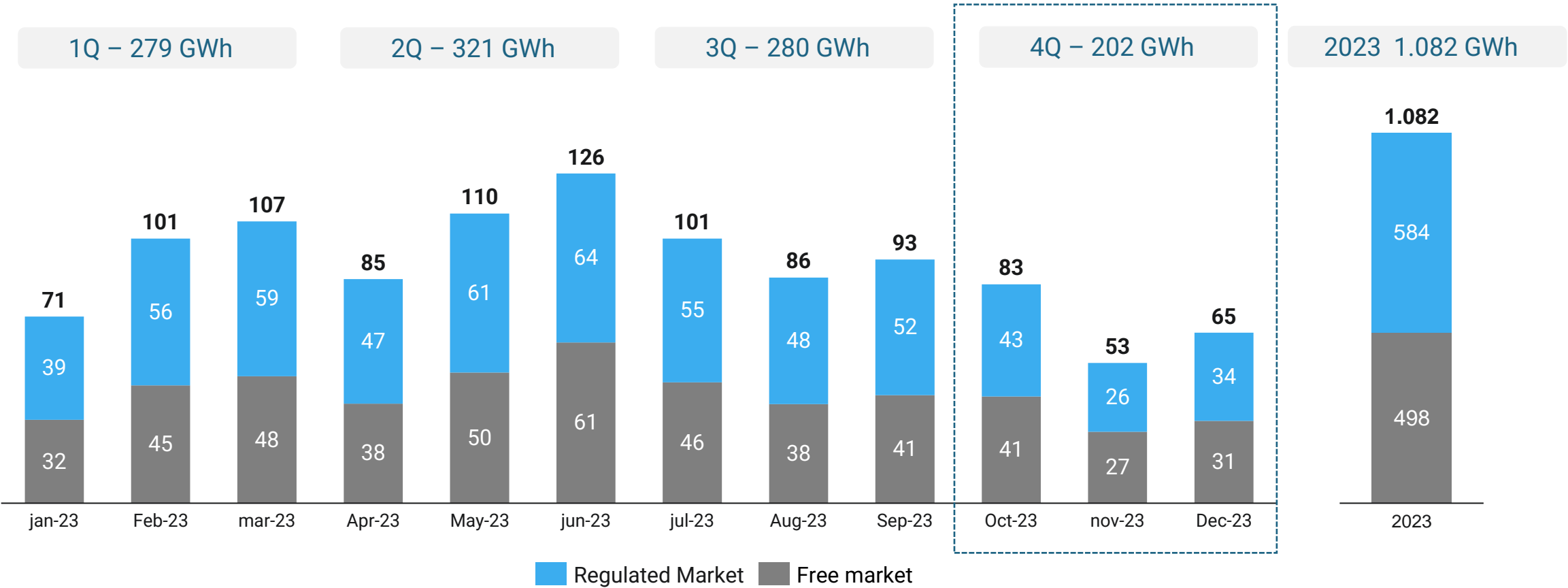
### Factors

- energy oversupply as a result of the massive influx of renewable sources;
- low load growth;
- SIN storage levels reached 60% of maximum capacity at the end of 2023 vs. 58% at the end of 2022.

# Energy Production

The last stage of construction was completed, in Dec/22, three months ahead of the JRP deadline

## Energy Production (GWh)

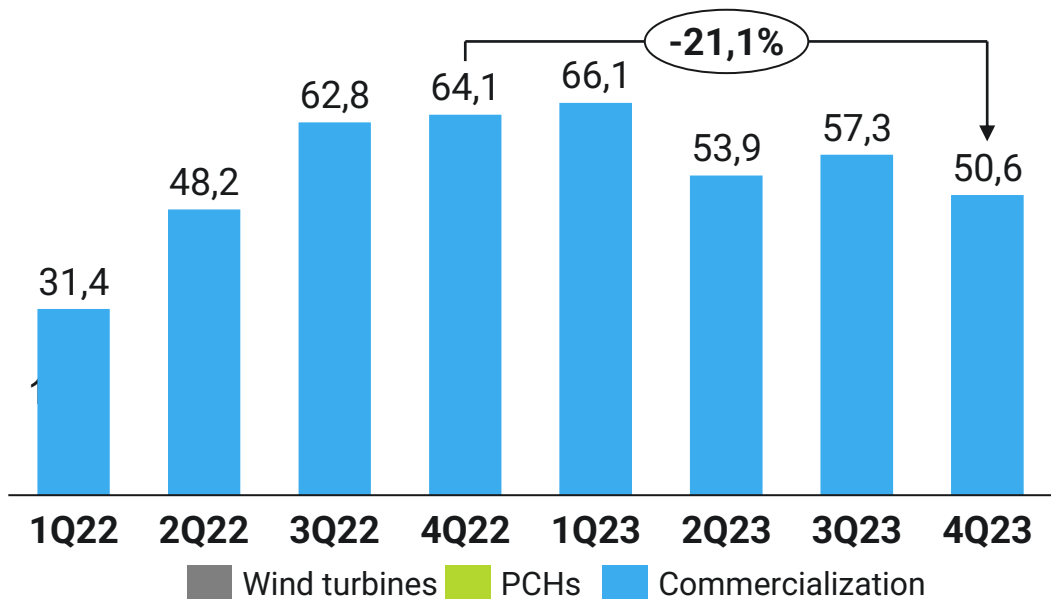


**OBS:** Throughout 2023, requests for curtailment restrictions increased, especially after the August 15th event, which had a direct impact on the company's energy generation. In the fourth quarter of 2023, the generation restrictions from the events had an impact of 11%, which represents 29 GWh in the parks' energy generation. Over the year, we were impacted by 4%, which represents approximately 44 GWh.

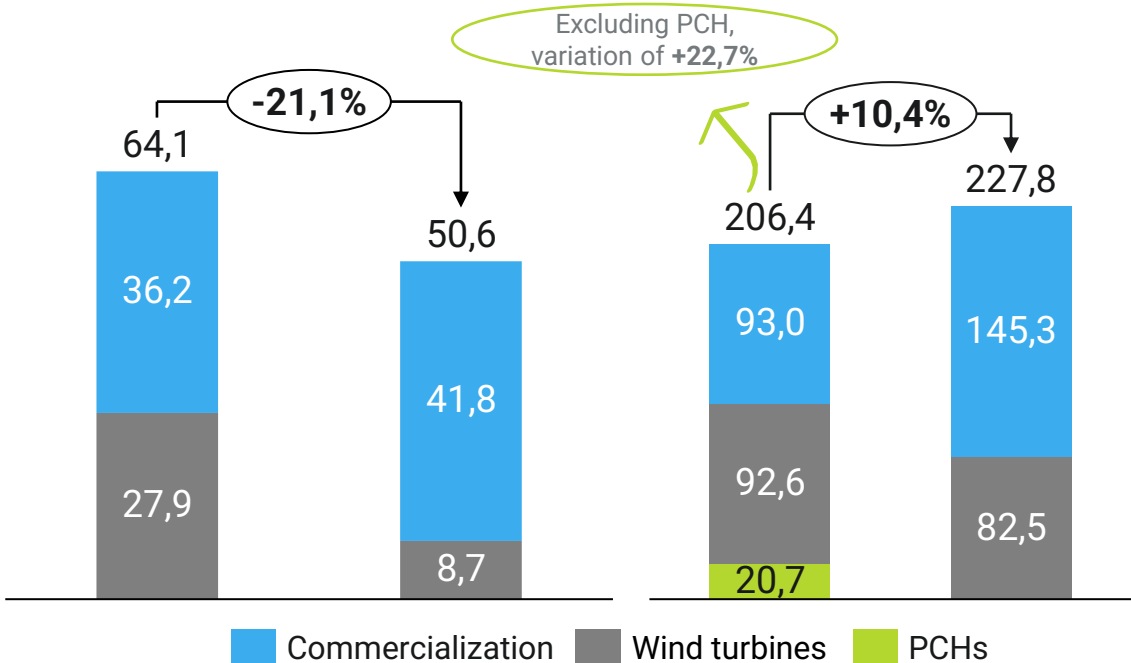
# Net Revenue Data Consolidated

Growth of 10.4% in net revenue compared to 2022 and excluding SHPs the variation would be +22.7%

Net Revenue historical data (R\$ MM)



4Q22 vs. 4Q23 e 2022 vs 2023 (R\$ MM)



## Factors

- 4Q23 fell 21% vs. 4Q22
- Impact of 11% (or 29 GWh) due to the generation restrictions of the events
- The Small Hydroelectric Centers were sold on June 6, 2022;

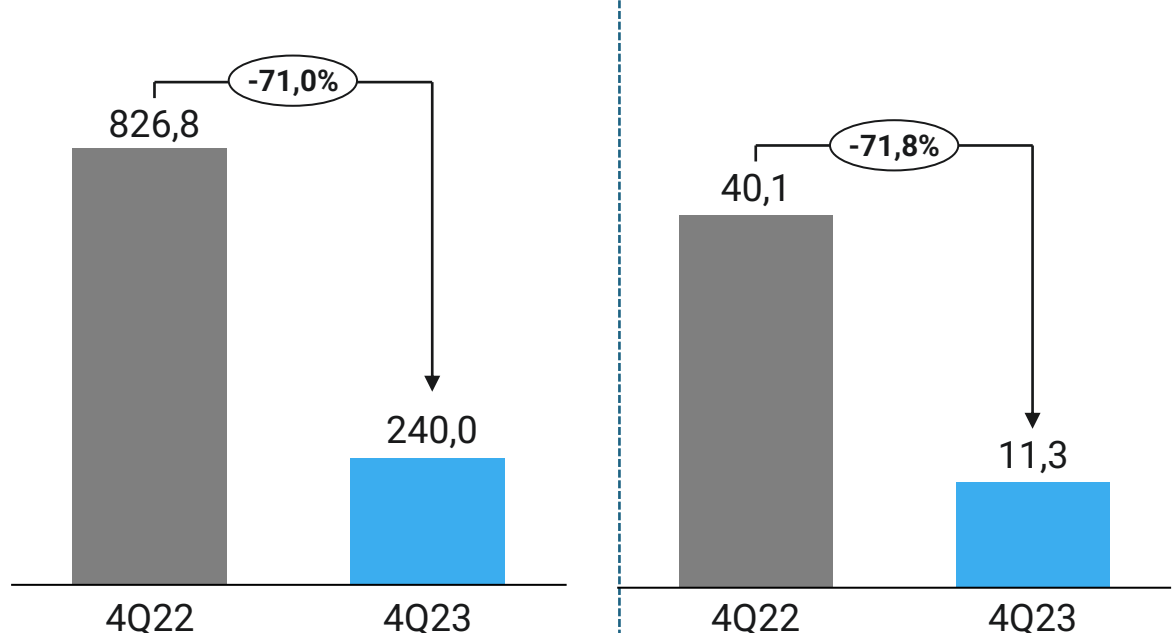
# Consolidated financial results

Variation of -10.5% in adjusted EBITDA against 2022, excluding PCH the variation in adjusted EBITDA would be +24.1%

## 4Q22 vs 4Q23 (R\$MM)

EBITDA |  $\triangle$  -587MM

EBITDA Adjust. |  $\triangle$  -29MM



EBITDA adjustments 4Q - extraordinary effects

**4Q22**

Reversal of impairment R\$ 819.7 million  
Gain on sale of assets R\$ 8.5 million  
Fine on reimbursement - R\$ 7.9 million  
Regulatory penalties - R\$ 33.6 million

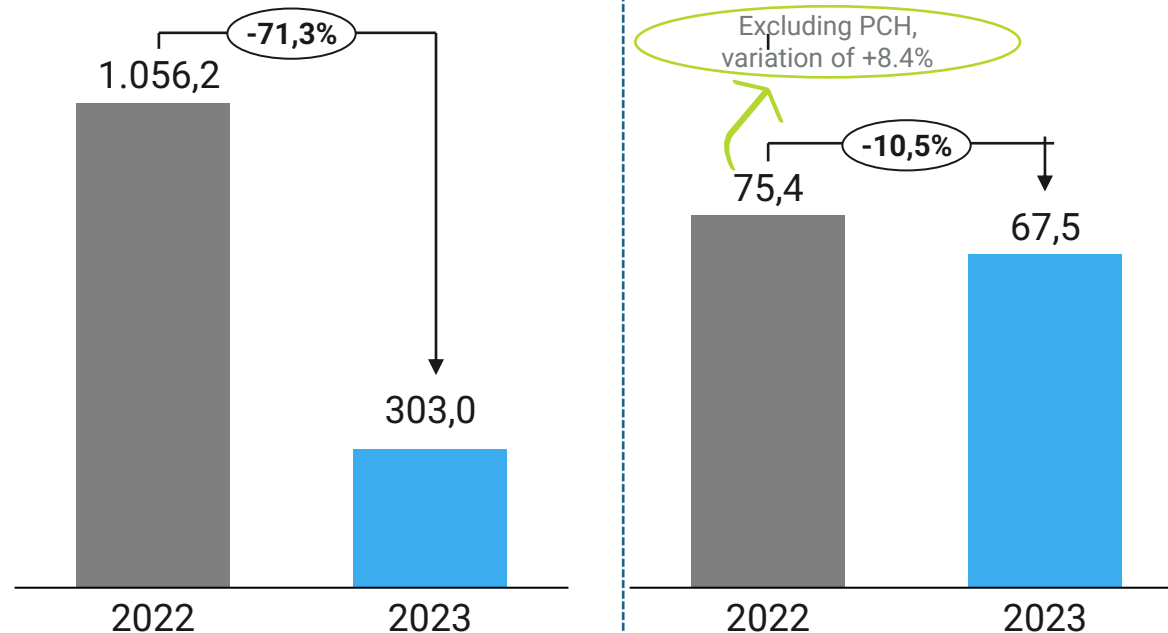
**4Q23**

Reversal of grant R\$ 61.0 million  
MTM R\$ 167.6 million

## 2022 vs 2023 (R\$MM)

EBITDA |  $\triangle$  -753MM

EBITDA Adjust. |  $\triangle$  -8MM



EBITDA 2023 adjustments - extraordinary effects

**2022**

Reversal of impairment R\$ 819.7 million  
Gain on sale of assets R\$ 233.8 million  
Fine on reimbursement - R\$ 7.9 million  
Regulatory penalties - R\$ 64.9 million

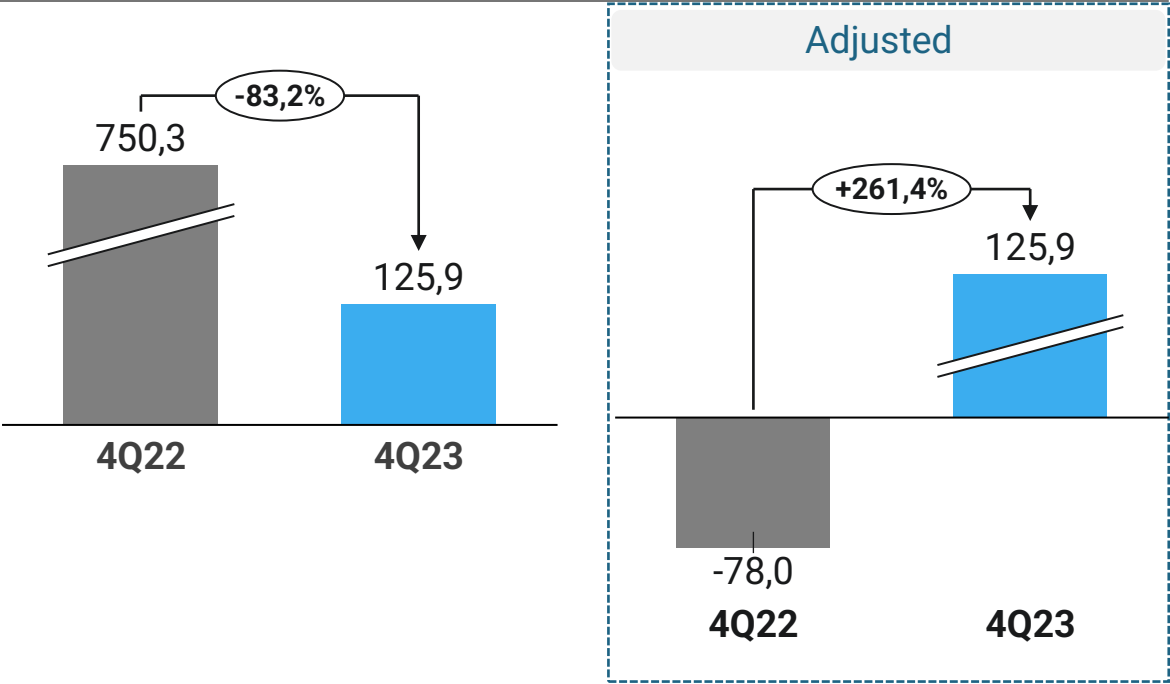
**2023**

Gain on sale of assets R\$ 6.8 million  
Reversal of grant R\$ 61.0 million  
MTM R\$ 167.6 million

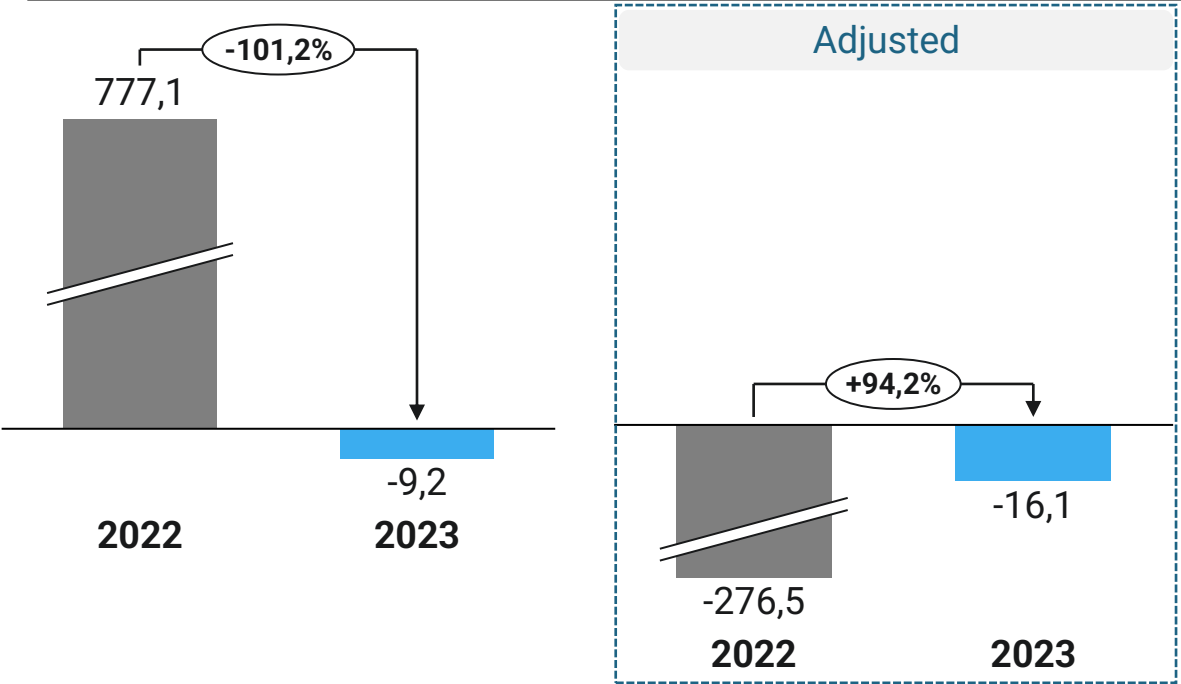
# Consolidated financial results

Change in net profit/loss

4Q22 vs 4Q23 (R\$MM)



2022 vs 2023 (R\$MM)



Adjustments to 4Q profit - extraordinary effects

4Q22	Reversal of impairment R\$ 819.7 million Gain on sale of assets R\$ 8.5 million	4Q23
------	--	------

Adjustments Profit 2023 - extraordinary effects

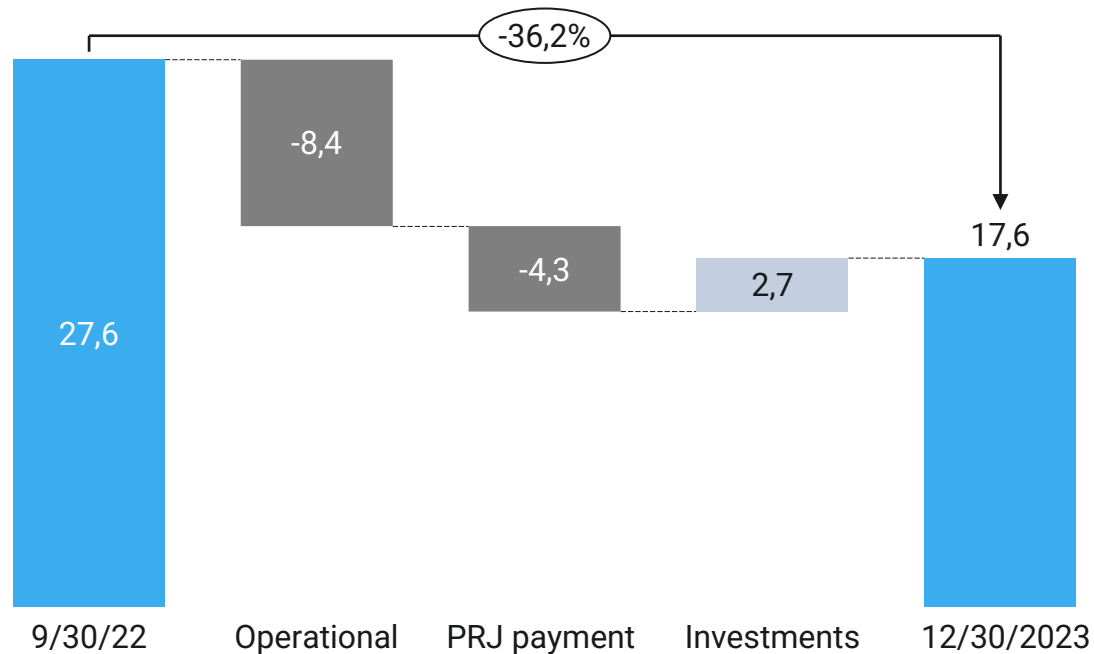
2022	Reversal of impairment R\$ 819.7 million Gain on sale of assets R\$ 233.8 million	2023	Gain on sale of assets R\$ 6.8 million
------	--	------	--

# Consolidated financial results

## Cash flow

2023 (R\$MM)

Cash Flow \* |  $\triangle$  - R\$ 10,0 MM



- **Operating (- R\$8.4 MM):** drop in cash from operating activities compared to 3Q23, mainly due to the new reimbursement amounts for the LER 13 contracts, lower generation due to the ASIII wind cycle.
- **PRJ payment (- R\$4.3 MM):** reduction of R\$3.4 million in Class II payments and R\$900 thousand in Class III payments, made in the third quarter and not made in the fourth quarter of 2023.
- **Investments (+ R\$ 2.7 MM):** investment expenses, which are linked to the payment of equipment suppliers for the implementation phase of wind farms and projects under development.

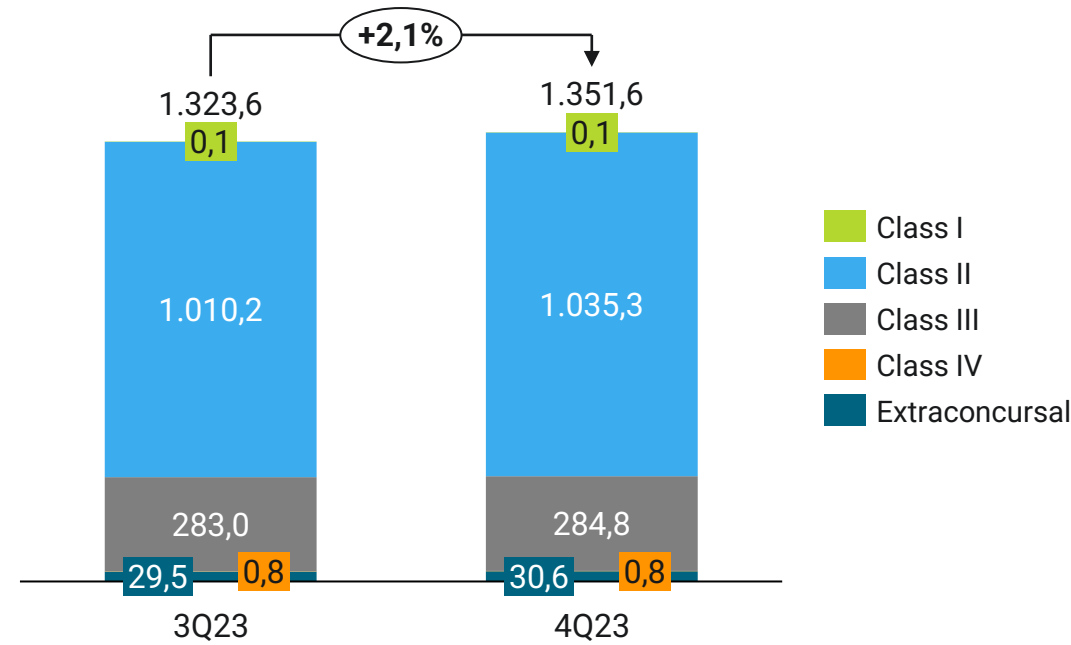
\*considers cash and cash equivalents.

# Indebtedness and Judicial Reorganization

Renova Energy Group



3Q23 vs 4Q23 (R\$ MM)



Judicial Reorganization

Complying with the guidelines of the Judicial Reorganization Plan ("PRJ"), in August 2023 the Company paid the first installment to class II secured creditors, the total amount of which is R\$44.8 million, of which R\$10.6 million refers to the Standstill agreement, and also the payment made to class III creditors, in the amount of R\$25.3 million under the Judicial Reorganization Plan.

Payments to class:	R\$ Million
Class I	1,0
Class II	44,8
Class III	25,3
Extraconcursal	1,3
Total	72,4





**Contact:**

[ri@renovaenergia.com.br](mailto:ri@renovaenergia.com.br)

(11) 3509-1100