

Results 4Q17

March, 2018

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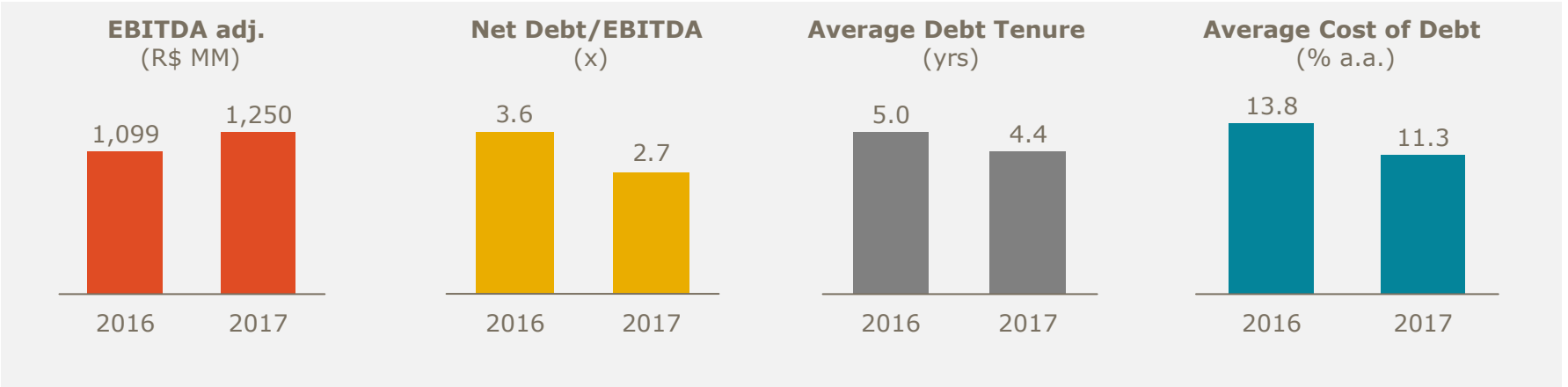
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A Year in Retrospect: *Promised and Delivered*

Focus on execution, capital allocation and operational excellence

EXECUTION	OPERATIONAL EXCELLENCE	CAPITAL ALLOCATION
✓ Development of GVC and GVA	✓ Itaqui: availability above contract requirement since 2Q17	✓ Acquisition of 5 exploratory blocks in the Parnaíba Basin and Azulão onshore field
✓ Reserve replacement ratio of 170% in 2017	✓ Pecém II: conveyor belt revamp 90% concluded	✓ Acquisition of Uniper's stake in Pecém II
✓ Itaqui: ICMS tax deferral on coal imports		✓ Re-IPO: R$835 MM in primary resources
✓ Successful trading strategy to minimize downtime penalties		✓ Parnaíba II and Itaqui debt-prepayment
		✓ Reduced leverage + extended debt tenure



4Q17 Highlights

10% growth in adjusted EBITDA in 4Q17, which reached R$ 405.5 million



Total net generation amounted to 4,050 GWh, a 37% increase resulting from higher dispatch



Gas sales volume grew 9% with 98.5% gas-thermal dispatch



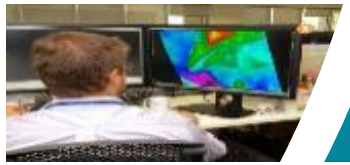
Earnings from Parnaíba II recontracting and hedge mitigating the impacts of ADOMP



Consolidated cash balance of R$ 981.5 million, with continued decrease in leverage (net debt/EBITDA of 2,7x)



Increase in the reserve volume reaching 18.8 billion m³ at the end of 2017

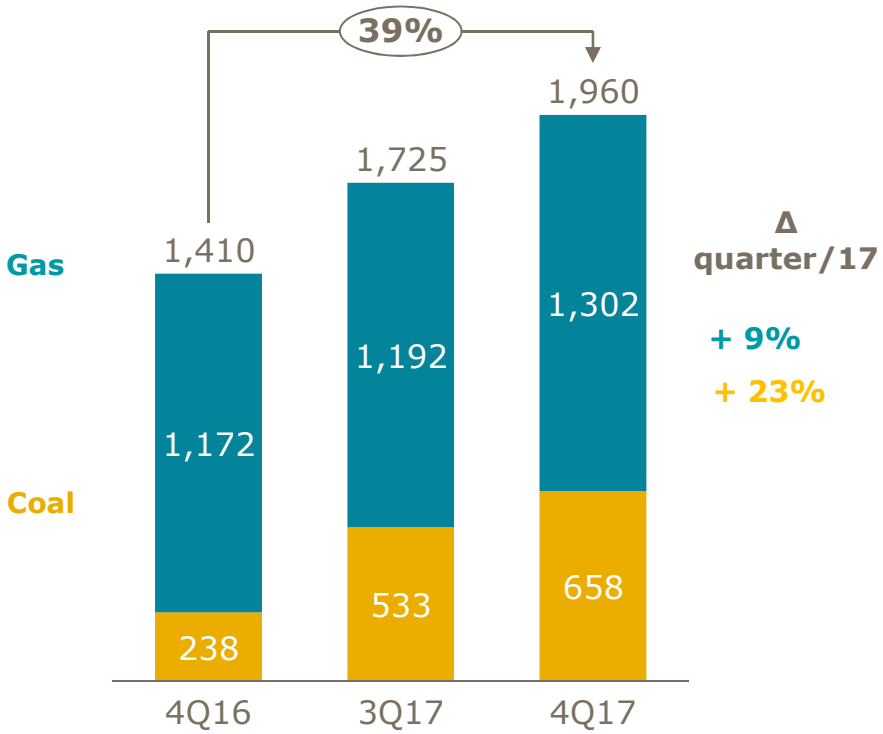


Intensification of the exploration campaign in the Parnaíba Basin

Operating Performance

Increase of the dispatch in the Northern and Northeastern subsystems

Average power generation (MWm)

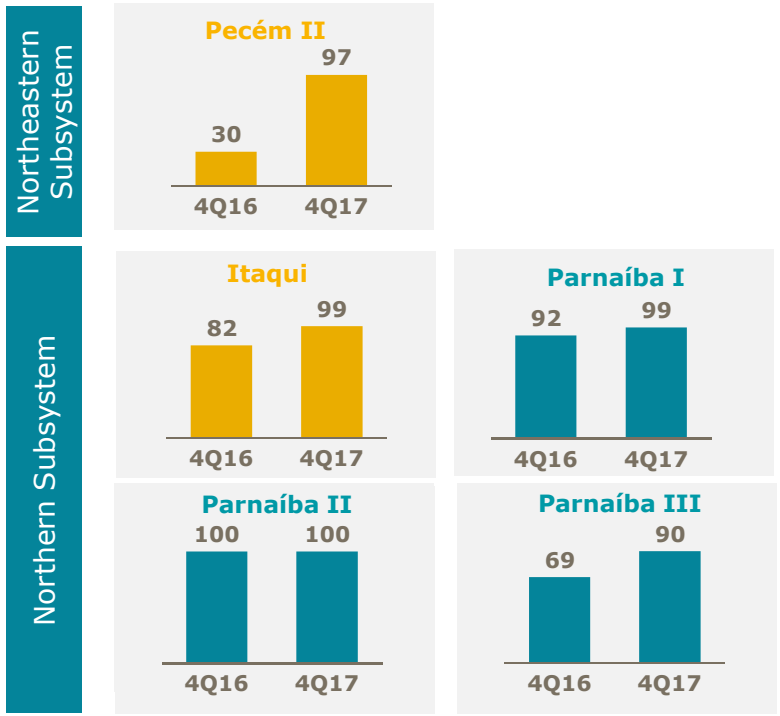


Δ quarter/17

+ 9%

+ 23%

Average power generation by TPP (%)

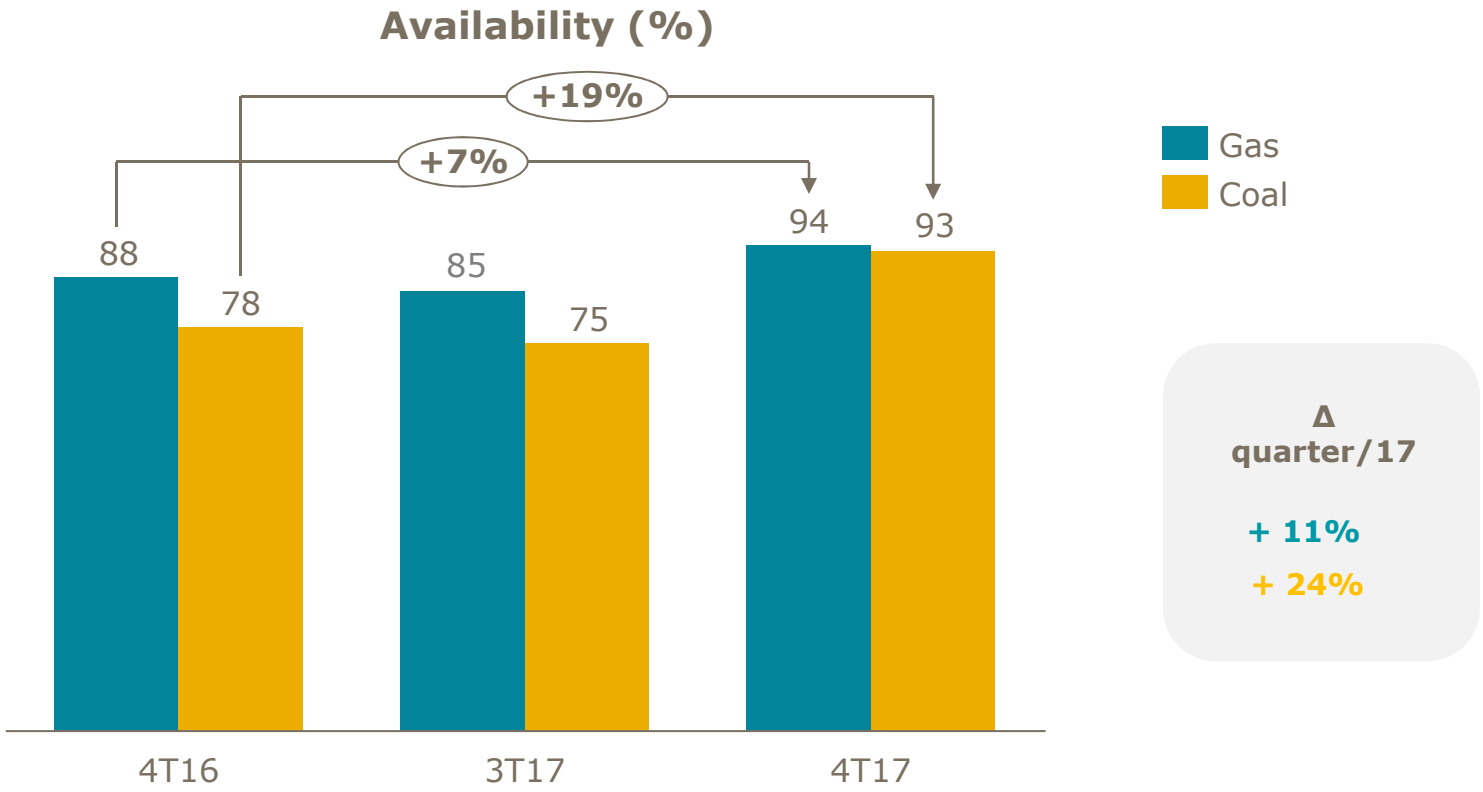


Source: ONS

(1) Average power generation considering all of ENEVA's portfolio, including Pecém II.

Operating Performance

Gas and Coal TPPs presented higher availability in 4Q17

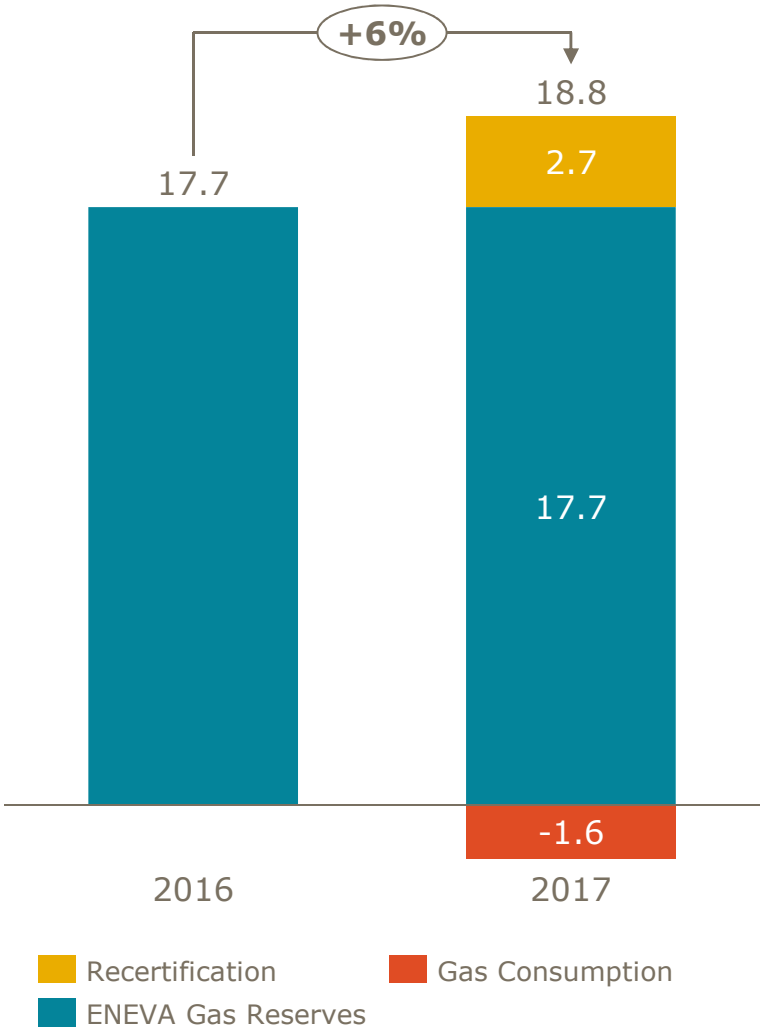


- **Parnaíba Complex:** planned stops to replace filters, clean capacitors and for periodic maintenance of engines.
- **Coal TPPs:**
  - Itaqui: availability higher than required for the third consecutive quarter
  - Pecém II: affected by corrective maintenances in the plant during the quarter

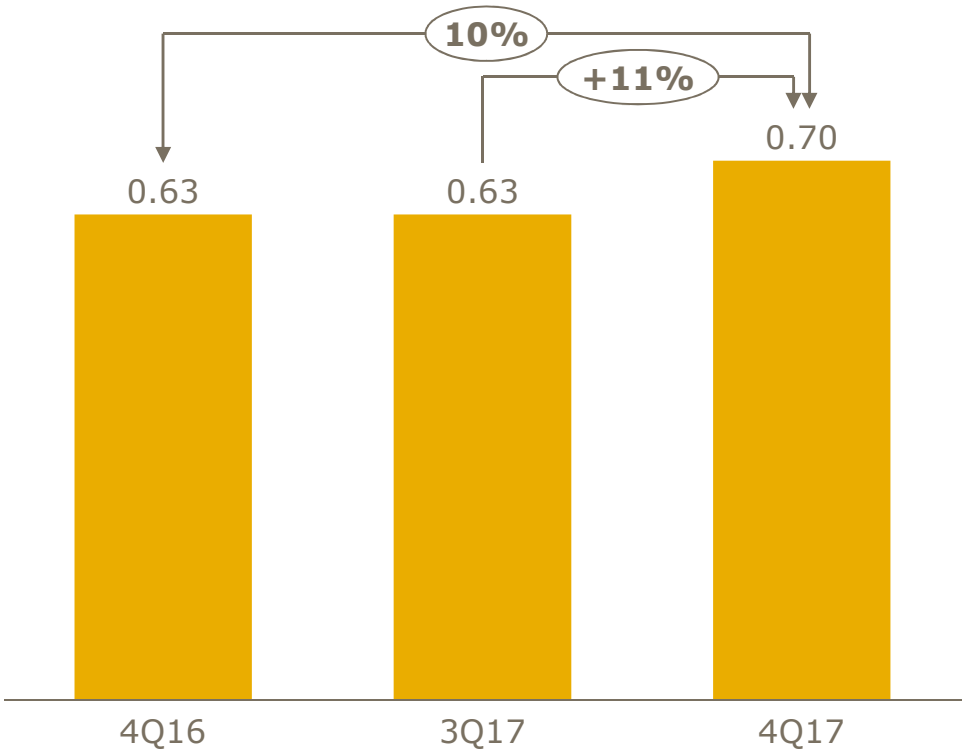
Operating Performance

Remaining Certified Reserves (2P) of 17.7 billion m³

Natural Gas Reserves (2P)[1] (Bi m³)



Natural Gas Production (Bi m³)

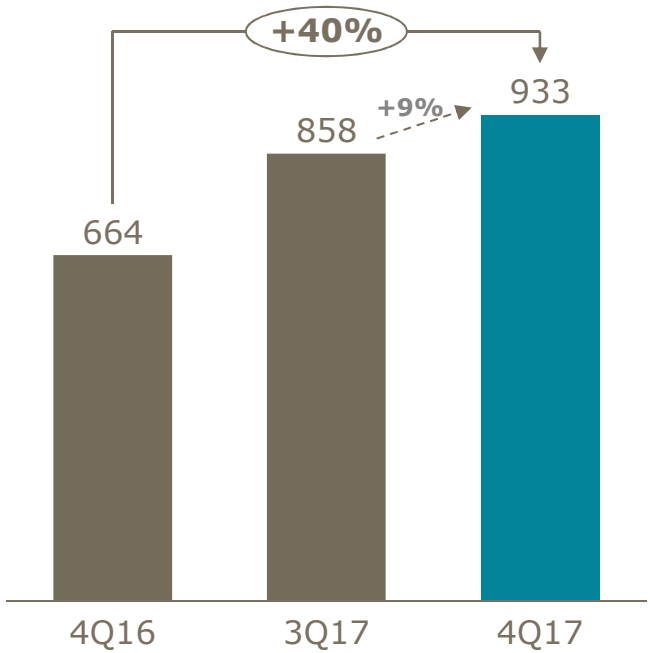


(1) Certification conducted by an independent international company. Reserves reports are available in: ri.eneva.com.br

Financial Performance

Adjusted EBITDA of R$ 405.5 MM, up 10% vs. 4Q16

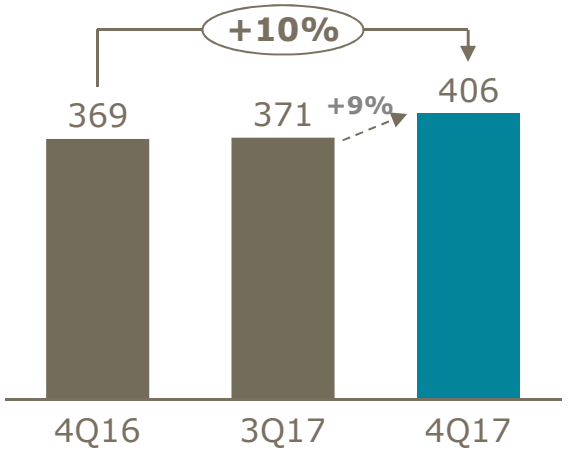
Net Income (R$ MM)[1,2]

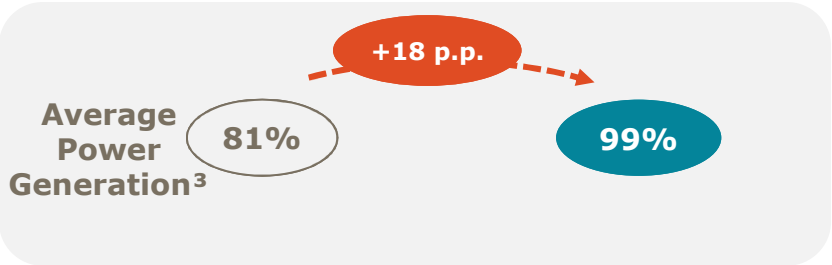


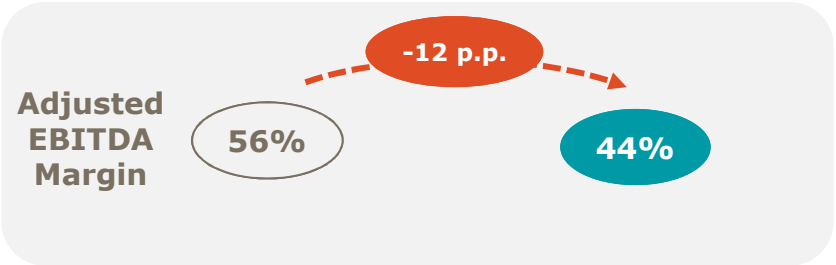
Adjusted EBITDA (R$ MM)[1,2]

Key factors behind EBITDA increase

- Growth in gas sales
- Recontracting of Parnaíba II
- Successful strategy for ADOMP hedging





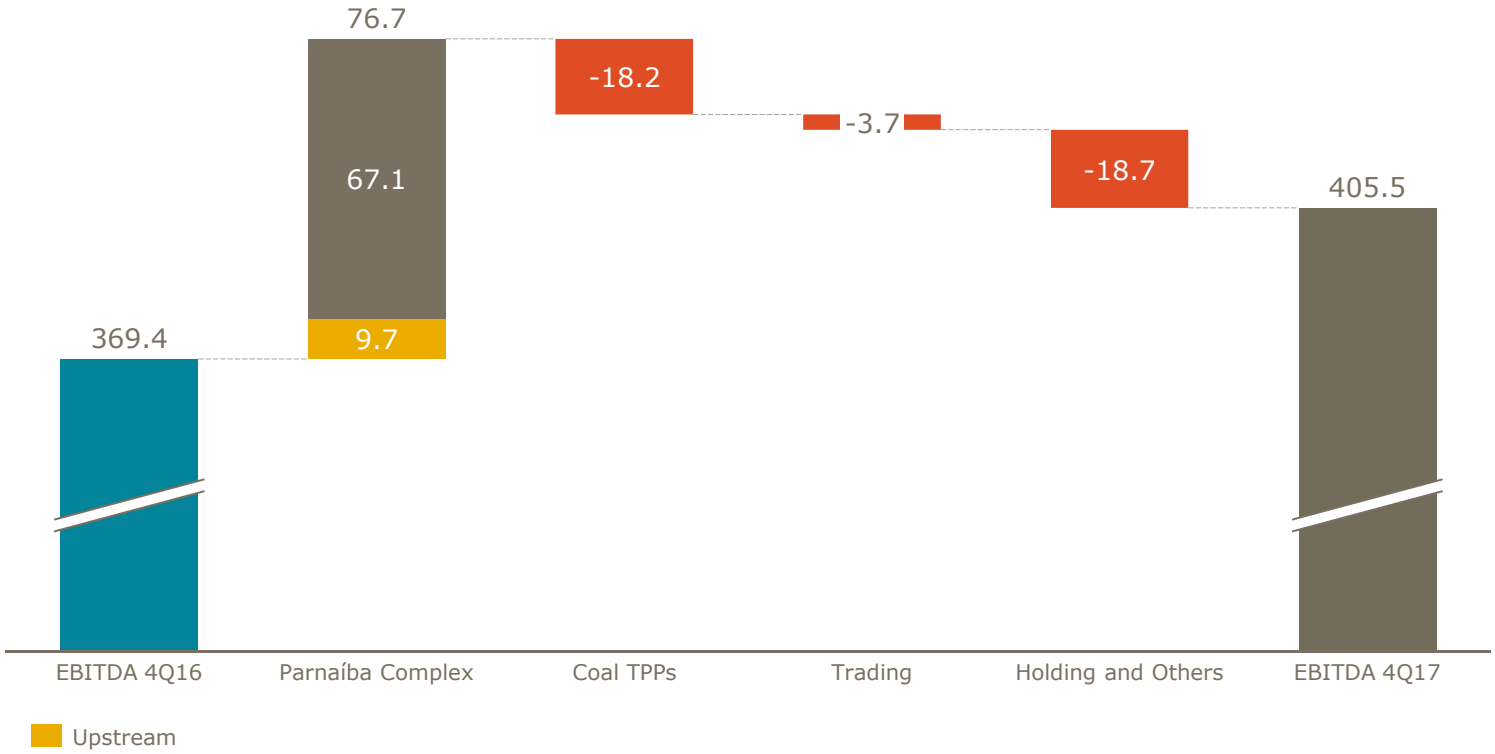


(1) The result of Pecém II is presented by equity method.
(2) Net revenue and EBITDA, not considering non-recurring events, as per Results Release of 4Q17.
(3) Average power generation considering all of ENEVA's portfolio, not including Pecém II.

Financial Performance

Adjusted EBITDA of R$ 405.5 MM, up 10% (cont.)

Adjusted EBITDA by segment[1] (R$ MM)



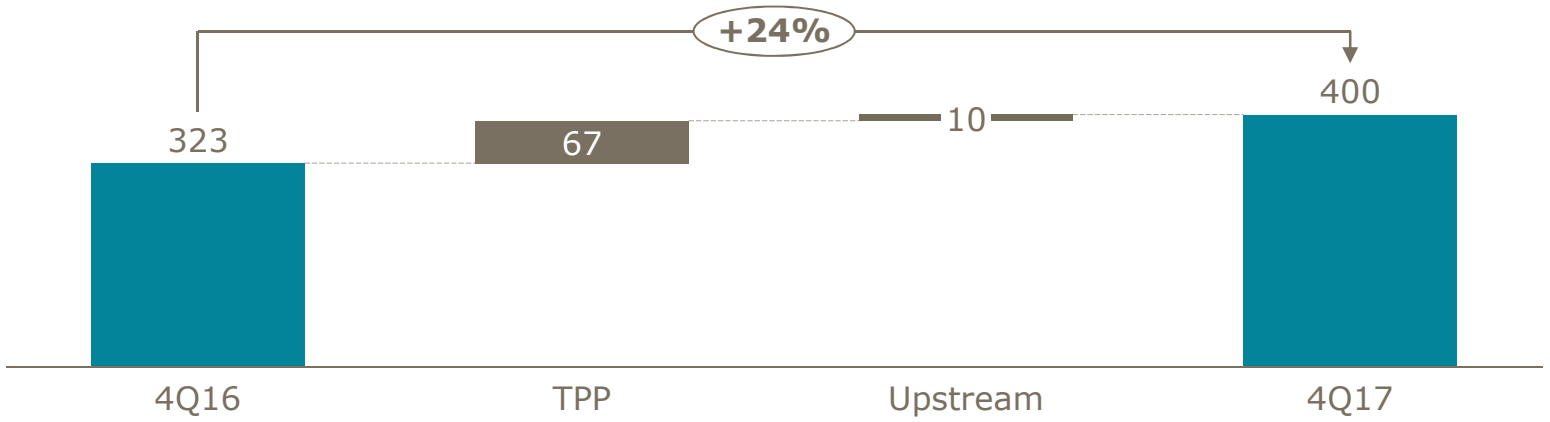
- **Parnaíba Complex:** upstream positively impacted by growth of gas sales with higher dispatch
- **Coal TPPs:** successful strategy for ADOMP hedging
- **Trading:** increase in traded volume and the average spot price

(1) Adjusted EBITDA, not considering non-recurring events, as per Results Release of 4Q17. The result of Pecém II is presented by equity method.

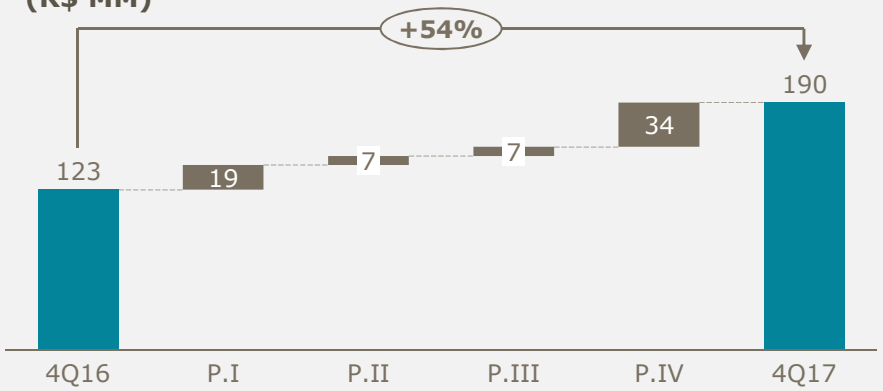
Financial Performance

Recontracting of Parnaíba II and the sale in the short-term market of energy acquired in submarket SE positively impacted the adjusted EBITDA in 4Q17

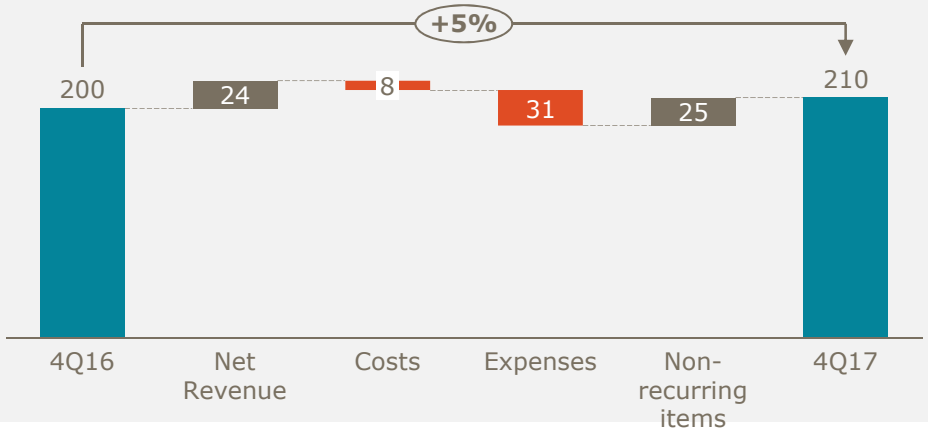
Parnaíba Complex Adjusted EBITDA[1] (R$ MM)



Adjusted EBITDA[1] Gas TPP (R$ MM)



Upstream Adjusted EBITDA[1] (R$ MM)

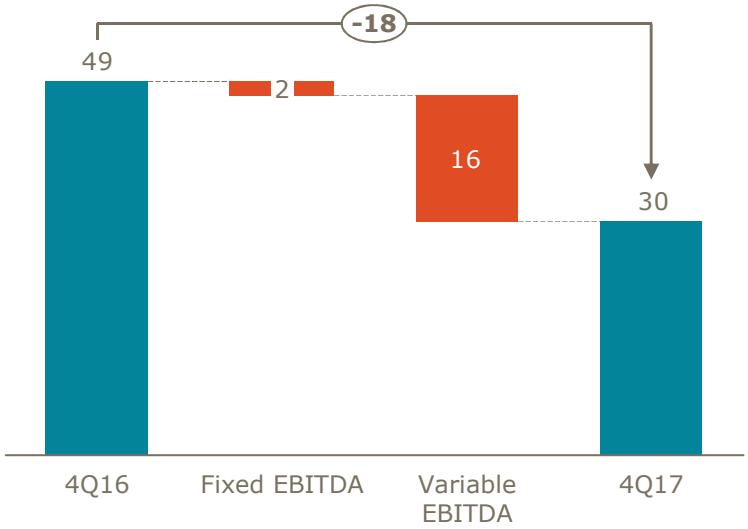


(1) Adjusted EBITDA, excluding non-recurring items, as per Results Release of 4Q17. Non-recurring items (Upstream) includes: dry wells, 14th Round- Upstream and Restructuring Consulting.

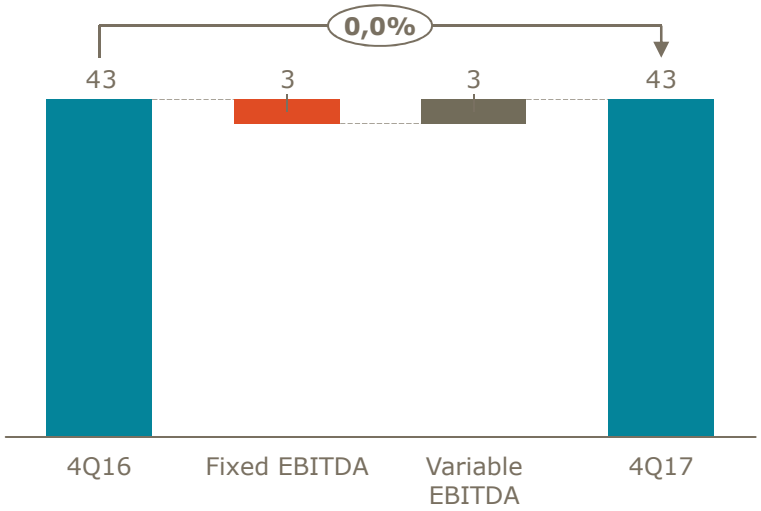
Financial Performance

Coal generation: Adjusted EBITDA negatively impacted by higher dispatch level and availability in 4Q17

EBITDA Itaqui[1]
R$ MM



EBITDA Pecém II[12]
R$ MM

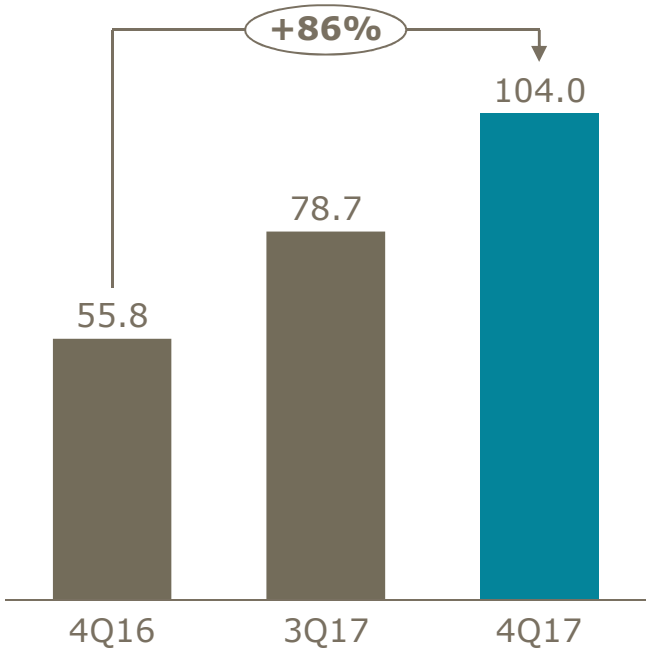


(1) Adjusted EBITDA, excluding non-recurring events, as per Results Release of 4Q17.
(2) EBITDA Pecém II considers 100%

Financial Performance

Investments reached R$ 104.0 million, concentrated in the conclusion of the development of the GVC and GVA fields and the drilling of exploratory wells

Investments (R$ MM)



Investments in 4Q17: ~26% Power and ~74% E&P

4Q17 Investment Highlights

Coal Power Generation

- Efficiency programs aimed at increasing Itaqui's operational availability (revamping of cooling tower)
- Acquisition of spare parts inventory for maintenance activities in Itaqui

Parnaíba Complex

- Conclusion of the development of the Gavião Caboclo and Azul fields
- Drilling campaign in Discovery Appraisal Plans of Angical and Araguaína
- Water capture and treatment system of the Mearim River

(1) Consolidated numbers in 4Q17 and the result of Pecém II is presented by equity method.

Financial Performance

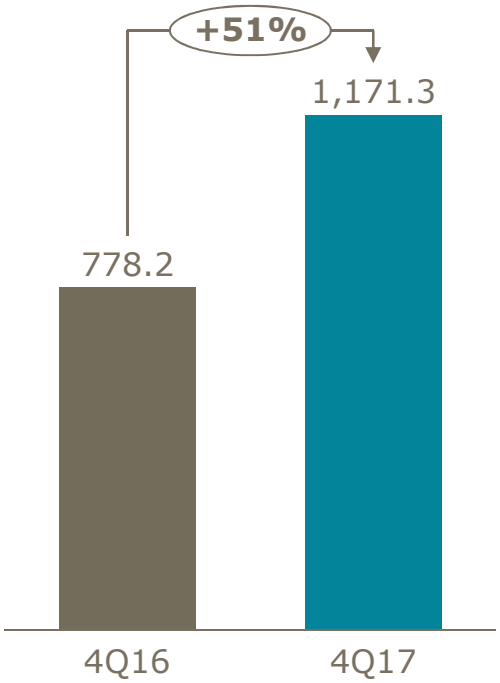
Operating Cash Flow impacted due to the higher payment of taxes in 4Q17

Free Cash Flow(R$ MM)

	4Q16	4Q17
EBITDA	**427.2**	**400.7**
(+) Change in Working Capital	**(64.6)**	**(65.4)**
(+) Taxes	**22.5**	**(40.5)**
(=) Operating Cash Flow	**385.2**	**294.8**
Investment Cash Flow	(57.0)	(106.1)
Financial Cash Flow	(110.5)	297.0
Cash Flow to Equity	**217.6**	**485.8**

Cash Flow to Equity of 4Q17 was impacted by the raising of funds from the public offering of shares

Cash Position[1] (R$ MM)

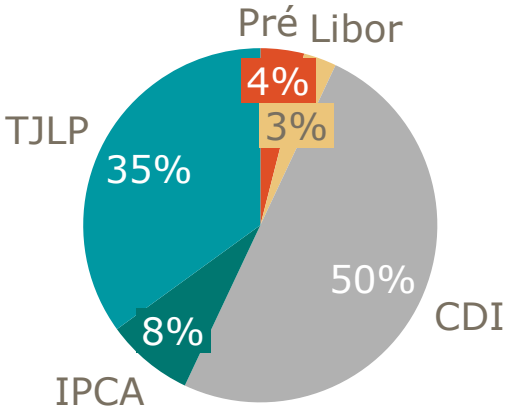


(1) Cash flow position considering escrow assets

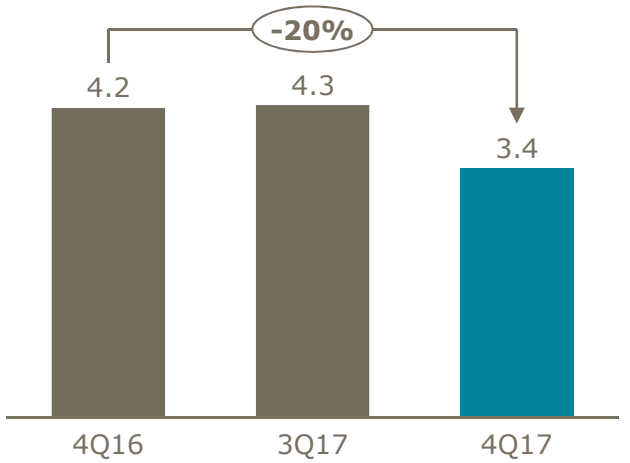
Financial Performance

Continuous strengthening of capital structure

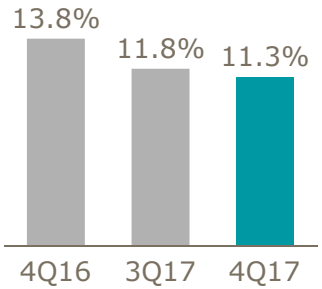
Consolidated Debt Profile



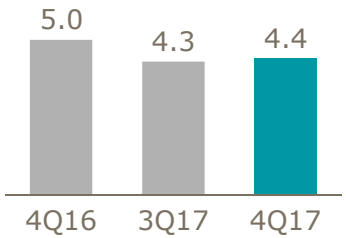
Consolidated Net Debt (R$ bn)



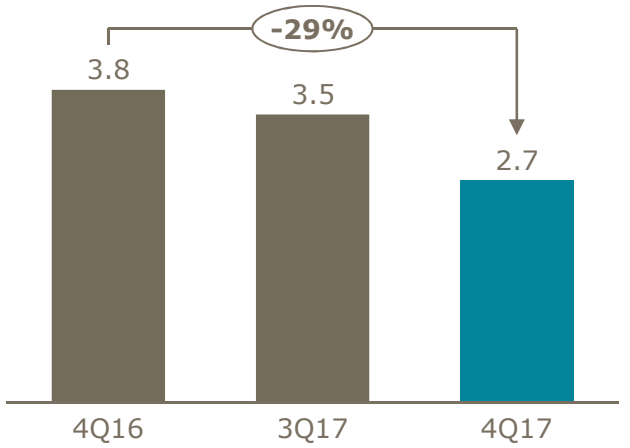
Average Cost



Average Term to Maturity

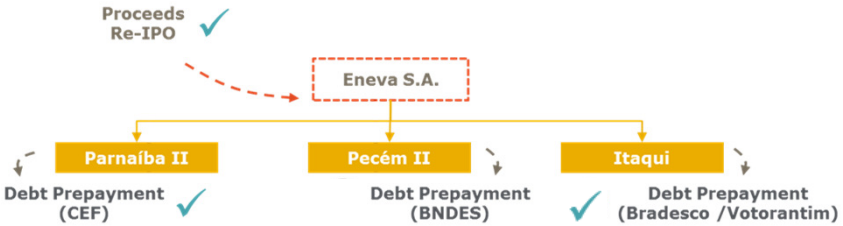


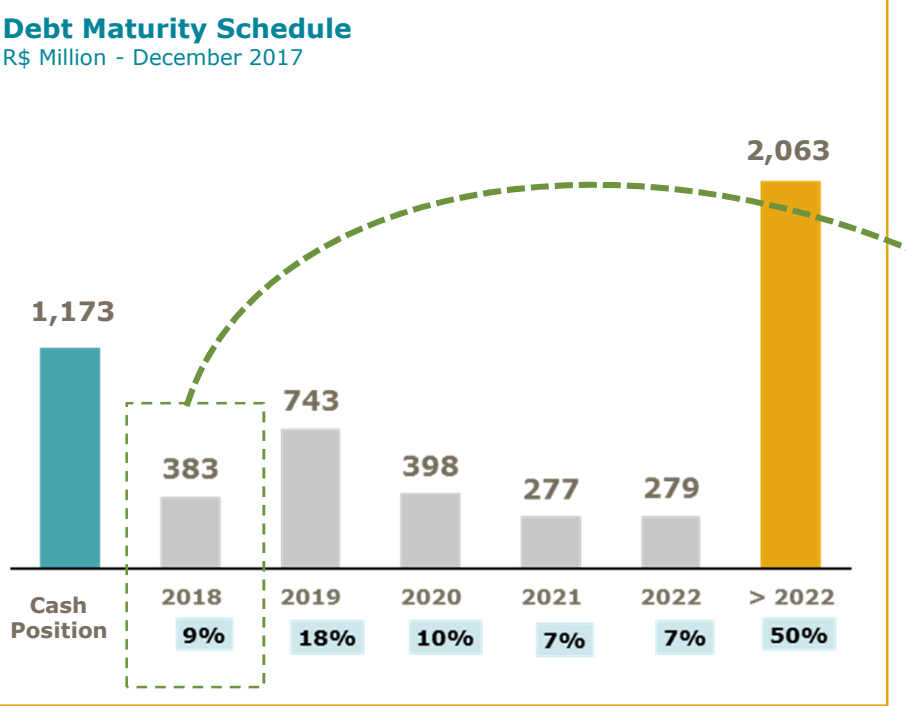
Consolidated Net Debt/Adjusted EBITDA LTM(x)

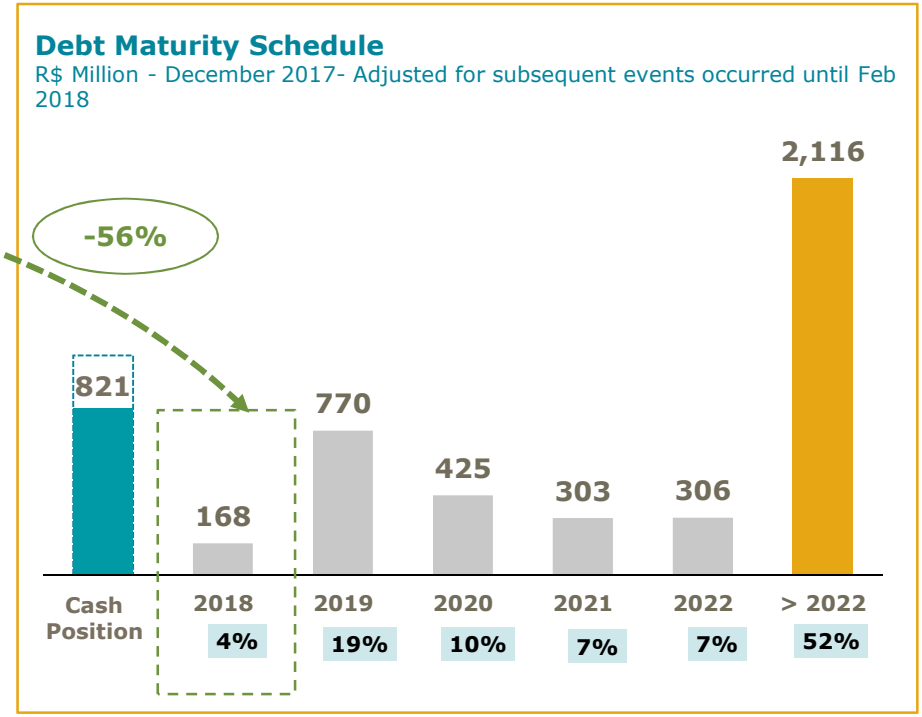


Financial Performance

Improved maturity profile







(1) Pecém II debt not included in consolidated figures.

Key Objectives in 2018

Unlock value levers, which should enhance profitability and allow Eneva to better take advantage of growth opportunities

Key Objectives

- **Exploration & Production**
  - Finalize assessment of remaining 9th Bidding Round discovery evaluation plans
  - Complete 1st phase of 13th Bidding Round seismic campaign
- **Asset Integrity**
  - Streamlining variable costs at Itaqui
  - Reduce logistics costs at Pecém II
- **Capital Structure**
  - Conclude the Re-IPO debt pre-payment schedule
  - Accelerate corporate restructuring, releasing cash from subsidiaries and optimizing tax loss carry forward NPV
- **New Energy Contracts**
  - Conclude acquisition of Azulão field
  - Actively contribute to improve new auction conditions and regulations

Long-term growth

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