Investor Day 2024

Investing in the present is **transforming the future**

Welcome you all!

INVESTOR DAY 2024

Investing in the present is **transforming the future**

EVENT AGENDA

PART I

09h00 - 09h40 | 20 Years of IPO and 5 years of re-IPO
What have we made and what to expect?
Speakers: Gustavo Estrella and Kedi Wang

09h40 - 10h00 | Climate Change and our Recent Experience
Speakers: Gustavo Estrella, Gustavo Gachineiro and Natalia Tadokoro

10h00 - 10h55 | Distribution and Transmission
Investment as main driver of expansion
Speakers: Luis Henrique Ferreira Pinto, Vitor Fagali, Evaldo Baldin, Jairo Alvares and José Almeida Serra

10h55 - 11h40 | Operation and Generation
Curtailment and medium-long term solutions for the sector
Speakers: Karin Luchesi, Francisco Galvão Jr, Ricardo Motoyama de Almeida, Bruno Monte and XinJian Chen

CPFL ENERGIA

INVESTOR DAY 2024

Investing in the present is **transforming the future**

EVENT AGENDA

11h40 - 13h00 | *Data Centers*: potential and expectations for the energy market
Speakers: Gustavo Estrella, Karin Luchesi, Luis Henrique Ferreira Pinto and Gustavo Sousa (CEO of Ascenty)

13h00 - 14h00 | Lunch

PART II

14h00 – 15h30 | Investor Education – Quality Indicators for Distribution
Speakers: Alex Pignatti and Jose Antonio Daria Junior

15h30 - 16h00 | *Coffee Break*

16h00 - 17h00 | Visit to the Monitoring Centers of Generation

CPFL ENERGIA

INVESTOR DAY
2024

Investing in the present is
transforming the future

20 Years of IPO and 5 years of re-IPO - What we have made and what to expect?

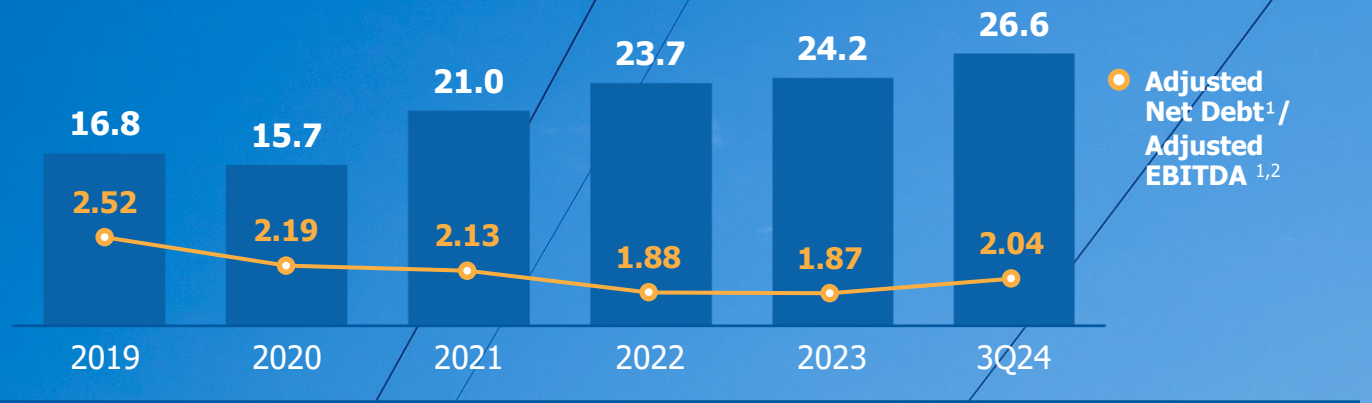
Gustavo Estrella
CEO of CPFL Energia

Kedi Wang
Chief Financial and Investor Relations Officer

CPFL ENERGIA

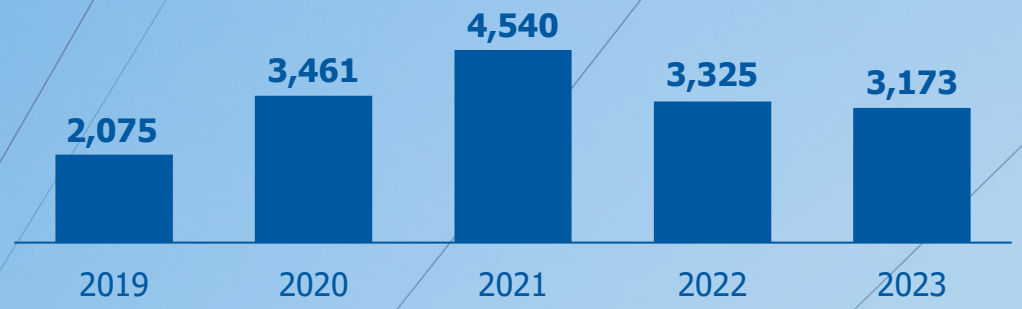
Our Strategy is to Balance Growth and Income

Leverage | **Covenants Criteria** | R$ billions



6,676	7,163	9,891	12,632	12,932	13,075	Adjusted EBITDA

Dividends | R$ millions



Payout	81%	100%	101%	100%[3]	69%[3]
Yield	5.5%	10.3%	11.4%	8.6%	8.6%

(1) LTM EBITDA; (2) Adjusted for proportional consolidation as well as considering the loan agreement with SGBP's; (3) Cash.

Disco's Leverage

CPFL Paulista	2.56x
CPFL Piratininga	3.21x
RGE	2.73x
CPFL Santa Cruz	3.80x

Strong Financial Plan in 2024 for Capex Execution

Issue of 4,131 Debentures

R$ 7.0 Billion in total

Term: 5.7 anos

Costs: CDI+0.5%

Distribuition
R$ 5.5 bi

Transmission
R$ 0.9 bi

Generation
R$ 0.6 bi

Intercompany loan extension of R$2.4 Billion
Term: 4.1 years
Cost: CDI+1.1%

R$ 1.4 Billion Emergency Line for Rio Grande do Sul BNDES
Term: 2.7 years
Cost: CDI-2.5%

Credit Line Approved with NDB[2] ~R$ 1.2 Billion

(1) R$ 0.7 billion disbursed in 2024; (2) BRICS New Development Bank.

INVESTOR DAY
2024

Investing in the present is
transforming the future

Climate Change and our Recent Experience

Gustavo Estrella
CEO of CPFL Energia

Natalia Tadokoro
Sustainability Manager

Gustavo Gachineiro
Legal and Institutional Relations Vice-President

Renewable & smart solutions

Sustainable operations

Value shared with society

Safe & reliable business

Our commitments

1. **Generate** 100% renewable energy by 2030
2. **Become** carbon neutral from 2025[1], reducing 56%[2] of scope 1, 2 and 3 emissions by 2030
3. **Provide** low carbon solutions to our customers, with annual targets for IRECs and carbon credits revenues
4. **Reach** at least 15% of Electric Fleet (operational trucks) in Distribution companies by 2030
5. **Invest** at least BRL 40 MM in green hydrogen technologies by 2030
6. **Reach** at least BRL 580 MM in investments in smart energy solutions by 2027
7. **Consolidate** CPFL ecoefficiency management program, setting targets by 2024 to promote conscious consumption of energy, water and to reduce landfill waste disposal[3]
8. **Phase out** single-use plastics in our administrative units by 2025
9. **Create** CPFL's Biodiversity Positioning by 2025 to maximize the benefits and value generated by our operations for the environment and society
10. **Refurbish** at least 70,000 electrical network equipment[4] by 2030
11. **Ensure** 100% of the main grid components destined for recycling or reverse chain systems
12. **Invest** at least BRL 230 MM in socioenvironmental projects that maximize transformation in the community by 2030
13. **Invest** BRL 140 MM in energy efficiency initiatives at public hospitals by 2025
14. **Reach** 40% of minority groups in leadership roles by 2030
15. **Assess** 100% of critical suppliers in sustainability criteria[5] and achieve at least 85% of our spending[6] with companies that present advanced practices in sustainability by 2030
16. **Maintain** at least 90% of attendance by digital channels
17. **Sustain** at least 1 distribution company listed among the top 3 in the ANEEL Consumer Satisfaction Index - IASC
18. **Strengthen** safety culture to achieve zero fatalities and reduce frequency and severity rate of accidents involving employees and service providers
19. **Invest** BRL 50 MM in awareness and risk reduction projects[7] for the population by 2030
20. **Promote** a healthy work environment, increasing awareness on mental wellbeing and establishing supportive actions for our employees
21. **Ensure** 100% of employees[8] trained in the company's Integrity Program
22. **Train** 100% of administrative employees[9] in security and data protection
23. **Continuously pursue** the best practices of accountability, transparency, fairness and responsibility

[1] Neutralization in 2026 related to 2025 GHG Inventory.
[2] Baseline for reducing emissions: 2021 total emissions in scopes 1, 2 and 3.
[3] Waste disposal from Headquarters Campinas, EA Jundiaí, Headquarters CPFL-T Porto Alegre, Headquarters RGE São Leopoldo, Former Headquarters RGE Caxias, CSC Indaiatuba, CPFL Serviços Rio Pardo.
[4] Transformers, voltage regulators, reclosers.
[5] As defined in SBM, critical for operation.
[6] DisCos + CPFL Renováveis - the portfolios of the other businesses will be evaluated and worked on in the period, and it is not possible to make a proposal for a goal now.
[7] Guardião da Vida and Arborização + Segura.
[8] CPFL Energia, its subsidiaries and affiliates with the same management and governance model, in which CPFL Energia has management in the administration
[9] Except employees with a suspended employment contract either by agreement between the parties or by legal imposition, as established in the CLT.

INVESTOR DAY 2024

Investing in the present is **transforming the future**

Distribution and Transmission investiment as main driver of expansion

Luis Henrique Ferreira Pinto
Regulated Operations Vice-President

Vitor Fagali
Business Development Vice-President

Evaldo Baldin
Director of Engineering of Distribution

Jairo Alvares
Director of Distribution Regulatory Business

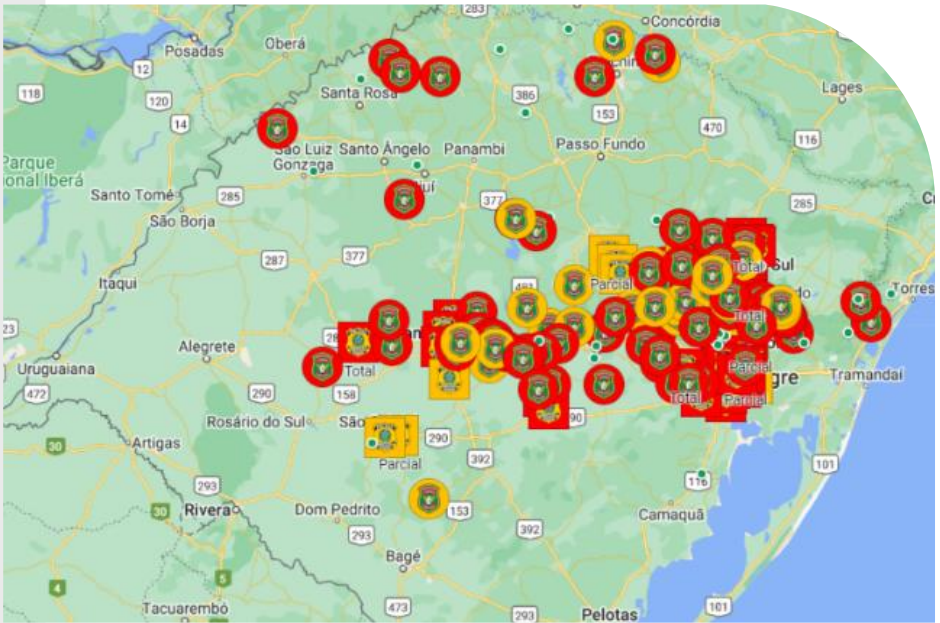
José Almeida Serra
Director of Construction and Engineering of Transmission

CPFL ENERGIA

City of São Leopoldo/RS

Logistical Difficulties of Access and Mobilization

- **315 thousand** interrupted customers
- **72** Municipalities **100%** interrupted
- **276** Municipalities with Calamity Decree
- **89** Total Blockages
- **41** Partial Blockages in federal and state routes



ERS 287

Roca Sales

Differentiated Actions | Aerial Mapping

Helicopter support to fly over and map the impacted areas, in addition to the use of drones for inspection in hard-to-reach areas.

Differentiated Actions | Customer Support

46
Attendance posts Impacted

1.449
Mobile Services in 13 more impacted municipalities

45 thousand
Customers of permissionaires connected to RGE's grid on an emergency basis

6.47 MM
Storm alert e-mails sent

8.74 MM
Proactive SMS


Certel Cooperative Connection

Mobile Service

Grid Resilience Projects

CPFL Energia Group seeks to increase the Resilience of Electricity Grids, including the support of ANEEL R&D projects

Infrastructure Resilience

Physical robustness of the distribution system for extreme climate events occurrence

- Percentage of Isolated or Protected Network
- Presence of Recloser Switches
- Percentage of Wooden Poles
- Resistance of Poles to Mechanical Stress (wind action)
- Degree of System Redundancy

R&D Projects CPFL Energia Group

R&D Resilience of Electricity Grids (FGV and Climatempo)

Definition of metrics for calculating infrastructure resilience

R&D Service Quality Methodology (Quantum and Lactec)

Analysis of the physical variables of the distribution network for all sets of consumer units in Brazil

Operational Resilience

Quickness in responding to emergency occurrences and restoring the service

- Presence of dimensioned and well-trained teams
- Optimal allocation of teams during extreme events
- Presence of technology and technical expertise to deal with high-magnitude events
- Provision of accurate services for weather monitoring

Electricity Grid Resilience

The Group has the commitment to **constantly enhance** the plan to support during extreme climate events

MOBILIZATION OF A CONTINGENCY PLAN

During an extreme climate event, the CPFL Group institutes a **crisis room** keeping constant contact with Regulatory and State Agencies and the MME

ASSERTIVE COMMUNICATION WITH THE POPULATION AND PUBLIC AUTHORITIES

Communication via SMS, e-mails, posts in social medias, while also in **constant contact with** public agents.

QUICK ACTIONS TO RESTORE AND REBUILD THE NETWORK

Quick diagnosis to substitute assets and connections with mobile substations

Extension of Concessions: CPFL Energia's Main Contributions

Anticipated Rite

Deadlines are estimated by the guidelines of the Decree and the evolution of the process by ANEEL

cpfl paulista

cpfl piratininga

RGE

10/16/24	12/02/24	~Feb/25	~Mar/25	~May/25	~Jun/25	~Aug/25
Opening of ANEEL Public Consultation (CP 027)	Deadline for public contributions	Publication of the Distributors' Concession Contract by ANEEL (D')	Manifestation on Early Extension (D'+30 days)	ANEEL's recommendation to the MME (D'+90 days)	MME decision (D'+120 days)	Date the concession contract was signed (D'+180 days)

Object | Remaining Term

Formalization that the new concession period will start to run from the effective expiry of the current contract.

Thus, in the event of an early extension, there is no risk of discussion about the remaining term.

Predictability Economic Conditions

To ensure greater predictability in economic clauses, it is proposed:

X-Factor enhancement for OPEX and CAPEX recognition between RTPs;

1. **Regulatory model may be changed by means of a new amendment;**
2. **Improvement in the definition of VPB, Reference Market and Reference Period;**
3. **Consideration of ASRO.**

Risk Allocation

The CPFL proposal divides risk into three detailed categories:

1. **Distributor Risks;**
2. **Risks of the Granting Authority;**
3. **Unmapped risks: Case-by-case assessment.**

RTE must observe:

i. **Management capacity;**

ii. **Impact significance; and**

iii. **Presentation of mitigation actions.**

Resignation Lawsuits

Suppression of Subclauses Second, Third, Fourth, Fifth and Sixth within the scope of Clause Eighteen of the draft contractual amendment.

Not based on the Decree;

- **Violates the principle of administrative legality;**
- **Violates the constitutional principle of the right of action (article 5, XXXV, of the Constitution).**

INVESTOR DAY
2024

Investing in the present is
transforming the future

Data Centers: potential and expectations for the energy market

Gustavo Estrella
CEO of CPFL Energia

Gustavo Sousa
CEO of Ascenty

Karin Luchesi
Market Operations Vice-President

Luis Henrique Ferreira Pinto
Regulated Operations Vice-President

CPFL ENERGIA

Ascenty

A Digital Realty and Brookfield Infrastructure JV

Latin America's **first-line data center infrastructure and connectivity** company.

CPFL – Investor Day

December 2024

Ascenty is the leading Infrastructure and Connectivity company in Latin America

ABOUT ASCENTY

- Founded in 2010, **Ascenty is the Leading company in infrastructure and connectivity in Latin America.**
- Since 2018, Ascenty is a **joint venture** between **Digital Realty and Brookfield**:

DIGITAL REALTY

- Is the largest data centers in the world (300+data centers).

Brookfield

- One of the **largest infrastructure owners and operators in the world.**

CONNECTIVITY

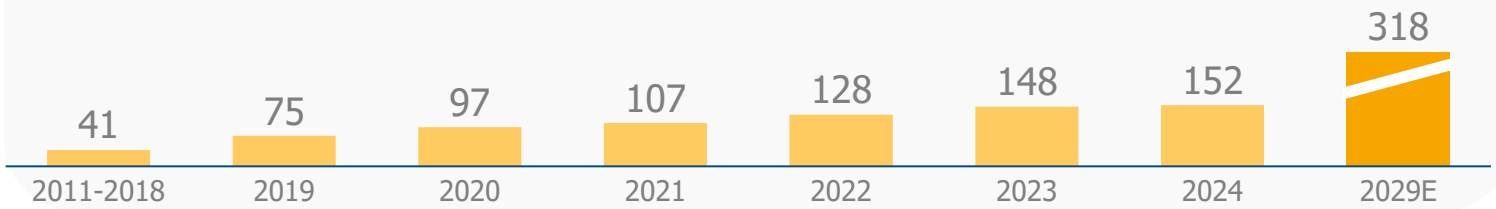
- **5.000 km** of dedicated optic fiber network grid.
- Connection with **stations of submarine cables** (São Paulo, Rio de Janeiro and Fortaleza).
- **Greater connectivity** between clouds**.**

aws IBM Cloud Google Cloud ORACLE Azure

TOTAL CAPACITY IN OPERATION

(In IT MW)

- We currently have **+150MW in operation in Latin America**. By the end of **2029, installated capacity is expected to be 2x** greater than current capacity.



34 data centers with **578MW** of IT Power capacity.

152MW	426MW	578MW
In Operation	In Development	Total capacity

Ascenty
A Digital Realty and Brookfield Infrastructure JV

AI applications depend of large data center infrastructures, wich results in high energy consumption to support operations

DATA CENTER - CLOUD

- A Cloud data center meets the demands of Around 10MW of IT Power.

Data Processing

The energy demand in a Cloud data center is Around 10MW of IT Power.

Energy Density from 4 to 14kW per Rack

Cloud equipment consumes between 4 and 14kW of energy per rack.

Traditional cooling

Traditional cooling systems (Air Cooled) are eficiente for standard equipment, with a lower termal load.

DATA CENTER - AI

- An AI data center, on the Other hand, demands between 100-200MW of IT Power.

Data processing

High data processing results in an energy demand at least 10x higher than Cloud demand.

Energy density of 20 to 70kW per rack

Compared to Cloud density, AI equipment consumes **5x more energy per rack.**

Liquid Cooling

Liquid cooling system (immersion or external) to support the high processing volume of AI Chips and Services.

Data processing, **high energy density** and **the cooling system** depend on **the availability of energy and a robust infrastructure**.

Average Demand - Cloud: **10MW IT** Average Monthly Demand

AI: **100-200MW IT** Average Monthly Demand

10 to 20 times greater than a dedicated **Cloud data center.**

Energy Consumption - Cloud: **10.5MWm** Average Monthly Consumption

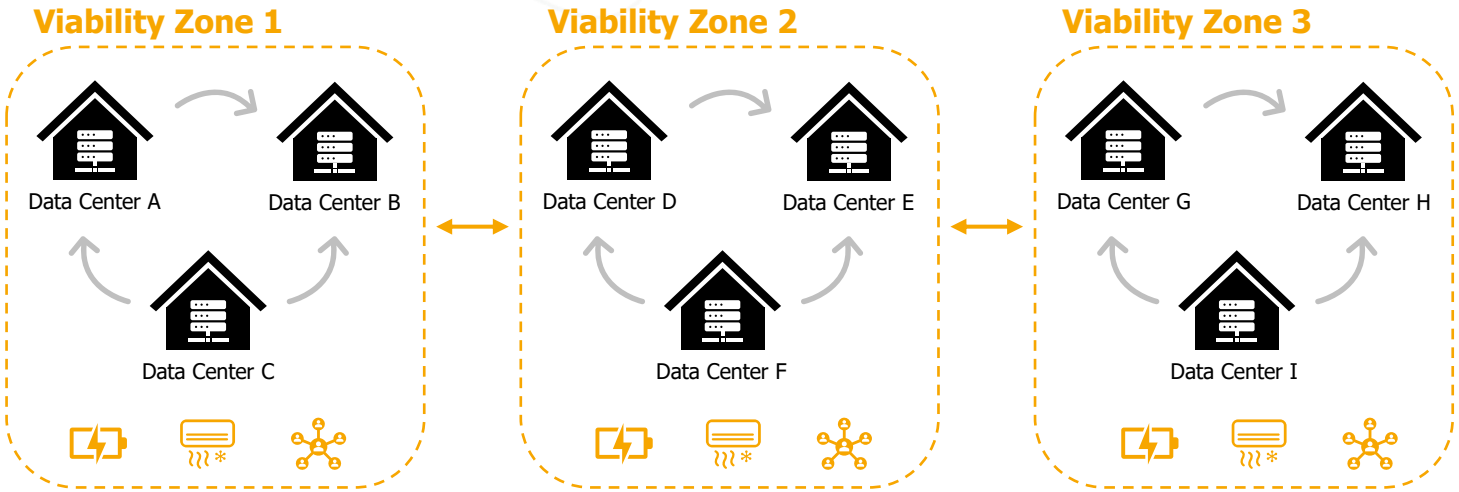
AI: **270MWm** Average Monthly Consumption

Ascenty
A Digital Realty and Brookfield Infrastructure JV

It is crucial to ensure the availability of energy to capture the AI boom, especially in the state of São Paulo, which is the hub of Viability Zones in Brazil

VIABILITY ZONES

Viability Zones are groups of **physically separate** but interconnected data centers within the same cloud region, designed to ensure **redundancy and low latency**.



The Viability Zones **are far enough** apart to **reduce the likelihood of more than one being affected by local outages**.

The state of São Paulo is a hub of Viability Zones for all hyperscalers in Brazil:
Better access opportunities to energy and connectivity infrastructures.

LATENCY

Cloud Market

For the cloud market**, low latency** is a **fundamental aspect of operational efficiency**.

AI Market

For the AI market**, latency is not a critical** factor. However, hyperscaler customers prefer their **AI installations to be close to their Cloud installations**, in order to use Cloud and AI applications in the same data center.

Ascenty
A Digital Realty and Brookfield Infrastructure JV

Energy infrastructure
Refrigeration infrastructure
Connectivity infrastructure

Ascenty

A Digital Realty and Brookfield Infrastructure JV

Thank you!

INVESTOR DAY
2024

Investing in the present is
transforming the future

Operation and Generation Curtailment and medium-long term solutions for the sector

Karin Luchesi
Market Operations Vice President

Francisco Galvão Jr.
Director of Generation Operation and Maintenance

XinJian Chen
Head of CPFL Geração

Ricardo Motoyama de Almeida
Head of CPFL Brasil

Bruno Monte
Director of Strategy and Innovation

CPFL ENERGIA

Investor Day 2024

Investing in the present is **transforming the future**

Thank you!