

# EXECUTIVE SUMMARY 2019



**Omega**  
Geração



# SUMMARY

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Providing pleasant reading, a part of content is displayed interactively. At indications are made in the corner bottom right of the pages.

## LETTER FROM THE CEO

When Omega was founded in 2008, we fundamentally believed in creating an extraordinary organization, capable of doing different and reinventing itself, always, to solve problems in a world that changes and challenges us every single day. Betting on a 100% renewable play with “for real” sustainable practices towards all stakeholders, without using unfair shortcuts and old practices, was not commonplace in 2008. But our hearts and reason were sure that these bets would take us far, and our results have been confirming this year after year.

In 2019 we continued to deliver strong results:

1. 7 acquisitions that increased our installed capacity by 88%;
2. Annual availability of 97.1%<sup>1</sup>, a benchmark in the sector;
3. Raised R\$1,641 million through debt and equity issuances;
4. Record profitability: 84% EBITDA margin<sup>2</sup>;
5. A number of initiatives impacting communities and the society;

6. Extensive strategic planning for the coming 5 years;

7. Omega Geração's sustainability strategy.

For us, sustainability is the awareness that these results are the best means to continue our growth cycle and provide increasing value to all stakeholders. We believe that being sustainable is only possible if we generate value widely, achieving results that sustain, feed, multiply and create new prosperity.

**We will not rest until  
our vision of a sustainable  
energy future reaches  
its full potential.**

<sup>1</sup> Does not consider the scheduled stop of Delta 7 and Delta 8.

<sup>2</sup> Adjusted EBITDA/Adjusted energy gross profit.



Antonio Bastos, CEO Omega Geração.

In 2019, in addition to creating economic value for shareholders, we led several initiatives with a positive impact on our surroundings and the environment. Our JPM Education Center in Piauí served 328 students in the year, distributed in 21 classes and 7 courses, in December we inaugurated our second JPM Education Center in Maranhão and completed the planning for the installation of another center in Bahia.

Moreover, during the year, we avoided the emission of more than 289.1 Ktons of CO<sub>2</sub>, which contributed to limit the increase in global temperature according to the Paris Agreement guidelines, and to slow global warming, one of the biggest challenges that the world faces today.

We also continued developing our organization. We have implemented several initiatives, including the development of new talents, the launch of a bold digitalization plan and the adoption of a more technical ESG approach that ensures that we measure our various initiatives and deliveries to stakeholders consistently.

This same commitment to excellence and the purpose seen in 2019 set the tone for the elaboration of our strategic planning and definition of the objectives for the coming years. We see a lot of space to make energy more accessible, cheaper and cleaner, as well as to improve our performance and continue the transformation of the energy sector that we started in 2008 as one of the pioneers

in renewable energy in Brazil. We will not rest until our vision of a clean, sustainable energy future reaches its full potential.

Lastly, I want to thank the Omega team for their hard work and for their extremely high commitment to our mission, even in a challenging moment like the current Covid-19 pandemic. People and organizations reveal their true spirit at such times and I am even more sure that our people are the most valuable asset the Company has.



**Antonio Augusto T. de Bastos Filho**  
CEO

# OMEGA GERAÇÃO

Omega Geração, a leading Brazilian renewable energy company, is an investment platform with exclusive focus on wind, hydro and solar operational projects.

Our mission is to provide sustainable energy through an effective network comprised of our people, clients, investors, suppliers and the community, bringing prosperity to everyone through superior returns.

## WHAT WE DO

- We supply clean and sustainable energy for Brazilian electrical system;
- We invest in high-quality renewable assets;
- We operate renewable assets with the highest efficiency, quality and sustainability standards.



**1,194.9 MW**  
of installed capacity<sup>1</sup>  
**100% renewable**

Omega Geração has a portfolio<sup>2</sup> of 1,194.9 MW of topnotch wind, hydro and solar operational assets, combining natural resources in locations of high capacity factor, high-quality equipment and geographic diversification.



Wind RJ  
**28.1 MW**

Wind BA<sup>2</sup>  
**353.0 MW**

Wind Delta<sup>3</sup>  
**570.8 MW**



Hydro  
**82.5 MW**



Solar  
**160.5 MW**

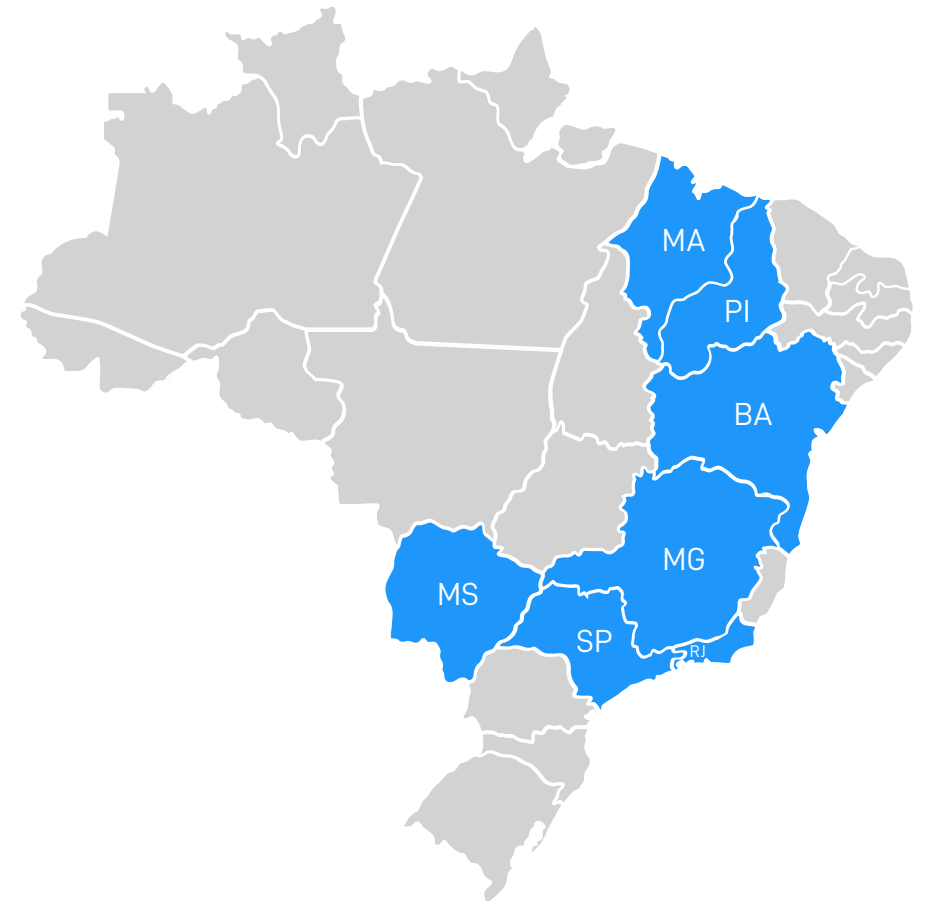
**Total 1,194.9 MW**

<sup>1</sup> Considers the acquisitions of Delta 7 (62.1 MW), Delta 8 (35.1 MW), completed in January 2020 and Assuruá 3, completed in March 2020.

<sup>2</sup> Wind Bahia includes Assuruá 3.

<sup>3</sup> Wind Delta includes Delta 7 and Delta 8.

## Omega Geração operations



# 2019 HIGHLIGHTS

## Performance



Power generation  
**3,854.3**  
 GWh

↑ Record power generation

Adjusted energy gross profit  
**R\$ 824.1**  
 million

↑ 64% up in 2018

Adjusted EBITDA  
**R\$ 692**  
 million

↑ 68% up in 2018

## Sustainability



We are renewable energy company and our 100% clean energy generated avoided  
**289.1**  
 thousand tons of CO<sub>2</sub> emissions

↑ 86% up in 2018

Students served by social programs  
**468**  
 students

↑ 282% up in 2018

Social and environmental investments  
**R\$ 6.8** million  
 invested in social and environmental programs

## Growth



100% renewable installed capacity  
**1,047.7**  
 MW

↑ 64% up in 2018

# SUSTAINABILITY STRATEGY

2019 marks the beginning of Omega Geração's Sustainability Strategy, whose purpose is to structure the Company's operation to address its Environmental, Social and Governance (ESG) issues, improving its performance and positioning towards these issues.

The process was carried out by an external consultant specializing on the matter, who developed technical analysis and facilitated the working stages as follows:



## 1. Assessment of ESG practices

Assessment of Omega Geração's performance in eight theme categories (Community, Corporate Behavior, Human Rights, Corporate Governance, Environment, Human Resources and Multidisciplinary Practices) with over 40 issues discussed based on ESG analysis and assessment standards (Vigeo Eiris, Corporate Sustainability Index – ISE; MSCI; International Financial Corporation – IFC and Dow Jones Sustainability Index), ensuring a broad coverage and applicability.



## 3. Building the materiality matrix

Carried out in two stages: (I) defining the issues' relevance based on the analysis of secondary sources and specialists and (II) defining the issues' relevance from the standpoint of Omega Geração employees.



## 2. Training

Omega Geração's working group devoted to the construction of the ESG strategy received training, aiming to (I) clarify the importance of ESG issues as a competitive advantage, (II) present the findings of the assessment of ESG practices, including the main highlights and opportunities for action and (III) gather the group's average perception on the materiality of each issue, aiming to establish scores to weight each issue's relevance.



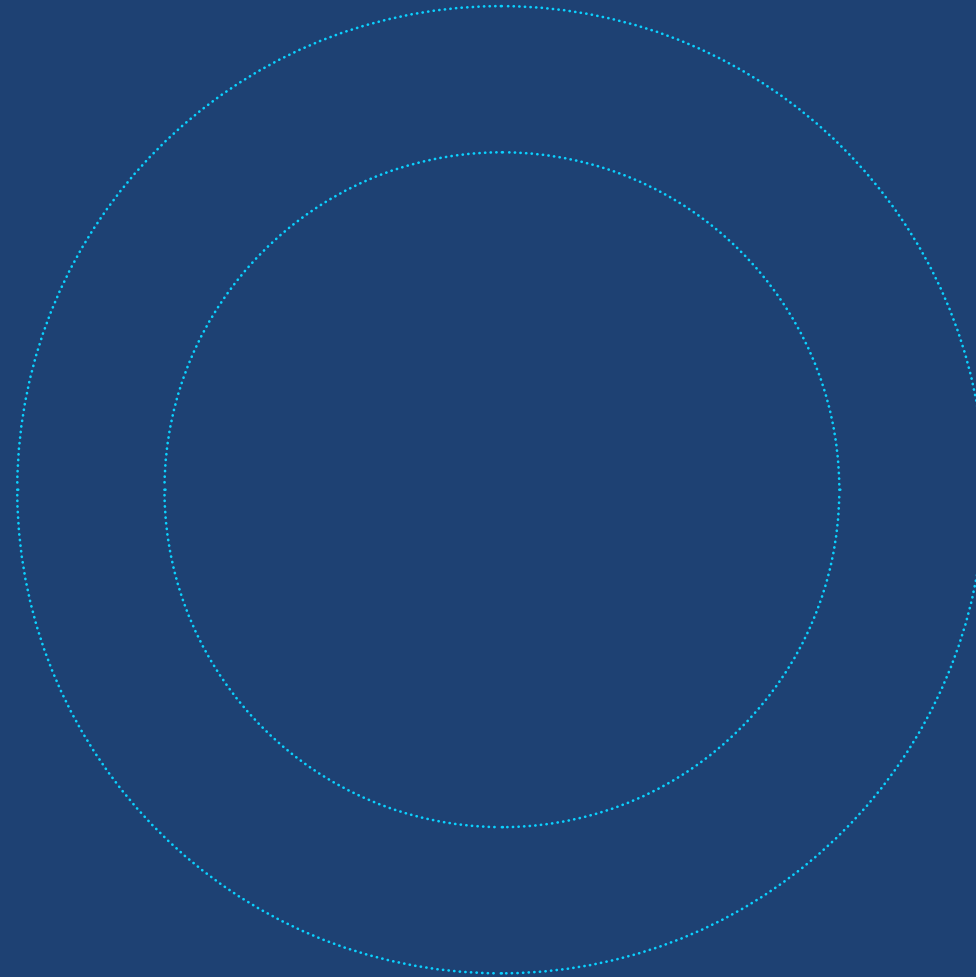
## 4. Action Plan


Developed to detail the activities required to improve Omega Geração's performance in each of the issues prioritized in the materiality matrix.

This process helped to build a new sustainability report, in accordance with the Global Reporting Initiative (GRI) and include the United Nations' (UN) Sustainable Development Goals (SDG). For access the full material, [please click here](#).

## SUSTAINABLE DEVELOPMENT GOALS

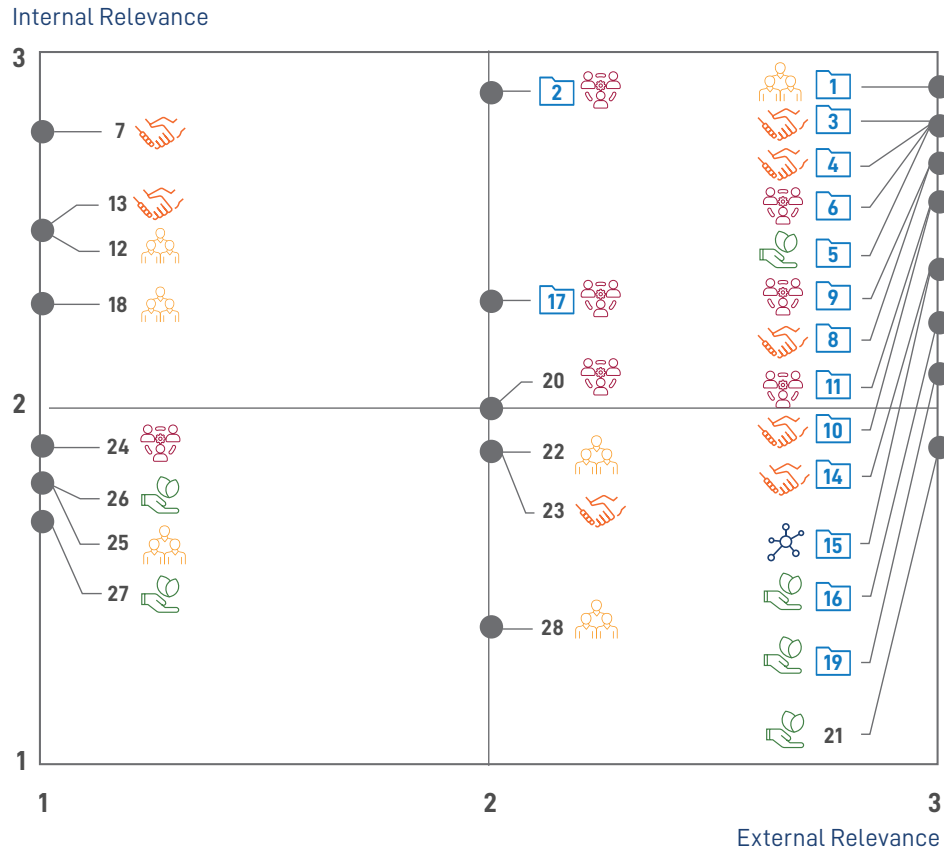
Omega Geração acts in line, direct or indirectly with, to 14 out of the 17 global goals set forth by the General Assembly of the United Nations, the Sustainable Development Goals.



To learn more about  
our SDG goals,  
 click on the elements.



# MATERIALITY MATRIX



#	Issue	Category
1	Relationship with the surrounding communities	Human Resources
2	Healthy labor relations	Human Resources
3	Relationship with shareholders	Human Resources
4	Anti-corruption measures	Corporate Behavior
5	Environmental management system	Environment
6	Health and safety	Human Resources
7	Data protection	Corporate Behavior
8	Sustainability in the value chain	Corporate Behavior
9	Fight against discrimination	Human Rights
10	Board of Directors	Corporate Governance
11	Career management	Human Resources
12	Social impacts	Human Resources
13	Client and consumer relationship	Corporate Behavior
14	Audit and oversight	Corporate Governance

#	Issue	Category
15	Sustainability management system	Multidisciplinary Practices
16	Climate change	Environment
17	Variable compensation linked to ESG practices	Corporate Governance
18	Elimination of child labor and slavery	Human Rights
19	Biodiversity	Environment
20	Valuing diversity	Human Resources
21	Eco-efficient services	Environment
22	Contribution to causes of general interest	Human Resources
23	Fight against anti-competitive practices	Corporate Behavior
24	Responsible restructuring management	Human Resources
25	Cultural heritage	Human Resources
26	Management of water resources	Environment
27	Waste management	Environment
28	Traditional people	Human Resources

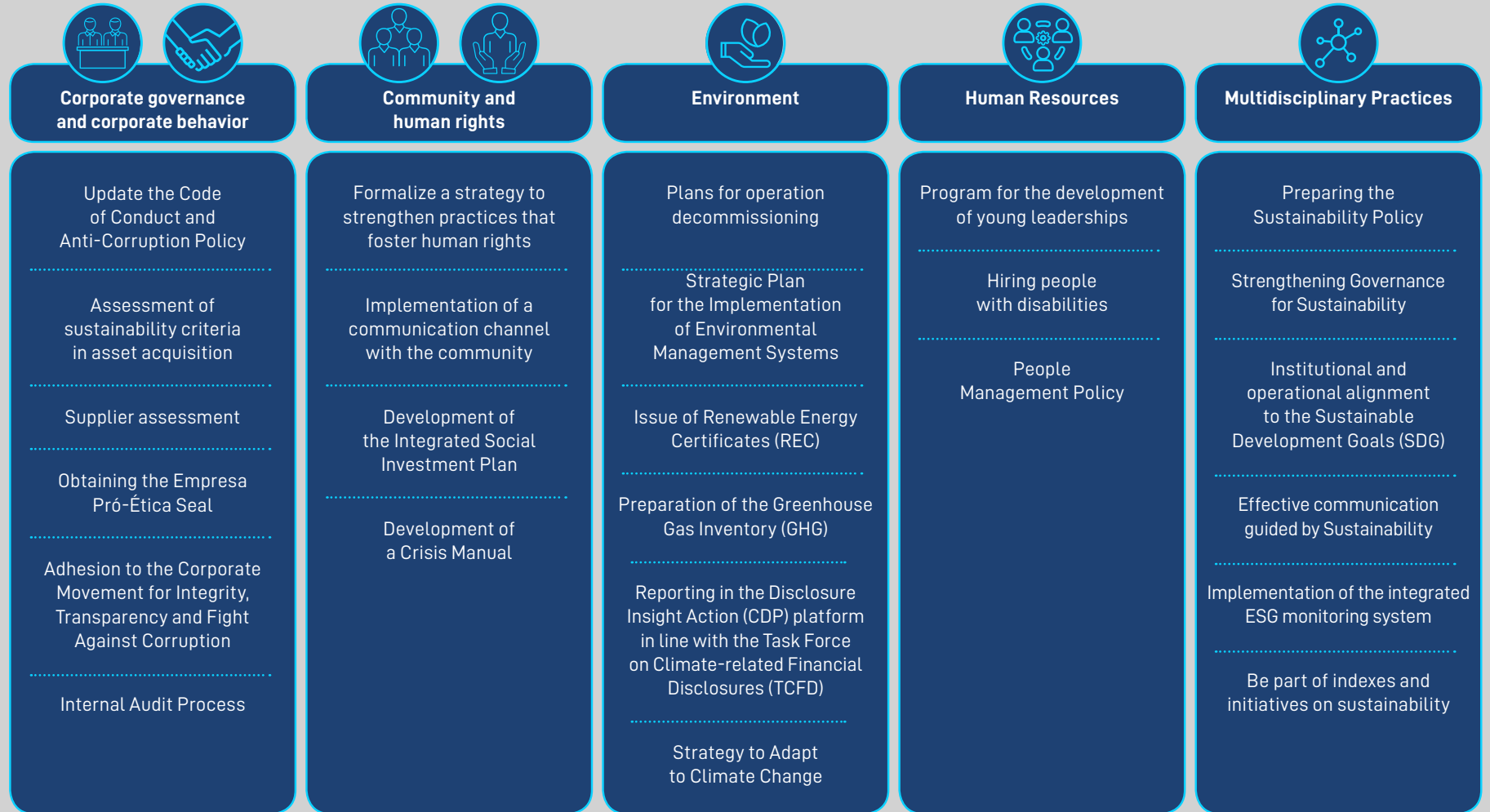
Prioritized issues	Human Rights	Corporate Behavior	Environment
Human Resources	Community	Corporate Governance	Multidisciplinary Practices

Note: Columns "Internal limits of material issues" and "external limits of material issues" consider the direct impacts of material issues in relation to the internal and external public.

# ESG ACTION PLAN

As the following step in the preparation of the Sustainability Strategy, an action plan was prepared to improve the Company's operational gaps in the most material issues.

Actions were listed and prioritized from the strategic standpoint, aiming to get the most impact with targeted efforts. The Action Plan will be implemented between 2020 and 2023 and its main goals are:



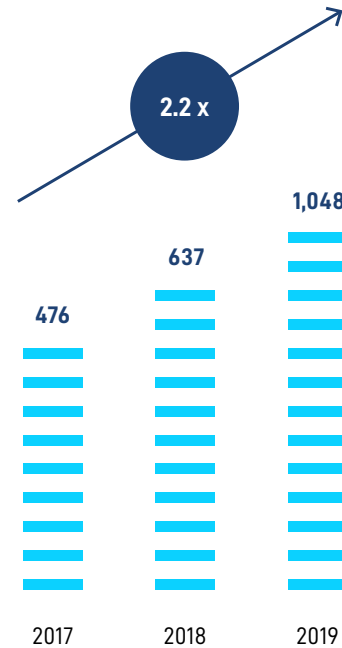
# OUR PERFORMANCE

We had another year of record generation, reaching 3,854 GWh, due to year-on-year capacity growth and portfolio diversification.

The acquisition of best-in-class assets aligned to an efficient trading strategy, high-level operational performance and a lean and efficient organizational structure lead to a strong EBITDA growth with the margin reached in 2019.

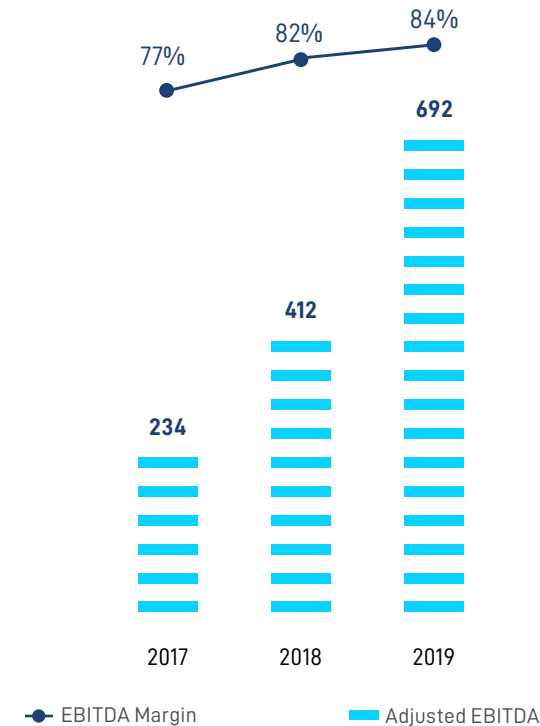
## Installed capacity growth (MW)

Omega Geração reached 1,047.7 MW of installed capacity, 2.2x its 2017 installed capacity.



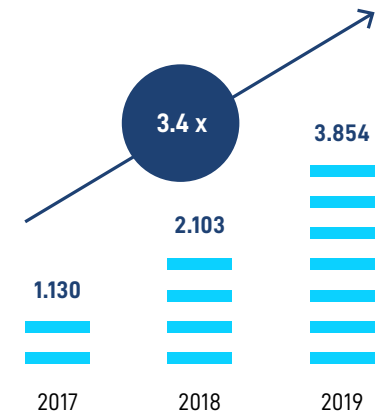
## EBITDA (R\$ mm)

Record Adjusted EBITDA of R\$692.2 million (84.0% record margin), 68% up in 2018.



We highlight that adjusted EBITDA margin came to **84% in 2019, up 2.1 p.p. in 2018** representing the highest margin ever recorded by the Company.

## Generation (GWh)

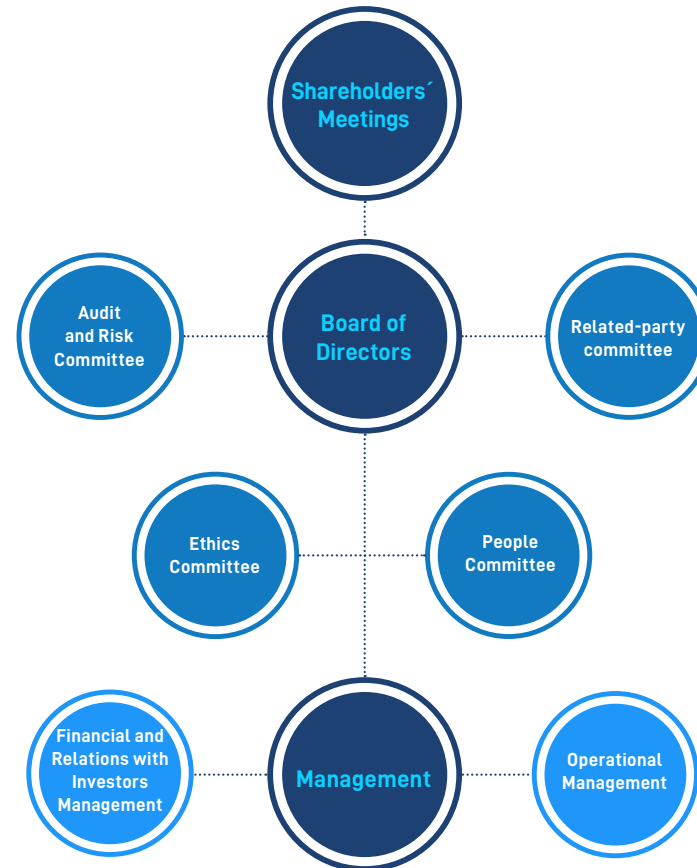


# OUR GOVERNANCE

Omega Geração's culture has a strong commitment to the highest corporate governance standards, to foster the alignment of the interests of minority shareholders, the controlling shareholder and the Company's management, preserving and optimizing its long-term economic value.

Since its IPO in 2017, the Company's shares ("OMGE3") are traded in the Novo Mercado listing segment of the B3 – Brasil, Bolsa Balcão, that enforces the strictest corporate governance rules to its participants. The Company has strengthened its governance, voluntarily going beyond standards required, with its organizational strategy in line with the G20/OECD Principles of Corporate Governance.

## Governance structure



# #IntegrityProgram

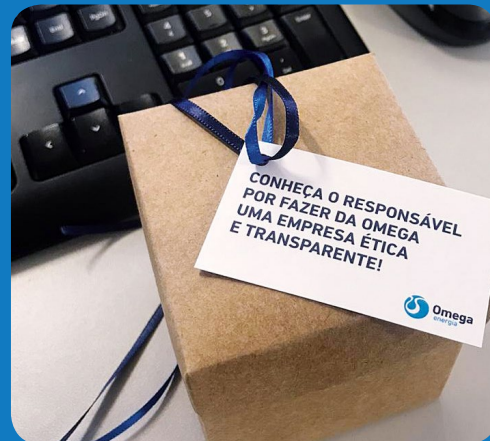
To ensure the irrevocable commitment to acting ethically and with transparency in the beginning, middle and end of everything we do, the Integrity Program, approved by the Board of Directors on December 17, 2019, was launched, strengthening Omega Geração's culture and as a tool to prevent and fight non-ethical conducts and to mitigate risks related to corruption in the public administration and in companies.

#IntegrityProgram

**trans.par.en.cy**  
noun

1. FEATURE OF WHAT DOES NOT HAVE DOUBLE MEANING; 2. WHAT HAS CLARITY; 3. CLEARNESS.

Wallpaper used to raise the team's awareness.



Gift offered to all members of the Omega Team.



**109.2%** appreciation of the share price throughout 2019

**53.6%** higher than the Brazilian electricity index (IEE)

The follow-on was completed with a strong demand from current shareholders and new local and international investors.

**100%** in the primary market

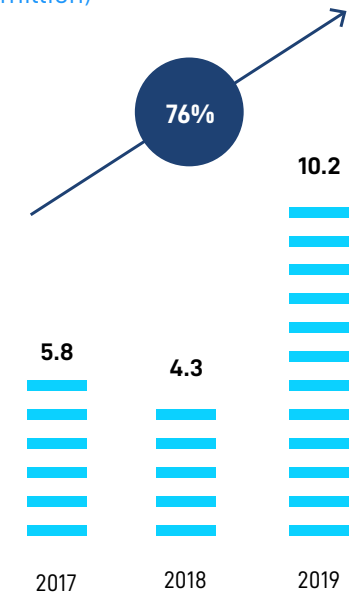
**R\$830.8** million raised

**27,692,308** shares at

**R\$30.00** per share

**2019 Average daily traded volume: R\$10.2 million, 137% up in 2018.** The follow-on materially increased the average traded volume, that came to **R\$21.4 million, 110% up in 2019 average volume.**

Average daily traded volume (R\$ million)



## OUR TEAM

Our Culture is guided by a high-performance management model which, through the Performance Cycle, materializes what we understand to be a meritocracy – intrinsic value of our way of being and acting. We trust in the individuals and in each and everyone's potential to help the Company grow and foster our virtuous cycle. We also trust in the power of our network and in its capacity of, once connected, articulate itself to guide the collective energy towards what really matters.

We revisited our recruitment process and noticed an improvement not only in candidate assertiveness but also on the importance of the onboarding process during the first weeks. On the development, we carried out several workshops for the development of our leaders.



We promote a safe work environment and do not tolerate any discriminatory attitude due to race, color, gender, religion, political opinion or social origin. We have a diverse team in terms of age, well distributed among people younger than 30 years old and between 30 and 50 years old. Together, our generations build good results with a perspective of a better Omega Geração each day.



**36%**  
Women

They are present at different levels at the Company

**26%**

of them are in leadership positions (supervisors, coordinators, managers and officers).

### People who joined the company in 2019

#### Gender



Female

28

38%



Male

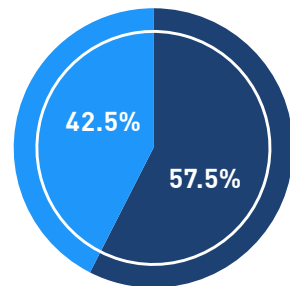
45

62%

73

100%

#### Age



- < 30
- 30-50

At Omega Geração we have Sports and Life Quality Programs to encourage our team to have healthier habits through sports, in addition to fostering people integration with team sports:



#### Várzea Omega

Weekly soccer games that allows for interaction with the team. Scores are accounted for in the annual championship leaderboard.



#### Quilometragem Omega

Twice a week training with a running consulting company. Members of the group have participated in two annual runs sponsored by the Company.

## OUR SOCIAL COMMITMENT

Hence, in line with our mission we strive to be good neighbors and seeking to establish a positive relationship with the neighboring communities and effectively contributing to the socio-economic development of those regions.

We invested over **R\$4.1 million** in Janela para o Mundo projects and initiatives.

### Janela para o Mundo Program

Created to seek a meaningful and sustainable transformation through specific solutions to local problems, *Janela para o Mundo* (Window to the World) is Omega Geração's umbrella program that encompasses all the Company's voluntary social initiatives.



Watch the video of the *Janela para o Mundo* Education Center launch in Paulino Neves



### PROJETOS 2019

- We built the **second Education Center** in Paulino Neves (MA), to begin services in 2020;
- Acknowledgement by "Social Inclusion" award to **Education Center** in Ilha Grande (PI), that, in 2019, served over 300 students in 7 courses;
- We offered **computing courses** at state schools in Monjolos (MG) to 140 students;
- We created initiatives of contribution to causes of general interest and supporting regional cultural such as: cleaning the beaches of Paulino Neves (MA) and Ilha Grande (PI) and Muro Cultural;
- **Strengthening associations** in the Delta Maranhão to map development points of productive projects of the lessors' associations;
- We carried out the preliminary stages of the Da Raiz ao Grão and Ecolar projects, both represent our arrival in the Gentio do Ouro and Xique-Xique regions (BA);  
**Ecolar** – we designed and executed the first stages of the project, including the installation of a technological domestic sewage system in over 190 homes, in addition to 40 bathroom structures.  
**Da Raiz ao Grão** – a project that foresees the restoration and replacement of equipment currently available at Casa de Farinha and the training of local rural workers, seeking to foster the manioc production chain in the community.



The list of projects implemented in 2019 is not only evidence of the issue's relevance for the Company, but also shows the positive impact caused by the proposed initiatives in regions that, many times, have low Human Development Indexes (HDI), lack of public policies and reduced economic activity. Our arrival at these regions contributes to the dynamic of the local economy, employment generation, in addition to creating opportunities to develop partnerships between the public sector, the communities and the private initiative.

### Historical evolution of private social investment<sup>1</sup> (R\$ million)



<sup>1</sup> Approximated values.



## SOCIAL AMBITION

Within the social scope, our goals for the next 5 years is:

**To be considered a benchmark in social transformation in the regions where we operate, being recognized by the communities as good neighbors.**

As such, in the development of our Integrated Social Investment Plan, we will include the exercise of measuring and confirming, in the community's standpoint, our initiatives as good neighbors.

# OUR ENVIRONMENTAL COMMITMENT

Omega Geração's clean and low-cost energy contributes daily to mitigating climate change effects. In 2019 our operations avoided the emission of 289.1 Kilotons<sup>1</sup> of CO<sub>2</sub>.

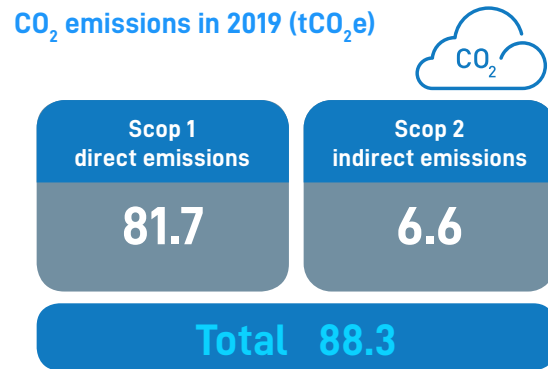
We recognize the capital natural importance of for our activities, so to reduce investment risks, in addition to decrease greenhouse gases (GHG) emissions and slowdown global warming, we foster the diversification of our assets' locations and to integrate intermittent resources that are complimentary.

In 2019, we started to evaluate emissions balance according to the methodology

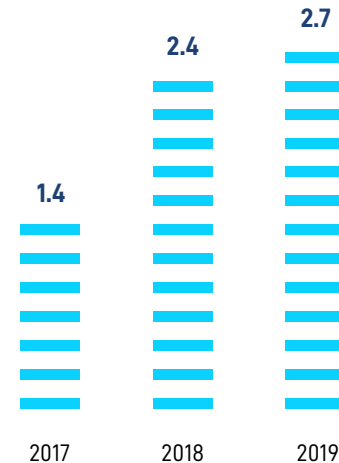
<sup>1</sup> Generated energy and kton of avoided CO<sub>2</sub> consider energy losses up to the connection point.

of the Brazil GHG Protocol and we were also dedicated to acting to increase our environmental performance with the adoption of an Environmental Management System (SGA) in all of our assets by 2022.

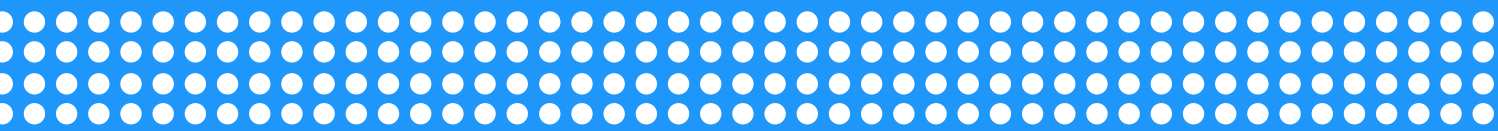
All of our assets strictly comply with the environmental conditions of environmental licenses, such as monitoring of water and aquatic biota quality, and the winged fauna (birds and bats).






**Omega Geração Investments in environmental programs - 2017 to 2019**  
 (R\$ million)



**In 2019 we launched Omega Geração's Social and Environmental Policy, which was an important milestone in structuring the Company's sustainability. Through the Policy we ensure the strengthening of our environmental management in a multidisciplinary manner and ensure the alignment of all internal activities with our purpose, which is generating renewable sustainable energy.**



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