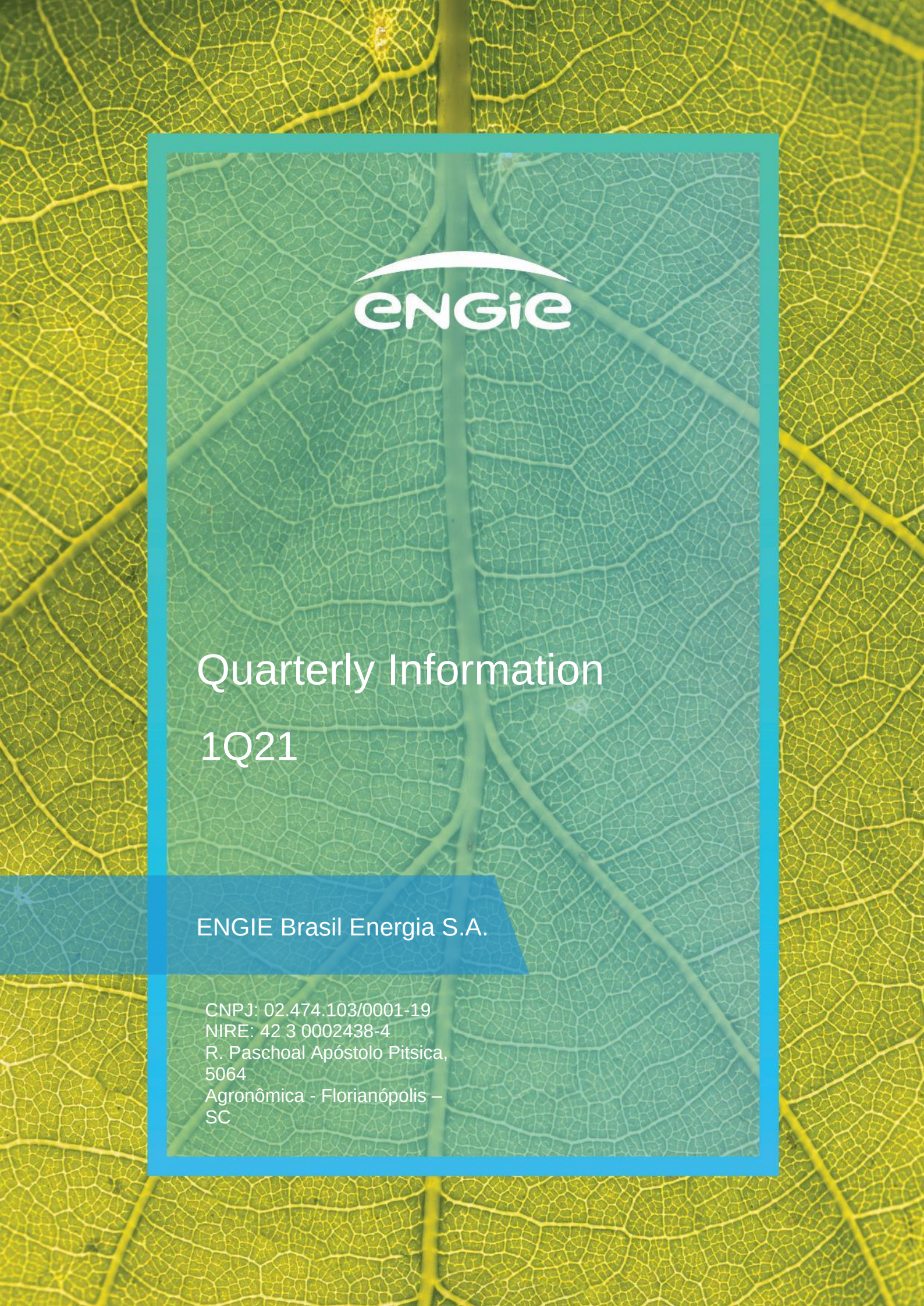


Quarterly Information

1Q21

ENGIE Brasil Energia S.A.

CNPJ: 02.474.103/0001-19
NIRE: 42 3 0002438-4
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Index

Company Information

Capital Composition 1

Parent Company Financial Statements

Balance Sheet - Assets 2

Balance Sheet - Liabilities 3

Income Statement 5

Comprehensive Income Statement 6

Cash Flow Statement 7

Changes in Shareholders' Equity Statement

Changes in Shareholders´ Equity Statement - from 1/1/2021 to 3/31/2021 8

Changes in Shareholders´ Equity Statement - from 1/1/2020 to 3/31/2020 9

Value Added Statement 10

Consolidated Financial Statements

Balance Sheet - Assets 11

Balance Sheet - Liabilities 12

Income Statement 14

Comprehensive Income Statement 15

Cash Flow Statement 16

Changes in Shareholders' Equity Statement

Changes in Shareholders' Equity Statement - from 1/1/2021 to 3/31/2021 18

Changes in Shareholders' Equity Statement - from 1/1/2020 to 3/31/2020 19

Value Added Statement 20

Economic-Financial Performance 22

Notes 33

Comments on Business Projections 88

Other Relevant Information 91

Opinions and Statements

Special Review Report - Unqualified 92

Opinion or Summarized Statement, if any, of the Audit Committee (statutory or not) 94

Statement of the Executive Officers on the Financial Statements 95

Statement of the Executive Officers on the Independent Auditors' Report 96

Company Information / Capital Composition

Number of shares (Units)	Current quarter 3/31/2021
Paid-in capital	
Common	815,927,740
Preferred	0
Total	815,927,740
Treasury shares	
Common	0
Preferred	0
Total	0

Parent company Financial Statements / Balance Sheet - Assets (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2021	Prior Year 12/31/2020
1	Total assets	23,806,638	23,855,172
1.01	Current assets	3,475,758	3,371,565
1.01.01	Cash and cash equivalents	2,003,529	1,924,589
1.01.03	Accounts receivable	1,069,309	1,054,957
1.01.03.01	Trade accounts receivable	644,104	692,801
1.01.03.02	Other accounts receivable	425,205	362,156
1.01.03.02.01	Dividends receivable	425,205	362,156
1.01.04	Inventories	17,489	17,314
1.01.06	Taxes recoverable	64,612	86,218
1.01.06.01	Current taxes recoverable	64,612	86,218
1.01.06.01.01	Income tax and social contribution credits	64,612	86,218
1.01.08	Other current assets	320,819	288,487
1.01.08.03	Other	320,819	288,487
1.01.08.03.01	Unrealized gains on hedge operations	24,770	11,689
1.01.08.03.03	Restricted deposits	164,296	161,860
1.01.08.03.04	Renegotiation of hydrological risk to appropriate	13,016	13,016
1.01.08.03.08	Marketable securities	16,810	6,830
1.01.08.03.09	Other current assets	97,350	90,515
1.01.08.03.10	Non-current assets held for sale	4,577	4,577
1.02	Non-current assets	20,330,880	20,483,607
1.02.01	Long term assets	1,568,952	1,267,201
1.02.01.10	Other non-current assets	1,568,952	1,267,201
1.02.01.10.03	Unrealized gains on hedge operations	982,928	714,101
1.02.01.10.05	Marketable securities	397,574	332,389
1.02.01.10.06	Restricted deposits	7,607	0
1.02.01.10.07	Judicial deposits	75,487	80,888
1.02.01.10.08	Renegotiation of hydrological risk to appropriate	74,019	77,273
1.02.01.10.11	Right to use lease	22,326	23,568
1.02.01.10.12	Other non-current assets	9,011	38,982
1.02.02	Investments	13,931,120	14,355,322
1.02.02.01	Equity interest	13,931,120	14,355,322
1.02.02.01.02	Interest on subsidiaries	11,256,164	11,679,177
1.02.02.01.03	Interest in joint ventures	2,674,956	2,676,145
1.02.03	Property, plant and equipment	3,755,890	3,825,549
1.02.03.01	Property, plant and equipment in operation	3,620,377	3,689,483
1.02.03.03	Construction in progress	135,513	136,066
1.02.04	Intangible assets	1,074,918	1,035,535

Parent Company Financial Statements / Balance Sheet - Liabilities (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2021	Prior Year 12/31/2020
2	Total liabilities	23,806,638	23,855,172
2.01	Current liabilities	2,368,173	3,428,701
2.01.01	Social and labor obligations	117,433	100,980
2.01.01.02	Labor obligations	117,433	100,980
2.01.02	Suppliers	137,141	141,257
2.01.02.01	Domestic suppliers	137,141	141,257
2.01.03	Tax Liabilities	577	45,618
2.01.03.01	Federal tax liabilities	577	45,618
2.01.03.01.01	Income tax and social contribution payable	577	45,618
2.01.04	Loans and financing	1,536,609	1,345,502
2.01.04.01	Loans and financing	1,260,700	1,117,804
2.01.04.01.01	In local currency	49,274	48,606
2.01.04.01.02	In foreign currency	1,211,426	1,069,198
2.01.04.02	Debentures	275,909	227,698
2.01.05	Other liabilities	529,378	1,749,063
2.01.05.02	Other	529,378	1,749,063
2.01.05.02.01	Dividends and interest on equity payable	156,698	1,381,504
2.01.05.02.04	Lease payable	5,872	5,876
2.01.05.02.05	Concessions payable	231,384	222,474
2.01.05.02.06	Other tax and regulatory liabilities	44,830	40,547
2.01.05.02.08	Other current liabilities	90,594	98,662
2.01.06	Provisions	47,035	46,281
2.01.06.01	Tax, social security, labor and civil Provisions	4,047	3,293
2.01.06.01.01	Fiscal provisions	90	90
2.01.06.01.02	Social security and labor provisions	3,724	2,795
2.01.06.01.04	Civil provisions	233	408
2.01.06.02	Other provisions	42,988	42,988
2.01.06.02.04	Retirement benefits obligations	42,988	42,988
2.02	Non-current liabilities	13,349,506	12,686,942
2.02.01	Loans and financing	7,828,562	7,463,963
2.02.01.01	Loans and financing	4,443,383	4,165,848
2.02.01.01.01	In local currency	50,686	62,138
2.02.01.01.02	In foreign currency	4,392,697	4,103,710
2.02.01.02	Debentures	3,385,179	3,298,115
2.02.02	Other liabilities	4,187,102	3,898,173
2.02.02.02	Other	4,187,102	3,898,173
2.02.02.03	Concessions payable	4,036,635	3,733,291
2.02.02.02.06	Lease payable	7,427	8,417
2.02.02.02.07	Other non-current liabilities	143,040	156,465
2.02.03	Deferred taxes	842,812	828,239
2.02.03.01	Deferred income tax and social contribution	842,812	828,239
2.02.04	Provisions	491,030	496,567
2.02.04.01	Tax, social security, labor and civil provisions	85,224	89,511
2.02.04.01.01	Tax provisions	5,027	5,013
2.02.04.01.02	Social security and labor provisions	10,948	10,190
2.02.04.01.04	Civil provisions	69,249	74,308

Parent Company Financial Statements / Balance Sheet - Liabilities (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2021	Prior Year 12/31/2020
2.02.04.02	Other provisions	405,806	407,056
2.02.04.02.04	Retirement benefits obligations	405,806	407,056
2.03	Shareholders' equity	8,088,959	7,739,529
2.03.01	Paid-in capital stock	4,902,648	4,902,648
2.03.04	Profit reserves	3,546,496	3,546,496
2.03.04.01	Legal reserve	936,880	936,880
2.03.04.05	Retained earnings reserve	1,766,086	1,766,086
2.03.04.07	Tax incentive reserve	233,936	233,936
2.03.04.10	Additional dividends proposed	609,594	609,594
2.03.05	Retained earnings/losses	542,463	0
2.03.06	Assets valuation adjustments	224,148	230,981
2.03.08	Other comprehensive income	-1,126,796	-940,596

Parent Company Financial Statements / Income Statement (In thousands of Reais)

Account Code	Account description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
3.01	Revenue from sales of goods and/or services	1,030,703	1,090,917
3.02	Cost of products and/or services sold	-315,331	-368,772
3.02.01	Energy purchases	-109,746	-125,411
3.02.02	Transactions in the short-term energy market	-9,970	-30,588
3.02.03	Charges for the use of and connection to the power grid	-82,422	-83,663
3.02.04	Renegotiation of hydrological risk	35,343	0
3.02.05	Other operating costs	-140,906	-122,103
3.02.06	Cost of services rendered	-7,630	-7,007
3.03	Gross profit	715,372	722,145
3.04	Operating expenses/income	365,044	186,968
3.04.01	Selling expenses	-4,271	-3,962
3.04.02	General and administrative expenses	-60,610	-51,756
3.04.05	Other operating expenses	-742	80
3.04.05.02	Other operating (expenses) income, net	-742	80
3.04.06	Equity income	430,667	242,606
3.04.06.01	Equity	431,502	243,441
3.04.06.02	Goodwill amortization	-835	-835
3.05	Income before financial result and taxes	1,080,416	909,113
3.06	Financial result	-505,513	-258,453
3.06.01	Financial income	84,816	25,764
3.06.02	Financial expenses	-590,329	-284,217
3.07	Income before income taxes	574,903	650,660
3.08	Income tax and social contribution	-46,102	-139,102
3.08.01	Current	0	73
3.08.02	Deferred	-46,102	-139,175
3.09	Net income from continuing operations	528,801	511,558
3.11	Net income/loss for the period	528,801	511,558
3.99	Earnings per share (R$ /share)		
3.99.01	Basic earnings per share		
3.99.01.01	ON	0.64810	0.62697
3.99.02	Diluted earnings per share		
3.99.02.01	ON	0.64810	0.62697

Parent Company Financial Statements / Comprehensive Income Statement (In thousands of Reais)

Account Code	Account description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
4.01	Net income for the period	528,801	511,558
4.02	Other comprehensive income	-186,200	-765,179
4.02.01	Unrealized losses on cash flow hedge operations in the period	-92,732	0
4.02.02	Deferred income tax and social contribution – unrealized losses in cash flow hedge operations in the period	31,529	0
4.02.03	Equity income in gains (losses) of cash flow hedge of subsidiaries, net of deferred taxes	58,369	4,212
4.02.04	Equity income in losses of cash flow hedges of joint venture, net of deferred taxes	-183,366	-769,391
4.03	Comprehensive income for the period	342,601	-253,621

Parent Company Financial Statements / Cash Flow Statement – Indirect Method
(In thousands of Reais)

Account Code	Account Description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
6.01	Net cash from operating activities	757,143	735,116
6.01.01	Cash generated from operations	697,691	752,211
6.01.01.01	Income before income taxes	574,903	650,660
6.01.01.02	Equity interest income	-430,667	-242,606
6.01.01.03	Depreciation and amortization	82,027	74,933
6.01.01.04	Renegotiation of hydrological risk	-35,343	0
6.01.01.05	Monetary variation	365,778	92,124
6.01.01.06	Interest	205,783	182,483
6.01.01.07	Market value adjustment of marketable securities	-59,934	0
6.01.01.12	Other	-4,856	-5,383
6.01.02	Changes in assets and liabilities	59,452	-17,095
6.01.02.01	Trade accounts receivable	48,841	-41,359
6.01.02.03	Inventories	-175	129
6.01.02.04	Income tax and social contribution credit	21,606	66,520
6.01.02.05	Restricted and judicial deposits	4,749	-886
6.01.02.06	Renegotiation of hydrological risk to recognize	3,254	3,254
6.01.02.10	Other assets	22,660	11,581
6.01.02.11	Suppliers	-3,813	-48,826
6.01.02.12	Payment of interest on debt, net of hedge	-12,715	-2,690
6.01.02.13	Payment of income tax and social contribution	-19,190	-2,079
6.01.02.14	Other tax and regulatory obligations	3,178	-11,637
6.01.02.15	Retirement benefits obligations	-8,557	-6,638
6.01.02.17	Labor obligations	16,453	17,036
6.01.02.18	Other liabilities	-16,839	-1,500
6.02	Net cash from investment activities	651,272	-222,611
6.02.01	Dividends received from subsidiaries and joint ventures	32,501	0
6.02.02	Capital increase in subsidiaries	-245,678	-207,190
6.02.03	Capital decrease in subsidiaries	880,000	0
6.02.05	Investment in property, plant and equipment and intangible assets	-15,551	-15,421
6.03	Net cash from financing activities	-1,329,475	-374,953
6.03.01	New loans and financing	6	632,500
6.03.03	Payment of loans and financing, net of hedge	-12,139	-30,904
6.03.04	Payment of concession installments	-57,703	-34,794
6.03.05	Payment of dividends and interest on equity	-1,250,462	-940,155
6.03.06	Lease payment	-1,534	-1,596
6.03.07	Deposits linked to debt service	-7,643	-4
6.05	Increase (decrease) in cash and cash equivalents	78,940	137,552
6.05.01	Opening balance of cash and cash equivalents	1,924,589	2,590,507
6.05.02	Closing balance of cash and cash equivalents	2,003,529	2,728,059

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2021 to 3/31/2021 (In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening balances	4,902,648	0	3,546,496	0	-709,615	7,739,529
5.03	Adjusted opening balances	4,902,648	0	3,546,496	0	-709,615	7,739,529
5.04	Capital transactions with partners	0	0	0	6,829	0	6,829
5.04.08	Dividends and interest on equity not claimed	0	0	0	6,829	0	6,829
5.05	Total comprehensive income	0	0	0	528,801	-186,200	342,601
5.05.01	Net income for the period	0	0	0	528,801	0	528,801
5.05.02	Other comprehensive income	0	0	0	0	-186,200	-186,200
5.05.02.06	Fair value of cash flow hedge	0	0	0	0	-2,834	-2,834
5.05.02.07	Interest in joint venture	0	0	0	0	-183,366	-183,366
5.06	Internal changes in shareholders' equity	0	0	0	6,833	-6,833	0
5.06.07	Realization of deemed cost	0	0	0	6,833	-6,833	0
5.07	Closing balances	4,902,648	0	3,546,496	542,463	-902,648	8,088,959

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2020 to 3/31/2020

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening balances	4,902,648	0	2,123,245	0	-30,739	6,995,154
5.03	Adjusted opening balances	4,902,648	0	2,123,245	0	-30,739	6,995,154
5.04	Capital transactions with partners	0	0	0	1,881	0	1,881
5.04.08	Dividends and interest on equity not claimed	0	0	0	1,881	0	1,881
5.05	Total comprehensive income	0	0	0	511,558	-765,179	-253,621
5.05.01	Net income for the period	0	0	0	511,558	0	511,558
5.05.02	Other comprehensive income	0	0	0	0	-765,179	-765,179
5.05.02.06	Fair value of cash flow hedge	0	0	0	0	4,212	4,212
5.05.02.07	Interest in joint venture	0	0	0	0	-769,391	-769,391
5.06	Internal changes in shareholders' equity	0	0	0	7,401	-7,401	0
5.06.07	Realization of deemed cost	0	0	0	7,401	-7,401	0
5.07	Closing balances	4,902,648	0	2,123,245	520,840	-803,319	6,743,414

Parent Company Financial Statements / Value Added Statement
(In thousands of Reais)

Account Code	Account Description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
7.01	Revenues	1,145,426	1,216,440
7.01.01	Sale of products and services	1,146,168	1,216,360
7.01.02	Other revenues	-742	80
7.01.02.06	Other operating (expenses) income, net	-742	80
7.02	Raw material acquired from third parties	-205,301	-270,121
7.02.01	Cost of products and services sold	-88,974	-162,094
7.02.02	Materials, energy, third parties services and other	-30,067	-24,446
7.02.04	Other	-86,260	-83,581
7.02.04.03	Charges for the use of and connection to the power grid	-82,422	-83,663
7.02.04.05	Other	-3,838	82
7.03	Gross added value	940,125	946,319
7.04	Retentions	-82,027	-74,933
7.04.01	Depreciation, amortization and depletion	-82,027	-74,933
7.05	Net added value generated	858,098	871,386
7.06	Added value received in transfer	515,483	268,370
7.06.01	Equity income	430,667	242,606
7.06.02	Financial income	84,816	25,764
7.07	Total added value to distribute	1,373,581	1,139,756
7.08	Distribution of added value	1,373,581	1,139,756
7.08.01	Labor	57,747	55,429
7.08.01.01	Direct remuneration	38,842	36,536
7.08.01.02	Benefits	9,991	10,034
7.08.01.03	F.G.T.S. - workers' severance fund	2,781	2,760
7.08.01.04	Other	6,133	6,099
7.08.01.04.01	Profit sharing	6,133	6,099
7.08.02	Taxes, duties and contributions	163,179	263,277
7.08.02.01	Federal	157,925	257,374
7.08.02.02	State	4,325	4,966
7.08.02.03	Municipal	929	937
7.08.03	Third parties capital remuneration	220,835	164,569
7.08.03.01	Interest	213,786	162,101
7.08.03.02	Rentals	501	-290
7.08.03.03	Other	6,548	2,758
7.08.03.03.02	Other financial expenses	6,548	2,758
7.08.04	Remuneration of own capital	542,463	520,840
7.08.04.03	Retained earnings / loss for the period	542,463	520,840
7.08.05	Other	389,357	135,641
7.08.05.01	Sectorial charges	33,062	25,584
7.08.05.02	Charges on concessions payable	369,957	119,339
7.08.05.04	Realization of deemed cost	-6,833	-7,401
7.08.05.06	Dividends and interest on equity not claimed	-6,829	-1,881

Consolidated Financial Statements / Balance Sheet - Assets
(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2021	Prior Year 12/31/2020
1	Total assets	35,937,734	35,186,248
1.01	Current assets	7,291,161	7,733,297
1.01.01	Cash and cash equivalents	4,314,022	4,538,946
1.01.03	Accounts receivable	1,506,536	1,755,601
1.01.03.01	Trade accounts receivable	1,506,536	1,723,101
1.01.03.02	Other accounts receivable	0	32,500
1.01.03.02.01	Dividends receivable	0	32,500
1.01.04	Inventories	188,105	189,428
1.01.06	Taxes recoverable	118,542	140,785
1.01.06.01	Current taxes recoverable	118,542	140,785
1.01.06.01.01	Income tax and social contribution credits	118,542	140,785
1.01.08	Other current assets	1,163,956	1,108,537
1.01.08.03	Other	1,163,956	1,108,537
1.01.08.03.01	Unrealized hedge gains	28,172	14,475
1.01.08.03.02	Unrealized trading gains	193,083	320,309
1.01.08.03.03	Restricted deposits	167,600	174,048
1.01.08.03.04	Renegotiation of hydrological risk to appropriate	15,089	15,089
1.01.08.03.05	Concession financial asset	312,972	305,626
1.01.08.03.07	Agreement asset	171,215	0
1.01.08.03.09	Other current assets	271,248	274,413
1.01.08.03.10	Non-current assets held for sale	4,577	4,577
1.02	Non-current assets	28,646,573	27,452,951
1.02.01	Long term assets	8,083,539	6,976,062
1.02.01.10	Other non-current assets	8,083,539	6,976,062
1.02.01.10.03	Unrealized hedge gains	1,042,446	719,380
1.02.01.10.04	Unrealized trading gains	70,705	54,385
1.02.01.10.06	Restricted deposits	327,755	235,819
1.02.01.10.07	Judicial deposits	77,174	82,539
1.02.01.10.08	Renegotiation of hydrological risk to appropriate	96,825	100,597
1.02.01.10.09	Concession financial asset	2,547,330	2,499,170
1.02.01.10.10	Agreement asset	3,630,212	2,961,419
1.02.01.10.11	Right of use of leases	144,666	147,002
1.02.01.10.12	Other non-current assets	146,426	175,751
1.02.02	Investments	2,416,225	2,425,062
1.02.02.01	Equity interest	2,416,225	2,425,062
1.02.02.01.04	Interest in joint ventures	2,416,225	2,425,062
1.02.03	Property, plant and equipment	15,587,791	15,537,837
1.02.03.01	Property, plant and equipment in operation	13,944,724	14,032,290
1.02.03.03	Construction in progress	1,643,067	1,505,547
1.02.04	Intangible assets	2,559,018	2,513,990

Consolidated Financial Statements / Balance sheet - Liabilities
(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2021	Prior Year 12/31/2020
2	Total liabilities	35,937,734	35,186,248
2.01	Current liabilities	4,067,742	5,380,926
2.01.01	Social and labor obligations	150,941	130,097
2.01.01.02	Labor obligations	150,941	130,097
2.01.02	Suppliers	794,615	861,752
2.01.02.01	Domestic suppliers	794,615	861,752
2.01.03	Tax liabilities	62,598	198,541
2.01.03.01	Federal tax liabilities	62,598	198,541
2.01.03.01.01	Income tax and social contribution payable	62,598	198,541
2.01.04	Loans and financing	2,072,074	1,825,003
2.01.04.01	Loans and financing	1,545,608	1,375,627
2.01.04.01.01	In local currency	334,182	306,429
2.01.04.01.02	In foreign currency	1,211,426	1,069,198
2.01.04.02	Debentures	526,466	449,376
2.01.05	Other liabilities	928,534	2,307,307
2.01.05.02	Other	928,534	2,307,307
2.01.05.02.01	Dividends and interest on equity payable	160,252	1,385,056
2.01.05.02.04	Lease payable	18,667	19,144
2.01.05.02.05	Concessions payable	237,908	228,865
2.01.05.02.06	Other tax and regulatory liabilities	112,966	113,901
2.01.05.02.07	Unrealized trading losses	193,940	321,654
2.01.05.02.08	Other current liabilities	204,801	238,687
2.01.06	Provisions	58,980	58,226
2.01.06.01	Tax, social security, labor and civil provisions	15,913	15,159
2.01.06.01.01	Tax provisions	192	192
2.01.06.01.02	Social security and labor provisions	3,724	2,795
2.01.06.01.04	Civil provisions	11,997	12,172
2.01.06.02	Other provisions	43,067	43,067
2.01.06.02.04	Retirement benefits obligations	43,067	43,067
2.02	Non-current liabilities	23,778,255	22,063,324
2.02.01	Loans and financing	16,274,363	14,939,052
2.02.01.01	Loans and financing	11,029,090	9,825,881
2.02.01.01.01	In local currency	6,636,393	5,722,171
2.02.01.01.02	In foreign currency	4,392,697	4,103,710
2.02.01.02	Debentures	5,245,273	5,113,171
2.02.02	Other liabilities	5,229,209	4,887,359
2.02.02.02	Other	5,229,209	4,887,359
2.02.02.02.03	Concessions payable	4,087,542	3,783,453
2.02.02.02.04	Unrealized trading losses	47,593	36,405
2.02.02.02.05	Redeemable preferred shares	486,220	482,088
2.02.02.02.06	Lease payable	103,442	104,828
2.02.02.02.07	Other non-current liabilities	504,412	480,585
2.02.03	Deferred taxes	1,559,168	1,523,222
2.02.03.01	Deferred income tax and social contribution	1,559,168	1,523,222

Consolidated Financial Statements / Balance Sheet - Liabilities (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2021	Prior Year 12/31/2020
2.02.04	Provisions	715,515	713,691
2.02.04.01	Tax, social security, labor and civil provisions	308,924	305,845
2.02.04.01.01	Tax provisions	5,352	5,475
2.02.04.01.02	Social security and labor provisions	12,040	11,231
2.02.04.01.04	Civil provisions	84,155	89,063
2.02.04.01.05	Provision for divestment	207,377	200,076
2.02.04.02	Other provisions	406,591	407,846
2.02.04.02.04	Retirement benefits obligations	406,591	407,846
2.03	Consolidated shareholders' equity	8,091,737	7,741,998
2.03.01	Paid-in capital stock	4,902,648	4,902,648
2.03.04	Profit reserves	3,546,496	3,546,496
2.03.04.01	Legal reserve	936,880	936,880
2.03.04.05	Retained earnings reserve	1,766,086	1,766,086
2.03.04.07	Tax incentive reserve	233,936	233,936
2.03.04.10	Additional dividend proposed	609,594	609,594
2.03.05	Retained earnings/losses	542,463	0
2.03.06	Assets valuation adjustments	224,148	230,981
2.03.08	Other comprehensive income	-1,126,796	-940,596
2.03.09	Non-controlling interest	2,778	2,469

Consolidated Financial Statements / Income Statement (In thousands of Reais)

Account Code	Account description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
3.01	Revenue from sales of goods and/or services	3,249,940	2,594,594
3.02	Cost of products and/or services sold	-1,846,405	-1,538,974
3.02.01	Energy purchases	-432,452	-605,421
3.02.02	Transactions in the short-term energy market	-71,270	-118,061
3.02.03	Charges for the use of and connection to the power grid	-142,209	-141,049
3.02.04	Renegotiation of hydrological risk	51,961	0
3.02.05	Other operating costs	-1,244,805	-667,424
3.02.06	Cost of services rendered	-7,630	-7,019
3.03	Gross profit	1,403,535	1,055,620
3.04	Operating expenses/income	103,853	40,904
3.04.01	Selling expenses	-6,211	-5,559
3.04.02	General and administrative expenses	-63,890	-56,557
3.04.05	Other operating expenses	-575	119
3.04.05.02	Other operating (expenses) income, net	-575	119
3.04.06	Equity income (loss)	174,529	102,901
3.05	Income before financial result and taxes	1,507,388	1,096,524
3.06	Financial result	-832,306	-392,256
3.06.01	Financial income	24,903	44,105
3.06.02	Financial expenses	-857,209	-436,361
3.07	Income before income taxes	675,082	704,268
3.08	Income tax and social contribution	-145,972	-192,248
3.08.01	Current	-78,571	-42,420
3.08.02	Deferred	-67,401	-149,828
3.09	Net income from continuing operations	529,110	512,020
3.11	Consolidated net income/loss for the period	529,110	512,020
3.11.01	Attributable to the partners of the parent company	528,801	511,558
3.11.02	Attributable to non-controlling partners	309	462
3.99	Earnings per share (R$ /share)		
3.99.01	Basic earnings per share		
3.99.01.01	ON	0.64810	0.62697
3.99.02	Diluted earnings per share		
3.99.02.01	ON	0.64810	0.62697

Consolidated Financial Statements / Comprehensive Income Statement (In thousands of Reais)

Account Code	Account description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
4.01	Consolidated net income for the period	529,110	512,020
4.02	Other comprehensive income	-186,200	-765,179
4.02.01	Unrealized (losses) gains in cash flow hedge operations originated in the period	-34,216	5,543
4.02.02	Deferred income tax and social contribution - Unrealized (losses) gains in cash flow hedge operations originated in the period	31,382	-1,331
4.02.04	Equity income in losses of cash flow hedge operations of joint venture, net of deferred taxes	-183,366	-769,391
4.03	Consolidated comprehensive income for the period	342,910	-253,159
4.03.01	Attributed to the parent company's shareholders	342,601	-253,621
4.03.02	Attributed to non-controlling shareholders	309	462

Consolidated Financial Statements / Cash Flow Statement - Indirect Method
(In thousands of Reais)

Account Code	Account Description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
6.01	Net cash from operating activities	611,039	913,770
6.01.01	Cash generated from operations	1,246,779	1,157,025
6.01.01.01	Income tax before income	675,082	704,268
6.01.01.02	Equity interest income	-174,529	-102,901
6.01.01.03	Depreciation and amortization	230,675	235,388
6.01.01.04	Renegotiation of hydrological risk	-51,961	0
6.01.01.05	Monetary variation	507,957	130,716
6.01.01.06	Interest	335,077	289,283
6.01.01.08	Remuneration of concession financial asset	-127,678	-82,165
6.01.01.09	Remuneration of agreement asset	-137,766	-9,325
6.01.01.11	Unrealized trading gains, net	-5,620	-1,664
6.01.01.12	Other	-4,458	-6,575
6.01.02	Changes in assets and liabilities	-635,740	-243,255
6.01.02.01	Trade accounts receivable	220,318	-26,303
6.01.02.03	Inventories	1,323	22,473
6.01.02.04	Income tax and social contribution credit	18,015	64,381
6.01.02.05	Restricted and judicial deposits	13,478	-44,248
6.01.02.06	Renegotiation of hydrological risk to recognize	3,773	3,772
6.01.02.07	Concession financial asset	72,172	70,665
6.01.02.09	Agreement asset	-702,242	-146,309
6.01.02.10	Other assets	34,978	33,127
6.01.02.11	Suppliers	-34,376	-18,057
6.01.02.12	Payment of interest on debt, net of hedge	-64,080	-71,988
6.01.02.13	Payment of income tax and social contribution	-190,297	-135,096
6.01.02.14	Other tax and regulatory obligations	-595	-10,228
6.01.02.15	Retirement benefits obligations	-8,593	-6,656
6.01.02.17	Labor obligations	20,844	17,534
6.01.02.18	Other liabilities	-20,458	3,678
6.02	Net cash from investment activities	-233,319	-598,297
6.02.01	Dividends received from joint ventures	32,500	0
6.02.04	Acquisition of investment	0	-316,776
6.02.05	**Acquisition of property, plant and equipment and intangible assets**	-265,845	-281,521
6.02.06	**Other**	26	0
6.03	Net cash from financing activities	-602,644	2,316
6.03.01	New loans and financing	871,039	632,153
6.03.02	Issue of debentures	0	499,127
6.03.03	Payment of loans and financing, net of hedge	-67,899	-119,899
6.03.04	Payment of concession installments	-59,380	-36,417
6.03.05	Payment of dividends and interest on equity	-1,250,462	-940,155
6.03.06	Lease payment	-5,532	-5,143
6.03.07	Deposits linked to debt service	-90,684	-27,830

Consolidated Financial Statements / Cash Flow Statement - Indirect Method
(In thousands of Reais)

Account Code	Account Description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
6.03.08	Other	274	480
6.05	Increase (decrease) in cash and cash equivalents	-224,924	317,789
6.05.01	Opening balance of cash and cash equivalents	4,538,946	3,870,261
6.05.02	Closing balance of cash and cash equivalents	4,314,022	4,188,050

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2021 to 3/31/2021 (In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening balances	4,902,648	0	3,546,496	0	-709,615	7,739,529	2,469	7,741,998
5.03	Adjusted opening balances	4,902,648	0	3,546,496	0	-709,615	7,739,529	2,469	7,741,998
5.04	Capital transactions with partners	0	0	0	6,829	0	6,829	0	6,829
5.04.08	Dividends and interest on equity not claimed	0	0	0	6,829	0	6,829	0	6,829
5.05	Total comprehensive income	0	0	0	528,801	-186,200	342,601	309	342,910
5.05.01	Net income for the period	0	0	0	528,801	0	528,801	309	529,110
5.05.02	Other comprehensive income	0	0	0	0	-186,200	-186,200	0	-186,200
5.05.02.06	Fair value of cash flow hedge	0	0	0	0	-2,834	-2,834	0	-2,834
5.05.02.07	Interest in joint venture	0	0	0	0	-183,366	-183,366	0	-183,366
5.06	Internal changes in shareholders' equity	0	0	0	6,833	-6,833	0	0	0
5.06.07	Realization of deemed cost	0	0	0	6,833	-6,833	0	0	0
5.07	Closing balances	4,902,648	0	3,546,496	542,463	-902,648	8,088,959	2,778	8,091,737

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2020 to 3/31/2020 (In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening balances	4,902,648	0	2,123,245	0	-30,739	6,995,154	3,666	6,998,820
5.03	Adjusted opening balances	4,902,648	0	2,123,245	0	-30,739	6,995,154	3,666	6,998,820
5.04	Capital transactions with partners	0	0	0	1,881	0	1,881	0	1,881
5.04.08	Dividends and interest on equity not claimed	0	0	0	1,881	0	1,881	0	1,881
5.05	Total comprehensive income	0	0	0	511,558	-765,179	-253,621	462	-253,159
5.05.01	Net income for the period	0	0	0	511,558	0	511,558	462	512,020
5.05.02	Other comprehensive income	0	0	0	0	-765,179	-765,179	0	-765,179
5.05.02.06	Fair value hedge of cash flow	0	0	0	0	4,212	4,212	0	4,212
5.05.02.07	Interest in joint venture	0	0	0	0	-769,391	-769,391	0	-769,391
5.06	Internal changes in shareholders' equity	0	0	0	7,401	-7,401	0	0	0
5.06.07	Realization of deemed cost	0	0	0	7,401	-7,401	0	0	0
5.07	Closing balances	4,902,648	0	2,123,245	520,840	-803,319	6,743,414	4,128	6,747,542

Consolidated Financial Statements / Value Added Statement (In thousands of Reais)

Account Code	Account Description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
7.01	Revenues	3,698,225	3,113,079
7.01.01	Sale of products and services	2,520,461	2,589,155
7.01.02	Other income	1,177,764	523,924
7.01.02.01	Revenue from generation construction	202,654	258,624
7.01.02.02	Revenue from transmission infrastructure construction	699,427	146,309
7.01.02.03	Remuneration of concession financial asset	127,678	82,165
7.01.02.04	Remuneration of agreement asset	137,766	9,325
7.01.02.05	Unrealized gains from trading operations	10,814	27,382
7.01.02.06	Other operating (expenses) income, net	-575	119
7.02	Raw material acquired from third parties	-1,708,141	-1,479,958
7.02.01	Cost of products and services sold	-598,033	-838,981
7.02.02	Materials, energy, third parties services and other	-111,918	-99,532
7.02.04	Other	-998,190	-541,445
7.02.04.01	Plant construction costs	-164,720	-250,469
7.02.04.02	Transmission infrastructure construction costs	-683,231	-142,815
7.02.04.03	Charges for the use of and connection to the power grid	-142,209	-141,049
7.02.04.05	Other	-8,030	-7,112
7.03	Gross added value	1,990,084	1,633,121
7.04	Retentions	-230,675	-235,388
7.04.01	Depreciation, amortization and depletion	-230,675	-235,388
7.05	Net added value generated	1,759,409	1,397,733
7.06	Added value received in transfer	199,432	147,006
7.06.01	Equity income (loss)	174,529	102,901
7.06.02	Financial income	24,903	44,105
7.07	Total added value to distribute	1,958,841	1,544,739
7.08	Distribution of added value	1,958,841	1,544,739
7.08.01	Labor	90,435	93,270
7.08.01.01	Direct remuneration	59,935	61,561
7.08.01.02	Benefits	16,557	17,269
7.08.01.03	F.G.T.S. - workers' severance fund	4,444	4,862
7.08.01.04	Other	9,499	9,578
7.08.01.04.01	Equity interest	9,499	9,578
7.08.02	Taxes, duties and contributions	395,789	454,332
7.08.02.01	Federal	384,429	442,155
7.08.02.02	State	10,009	10,308
7.08.02.03	Municipal	1,351	1,869
7.08.03	Third parties capital remuneration	524,719	324,731
7.08.03.01	Interest	457,575	303,123
7.08.03.02	Rentals	2,448	1,694
7.08.03.03	Other	64,696	19,914
7.08.03.03.01	Capitalized interest, inflation adjustment and depreciation	37,934	8,155
7.08.03.03.02	Other financial expenses	26,762	11,759
7.08.04	Remuneration of own capital	542,463	520,840
7.08.04.03	Retained earnings / loss for the period	542,463	520,840

Consolidated Financial Statements / Value Added Statement (In thousands of Reais)

Account Code	Account Description	YTD current year 1/1/2021 to 3/31/2021	YTD previous year 1/1/2020 to 3/31/2020
7.08.05	Other	405,435	151,566
7.08.05.01	Sectorial charges	46,276	39,251
7.08.05.02	Charges on concessions payable	372,512	121,135
7.08.05.03	Non-controlling shareholder	309	462
7.08.05.04	Realization of deemed cost	-6,833	-7,401
7.08.05.06	Dividends and interest on equity not claimed	-6,829	-1,881

Economic-Financial Performance

ECONOMIC-FINANCIAL PERFORMANCE

	Result by segment – 1Q21 x 1Q20 (in R$ million)					
	Electric energy					
	Generation[1]	Transmission[2]	Trading	Solar panels	Gas transportation	Consolidated
1Q21						
Net operating revenue	2,145	837	260	8	-	3,250
Operational costs	(900)	(680)	(257)	(9)	-	(1,846)
Gross income (loss)	**1,245**	**157**	**3**	**(1)**	**-**	**1,404**
Selling, general and administrative expenses	(68)	(1)	(1)	(1)	-	(71)
Other operating expenses, net	(1)	-	-	-	-	(1)
Equity income	-	-	-	-	175	175
Income (loss) before financial results and taxes	**1,176**	**156**	**2**	**(2)**	**175**	**1,507**
1Q20						
Net operating revenue	2,151	156	275	13	-	2,595
Operational costs	(1,111)	(143)	(270)	(15)	-	(1,539)
Gross income	**1,040**	**13**	**5**	**(2)**	**-**	**1,056**
Selling, general and administrative expenses	(59)	-	(1)	(2)	-	(62)
Other operating expenses, net	-	-	-	-	103	103
Income (loss) before financial results and taxes	**981**	**13**	**4**	**(4)**	**103**	**1,097**
Variation						
Net operating revenue	(6)	681	(15)	(5)	-	655
Operational costs	211	(537)	13	6	-	(307)
Gross income (loss)	**205**	**144**	**(2)**	**1**	**-**	**348**
Selling, general and administrative expenses	(9)	(1)	-	1	-	(9)
Other operating expenses, net	(1)	-	-	-	-	(1)
Equity income	-	-	-	-	72	72
Income (loss) before financial results and taxes	**195**	**143**	**(2)**	**2**	**72**	**410**

The Company's financial result is not allocated by segment since Management administers the cash flow on a consolidated and corporate basis.

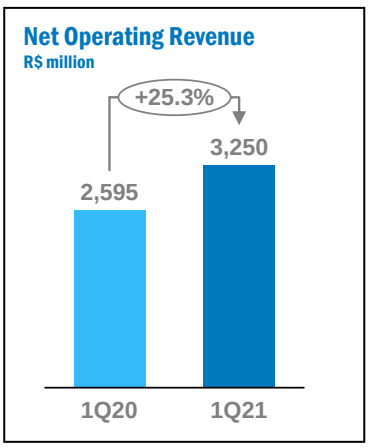
[1] Generation and sale of electric energy from the Company's portfolio ("Generation").
[2] Segment represented by the Gralha Azul Transmission System and Novo Estado Transmissora de Energia (acquired in March 2020), both under construction.

Economic-Financial Performance

Net Operating Revenue

	Operating revenue by segment – 1Q21 x 1Q20 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
1Q21					
Distribution companies	921	-	-	-	921
Free consumers	802	-	-	-	802
Construction revenue	-	699	-	-	699
Remuneration of concession financial assets	128	138	-	-	266
Energy trading operations	-	-	249	-	249
Trading companies	140	-	-	-	140
Transactions in the short-term market	107	-	-	-	107
Services rendered revenue[3]	31	-	-	-	31
Unrealized gains on trading operations	-	-	11	-	11
Other revenues	16	-	-	8	24
Net operating revenue	**2,145**	**837**	**260**	**8**	**3,250**
1Q20					
Distribution companies	887	-	-	-	887
Free consumers	796	-	-	-	796
Construction revenue	-	147	-	-	147
Remuneration of concession financial assets	82	9	-	-	91
Energy trading operations	-	-	248	-	248
Trading companies	138	-	-	-	138
Transactions in the short-term market	196	-	-	-	196
Services rendered revenue	30	-	-	-	30
Unrealized gains on trading operations	-	-	27	-	27
Other revenues	22	-	-	13	35
Net operating revenue	**2,151**	**156**	**275**	**13**	**2,595**
Variation					
Distribution companies	34	-	-	-	34
Free consumers	6	-	-	-	6
Construction revenue	-	552	-	-	552
Remuneration of concession financial assets	46	129	-	-	175
Energy trading operations	-	-	1	-	1
Trading companies	2	-	-	-	2
Transactions in the short-term market	(89)	-	-	-	(89)
Services rendered revenue	1	-	-	-	1
Unrealized gains on trading operations	-	-	(16)	-	(16)
Other revenues	(6)	-	-	(5)	(11)
Net operating revenue	**(6)**	**681**	**(15)**	**(5)**	**655**

In 1Q21, net operating revenue increased 25.3% (R$ 655 million) compared with 1Q20, growing from R$ 2,595 million to **R$ 3,250 million**. This variation principally was a reflection of the following factors:



Transmission: an increase of R$ 681 million in construction revenue, largely due to progress in executing work on the Gralha Azul and Novo Estado transmission systems, demonstrated in the accounts as revenue flowing from cost of construction plus a construction management margin in favor of the Company.

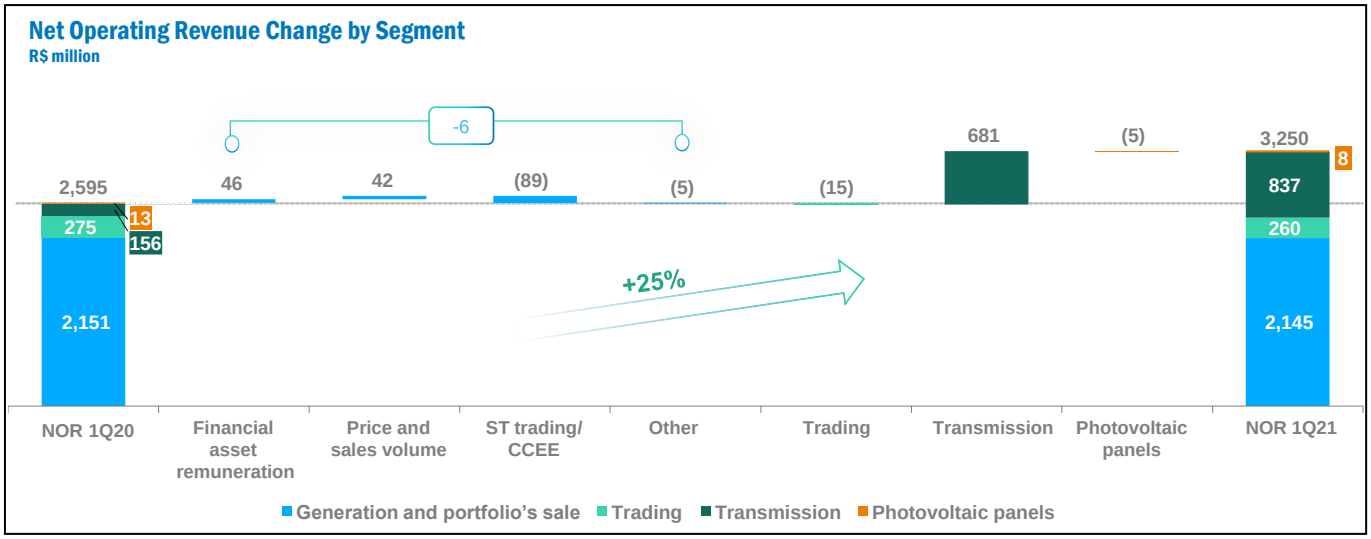
Trading: reduction of R$ 15 million (5.5%) arising principally from lower gains in marking to market future sales.

Energy generation and sales from the portfolio: a decrease of R$ 6 million (0.3%), largely due to the reduction of R$ 89 million in transactions conducted in the short-term market, principally across the Electric Energy Trade Board (CCEE). This effect was partially attenuated by increases of: (i) R$ 46 million in remuneration of financial assets on the payment of the Jaguara and Miranda hydroelectric plants concessions grant relative to energy allocated for sale under the Regulated Contracting Environment (ACR); and (ii) R$ 42 million in revenue from energy sales agreements in the regulated and free markets, result of the combination of variations in energy sales volume and the net average selling price.

[3] It refers substantially to the values from the Jaguara and Miranda Hydroelectric Plants, for the energy sold in the ACR, as part of the Annual Generation Revenue (RAG). The companies receive the portion referring to the Generation Asset Management (GAG), to cover the costs of operation and maintenance, in addition to expenses with improvements and investments during the concession period.

Economic-Financial Performance

Solar panels: a decline of R$ 5 million (38.5%) in the sale and installation of solar panels due to the retraction of this market during the quarter as well as the change in strategy adopted now with a focus on asset-based projects where time taken for installation and power output are both greater. The results of the transmission and trading segments are commented under “Operational result from the energy transmission segment” and “Operational result from the energy trading segment”.



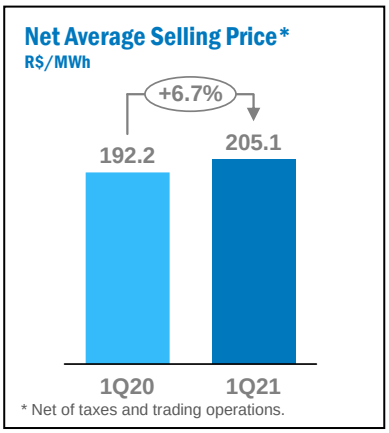
Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

Net average selling price, net of revenue charges, was **R$ 205.13/MWh in 1Q21, 6.7% higher** than reported in 1Q20, value of which was R$ 192.17/MWh.

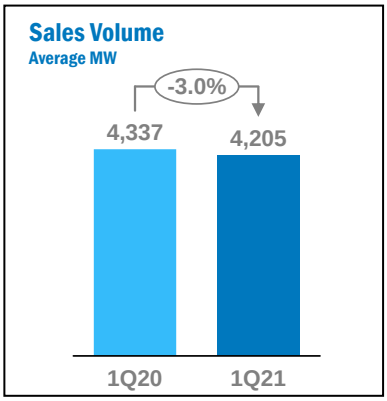
Price increases were largely driven by the monetary restatement of prevailing agreements and by average selling prices for new agreements with free consumers. These effects were partially attenuated by fresh agreements with trading companies at lower average prices than for existing or terminated agreements.



➢ Sales Volume

Contractual energy sales volume decreased from 9,473 GWh (4,337 average MW) in 1Q20 to **9,084 GWh (4,205 average MW) in 1Q21**, a reduction of 3.0% or 389 GWh (132 average MW) between the two periods under review.

The decrease in sales volume is substantially the result of the economic downturn brought on by the COVID-19 pandemic partially mitigated by the increase in wind generation.



Economic-Financial Performance

➢ Revenue from Sale of Electric Energy

• Distribution Companies:

Revenue from sales to distributors reached R$ 921 million in 1Q21, R$ 34 million (3.8%) greater than the R$ 887 million recorded in 1Q20. The net increase was driven by the following effects: (i) R$ 53 million — a rise of 6.1% in net average selling price; and (ii) R$ 19 million — a reduction of 87 GWh (20 average MW) in sales volume.

Price rises were a reflection in large part of monetary restatement of existing agreements.

Reduced energy consumption was mainly due to seasonal factors between quarters but partially attenuated by the reduced year-on-year impact of the effects of reimbursements incorporated in regulated environment agreements, which considers the difference between generation (energy delivered) and the contractual amount sold.

• Free Consumers:

Revenue from sales to free consumers increased by R$ 6 million (0.8%) when comparing the same quarters for successive years, rising from R$ 796 million in 1Q20 to R$ 802 million in 1Q21. The following factors contributed to this net variation: (i) R$ 58 million — growth of 7.3% in net average selling price; and (ii) R$ 52 million — a reduction of 301 GWh (116 average MW) in energy sales volume.

Price increases once more were impacted principally by monetary restatement of existing agreements and by the higher average prices for new agreements.

The reduction in energy volume was due to the effects of the COVID-19 pandemic and uncertainties surrounding the recovery in the economy feeding through to weaker demand for energy.

• Trading Companies:

In 1Q21, revenue from sales to trading companies was R$ 140 million, R$ 2 million (1.4%) higher than R$ 138 million for the same item in 1Q20. This increase reflects growth of R$ 2 million (1.2%) in the net average selling price. There was no significant variation in volume between the comparative periods.

Price increases are largely a function of monetary restatement on existing contracts, albeit partially attenuated by new agreements at lower average prices than existing or terminated ones.

➢ Transactions in the Short-term Energy Market

In 1Q21, revenue generated in the short-term market was R$ 107 million, while in 1Q20, the amount was R$ 196 million, representing a **reduction of R$ 89 million (45.4%)** between compared quarters. Additional explanations are to be found under the “Details of short-term operations” heading.

➢ Remuneration of Concession Financial Assets

Financial concession assets represent the present value of future cash flows of the portion of energy allocated to the Regulated Contracting Environment (ACR) by the Jaguara and Miranda Hydroelectric Power Plants, equivalent to 70% of the physical guarantee of these plants. These assets are remunerated at the internal rate of return and according to the Amplified Consumer Price Index (IPCA).

Remuneration of concessions financial assets increased by R$ 46 million (56.1%) from R$ 82 million in 1Q20 to R$ 128 million **in 1Q21**. The increase was driven largely by the variation in IPCA and by the increase in average balances between compared periods.

➢ Solar Panels

Revenues from the sale and installation of solar panels through the ENGIE Geração Solar Distribuída S.A. (EGSD) subsidiary between the quarters under analysis **fell by R$ 5 million (38.5%)** from R$ 13 million in 1Q20 to **R$ 8 million in 1Q21**. This reduction in large part is the result of a change in strategy towards a focus on asset-based projects but also due to weaker commercial activity in the light of COVID-19. In 1Q21, EGSD began the installation to 17 new projects which together with other contracts already ongoing, total 40 MWp with work in progress.

Economic-Financial Performance

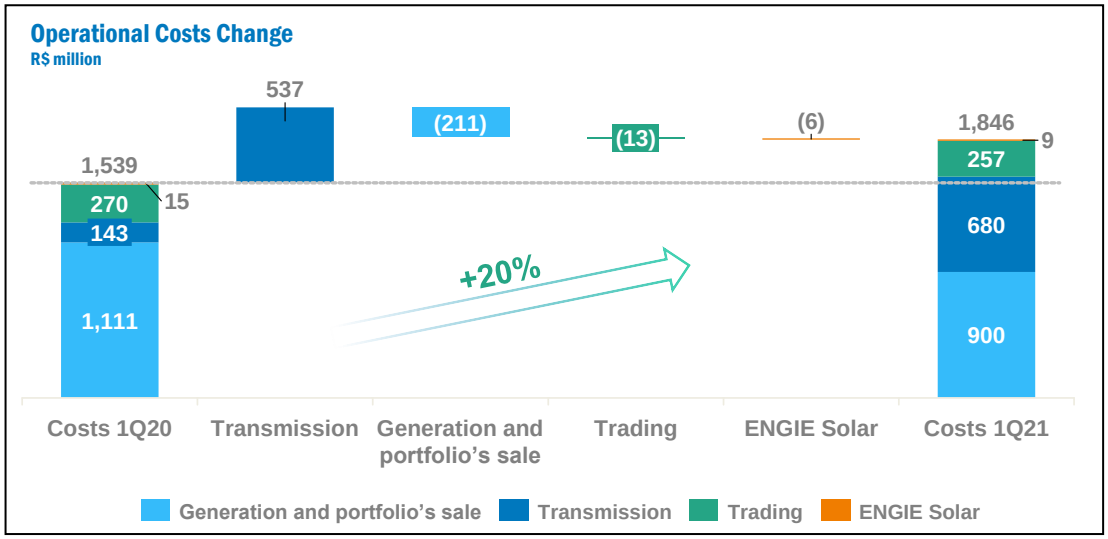
Operational Costs

	Costs by segment – 1Q21 x 1Q20 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
1Q21					
Construction costs	-	680	-	-	680
Electric power purchases	176	-	251	-	427
Depreciation and amortization	225	-	-	-	225
Charges for the use of and connection to the power grid	142	-	-	-	142
Fuel for generation	125	-	-	-	125
Materials and third-party services	90	-	-	2	92
Transactions in the short-term market	70	-	1	-	71
Personnel	66	-	-	2	68
Royalties	26	-	-	-	26
Insurance	21	-	-	-	21
Unrealized losses on trading operations	-	-	5	-	5
Cost of selling solar panels	-	-	-	5	5
Hydrological risk renegotiation	(52)	-	-	-	(52)
Other operational costs, net	11	-	-	-	11
Operational costs	**900**	**680**	**257**	**9**	**1,846**
1Q20					
Construction costs	-	143	-	-	143
Electric power purchases	343	-	237	-	580
Depreciation and amortization	230	-	-	-	230
Charges for the use of and connection to the power grid	141	-	-	-	141
Fuel for generation	95	-	-	-	95
Materials and third-party services	80	-	-	4	84
Transactions in the short-term market	111	-	7	-	118
Personnel	72	-	-	2	74
Royalties	17	-	-	-	17
Insurance	20	-	-	-	20
Unrealized losses on trading operations	-	-	26	-	26
Cost of selling solar panels	-	-	-	9	9
Other operational costs, net	2	-	-	-	2
Operational costs	**1,111**	**143**	**270**	**15**	**1,539**
Variation					
Construction costs	-	537	-	-	537
Electric power purchases	(167)	-	14	-	(153)
Depreciation and amortization	(5)	-	-	-	(5)
Charges for the use of and connection to the power grid	1	-	-	-	1
Fuel for generation	30	-	-	-	30
Materials and third-party services	10	-	-	(2)	8
Transactions in the short-term market	(41)	-	(6)	-	(47)
Personnel	(6)	-	-	-	(6)
Royalties	9	-	-	-	9
Insurance	1	-	-	-	1
Unrealized losses on trading operations	-	-	(21)	-	(21)
Cost of selling solar panels	-	-	-	(4)	(4)
Hydrological risk renegotiation	(52)	-	-	-	(52)
Other operational costs, net	9	-	-	-	9
Operational costs	**(211)**	**537**	**(13)**	**(6)**	**307**

Operational costs increased by a net R$ 307 million (19.9%) between compared quarters from R$ 1,539 million in 1Q20 **to R$ 1,846 million in 1Q21**. This variation is a reflection of the following factors: (i) a growth of R$ 537 million in costs in the transmission segment; (ii) a decrease in 1Q21 of R$ 211 million (19.0%) in relation to 1Q20 in the costs of the generation and energy sales from the Company's portfolio segment; (iii) a reduction of R$ 13 million (4.8%) in the costs of energy trading operations; and (iv) a decrease of R$ 6 million (40.0%) in the selling and installation costs of solar panels.

With respect to the variation in item (ii), there was an important impact from an additional amount of R$ 52 million booked to the accounts over and above the amounts incorporated in the accounts in December 2020 with respect to the renegotiation of hydrological risk pursuant to Law 14.052/2020, regulated by Aneel Normative Resolution 895/2020. Excluding this effect, the operational costs of the generation and energy sales from the Company's portfolio segment for 1Q21 would have declined by R$ 159 million (14.3%) in relation to 1Q20.

Economic-Financial Performance



Comments on Variations in Operational Costs

➢ Generation and Energy Sales from the Portfolio

» **Energy purchases:** between 1Q20 and 1Q21, there was a reduction of R$ 167 million (48.7%) in energy purchases for the management of the energy portfolio as follows: (i) R$ 191 million — a decrease of 1,169 GWh (541 average MW) in volume purchases; and (ii) R$ 24 million — an increase of 16.0% in the net average price of purchases from R$ 163.78/MWh in 1Q20 to R$ 189.95 /MWh in 1Q21.

The decrease in energy purchase volume was mainly a reflection of the management of the Company's portfolio and the reduced effect of unprogrammed stoppages at Pampa Sul during the compared quarters and requiring the realization of energy purchases for attending agreements with distributors in greater volumes in 1Q20.

» **Transactions in the short-term energy market:** between the quarters under review, the costs of these transactions were R$ 41 million (36.9%) lower due principally to the reduction in PLD. More explanations on these operations and on the variation can be obtained under the "Details of short-term operations" heading.

» **Fuels for generation:** an increase of R$ 30 million (31.6%) when comparing 1Q20 and 1Q21, due basically to the higher consumption of proprietary coal supplies in the light of increased generation by the Jorge Lacerda and Pampa Sul Thermoelectric Power Plants and the effects of the annual readjustment in fuel costs.

» **Material and third-party services:** elevation of R$ 10 million (12.5%) in 1Q21 relative to the same quarter in 2020, resulting from the growth in the costs of operating and maintaining the generator complex as well as costs associated with COVID-19 preventive measures.

» **Financial compensation for use of water resources (Royalties):** an increase of R$ 9 million (52.9%) between quarters under comparison due principally to greater year-on-year generation activity at the hydroelectric power plants.

» **Personnel:** reduction of R$ 6 million (8.3%) in 1Q21 relative to the same quarter in 2020, mainly resulting from the decrease in expenses with medical accreditation, reimbursement of medical expenses and expenses with healthcare plans.

» **Renegotiation of the hydrological risk:** on March 2, 2021, the CCEE published revised compensation values for hydrological risk contemplating: (i) application of the discount rate in the calculation of the prorogation of grants; (ii) consideration of the impacts arising from the expiry of concessions on the outflow at Belo Monte Hydroelectric Power Plant; and (iii) recognition of the right of plants operating according to the quota regime scheme under Law 13.783/13 to compensation calculated pursuant to Law 14.052/20. As a result of these revisions, the Company booked an additional non-recurring amount of R$ 52 million in 1Q21.

➢ Solar Panels

Between quarters, there was a reduction of R$ 6 million (40.0%) in the costs of this segment, substantially driven by the decrease in the costs of solar panel sales and installation of R$ 4 million (44.4%) on the back of weaker sales year-on-year.

Economic-Financial Performance

Operational Result from the Energy Transmission Segment

The Company has primary responsibility for the construction and installation of the infrastructure pertaining to the Gralha Azul transmission concession – work on the installation of which began in the second half of 2018 - and Novo Estado, as from the acquisition of 100% of the shares in Novo Estado Transmissora de Energia S.A. in March 2020 and is exposed to the risks and benefits of these constructions. Consequently, based on prevailing accounting practices, the Company books revenue over the course of the implementation of the transmission infrastructure for an amount corresponding to the construction costs plus a gross residual margin to cover the costs related to construction management. Expenditures incurred in the construction are recognized in the cost of the transmission infrastructure. The Annual Allowed Revenue (RAP) is received once the transmission system goes into commercial operations. Thus, only resources generated from the operational activity are received from then onwards.

The gross operational result from the energy transmission segment posted an increase of R$ 144 million in 1Q21 in relation to the same quarter of 2020 due largely to the progress in construction work on the Gralha Azul and Novo Estado Transmission Systems. In addition, revenue from the remuneration of transmission infrastructure was also impacted by the positive variation in the IPCA.

Operational Result of the Energy Trading Segment

The Company operates in the energy trading market, obtaining results through the variation in prices and within pre-established risk limits. Energy trading operations are transacted in an active market and for accounting purposes, these transactions meet the definition of financial instruments at fair value, since there is no commitment to match buying and selling operations. There is thus the corresponding flexibility to manage contracts and obtain results from market price variations.

Gross profit between quarters fell by R$ 2 million from R$ 5 million in 1Q20 to R$ 3 million in 1Q21, due to the following events: (i) R$ 13 million due to a reduction in gross results of executed energy purchase and sale transactions; (ii) an increase of R$ 6 million in results from transactions in the short-term energy market; and (iii) R$ 5 million due to the positive impact of marking-to-market — the difference between the contracted prices and those prevailing in the market — of open contracted operations, net on March 31, 2020 and 2021.

Details of Short-Term Operations

Short-term operations are classified as energy purchase or sale operations, the principal objective being the management of exposure on the CCEE. Consequently, the price of these operations is characterized by the linkage with the Price for Settlement of Differences (PLD). This item also includes the transactions conducted through the CCEE, given their volatile and seasonal nature, therefore, short-term, of the results originating from accounting movement in the CCEE. Additionally, the long and short positions are settled at the PLD, thus, similar to the short-term operations described above.

In relation to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of a Board agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense item. In this context, it is worth pointing out that due to adjustments in the Company's portfolio management strategy, changes have been taking place in the profile of the mentioned billings. Such fluctuations complicate the direct comparison of the elements comprising each billing for the periods being analyzed - the reason for including this specific topic. The strategy allows us to analyze the fluctuations of the principal elements involved in spite of allocation being either to an income or expenses account according to the credit or debit nature of the billing to which they relate.

Generically, these elements are revenues or expenses arising, for example, (i) from the application of the Energy Reallocation Mechanism (MRE); (ii) from the Generation Scaling Factor (GSF), triggered when generation of plants, part of the MRE, is smaller or greater (Secondary Energy) than the allocated energy; (iii) from the so-called "submarket risk"; (iv) dispatch driven by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) and settled at the PLD.

In 1Q21 and 1Q20, **net results** (difference between revenues and costs — less tax) from short-term transactions — especially those conducted across the CCEE — **were positive at R$ 36 million** and R$ 78 million, respectively. The amount represents a **decrease of R$ 42 million between compared periods**, being a reduction of R$ 48 million for the result from transactions in the generation and energy sales from the portfolio segment and an increase of R$ 6 million in the result from energy trading transactions.

This variation was a consequence largely of the following effects: (i) greater negative impact of the MRE Adjustment Factor (GSF) — already deducted for the effects of renegotiation of hydrological risk; (ii) increased year-on-year thermoelectric generation although affected by the lower PLD between compared periods; (iii) an increase in short-term operations due to the strategy of hydric resource allocation combined with active portfolio management; and (iv) a reduction in MRE expenses.

Economic-Financial Performance

In December 2020, Aneel stipulated maximum and minimum PLD limits for 2021 at R$ 583.88/MWh and R$ 49.77/MWh, respectively. The following table shows the average PLD amounts for those submarkets in which the Company operates (in MWh).

Average PLD in R$/MWh	1Q21	1Q20	Chg. (%)
South	171.68	217.57	(21.1%)
Southeast/Center-West	172.57	187.89	(8.2%)
Northeast	159.91	181.31	(11.8%)

Selling, General and Administrative Expenses

Selling, general and administrative expenses rose R$ 9 million (14.5%) between the compared quarters increasing from R$ 62 million in 1Q20 to R$ 71 million in 1Q21 due substantially to the combination of the following items: (i) an increase of R$ 4 million in materials and outsourced services, of which of particular note was the acquisition of general IT services in line with the Company's policy of digitalizing its processes and the acquisition of consumption materials related to preventive measures for tackling the COVID-19 pandemic; and (ii) a growth of R$ 3 million in payroll expenditures.

Equity Income – Gas Transportation

On July 20, 2020, the Company acquired an additional shareholding stake of 3.25% in TAG out of the total of 10% which Petrobras still held. As a result, the Company's direct corporate participation in TAG increased from 29.25% to 32.5%.

The equity income result for TAG in the quarters under analysis incorporates the following items:

DRE – in R$ million	1Q21		1Q20	
	100%	Company's share	100%	Company's share
TAG				
Net operational revenue	1,716	558	1,416	414
Costs of services provided	(565)	(184)	(544)	(159)
Gross income	**1,151**	**374**	**872**	**255**
General and administrative expenses	(52)	(17)	(36)	(10)
Income before financial result and taxes	**1,099**	**357**	**836**	**245**
Financial result	(280)	(91)	(313)	(92)
Income before taxes	**819**	**266**	**523**	**153**
Income tax and social contribution	(282)	(91)	(171)	(50)
TAG's net income	**537**	**175**	**352**	**103**
Equity income – TAG	**175**		**103**	

Between 1Q21 and 1Q20, there was an increase in equity income of R$ 72 million (69.9%) from R$ 103 million in 1Q20 to R$ 175 million in 1Q21. The variation was the result of the following effects: (i) R$ 133 million increase in EBITDA due principally to the restatement of gas transportation tariffs, largely by IGP-M index, and the currency translation effect on one of the gas transportation agreements; (ii) a growth of R$ 41 million in income tax and social contribution, primarily due to higher pre-tax profits; and (iii) an increase of R$ 21 million in depreciation and amortization overheads. It should be remembered that part of these variations stems from the increased corporate stake between the periods.

We show the following table for reconciling TAG's net income with its EBITDA:

EBITDA – in R$ million	1Q21 100%	1Q20 100%
Income before financial result and taxes	**1,099**	**836**
Depreciation and amortization	159	156
Amortization of goodwill	251	227
EBITDA	**1,509**	**1,219**

Economic-Financial Performance

Balance Sheet

TAG's principal asset and liability groups as of March 31, 2021 and December 31, 2020 were as follows:

Balance Sheet	3/31/2021	12/31/2020
ASSETS		
Current assets	**3,449**	**2,220**
Cash and cash equivalents	769	437
Accounts receivables from clients	1,685	1,556
Unrealized gains on hedging transactions	79	19
Other current assets	916	208
Non-current assets	**32,204**	**35,660**
Accounts receivables from clients	522	49
Restricted deposits	119	203
Unrealized gains on hedging transactions	18	29
Other non-current assets	-	3,475
Property, plant and equipment	28,816	29,185
Intangible	2,729	2,719
Total	**35,653**	**37,880**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**3,586**	**3,874**
Loans, financing and debentures	3,093	3,250
Unrealized losses on hedging transactions	177	298
Other current liabilities	316	326
Non-current liabilities	**25,167**	**27,079**
Loans, financing and debentures	22,659	22,519
Unrealized losses on hedging transactions	805	910
Deferred income taxes and social contribution	1,064	1,073
Other non-current liabilities	639	2,577
Shareholders' equity	**6,900**	**6,927**
Total	**35,653**	**37,880**

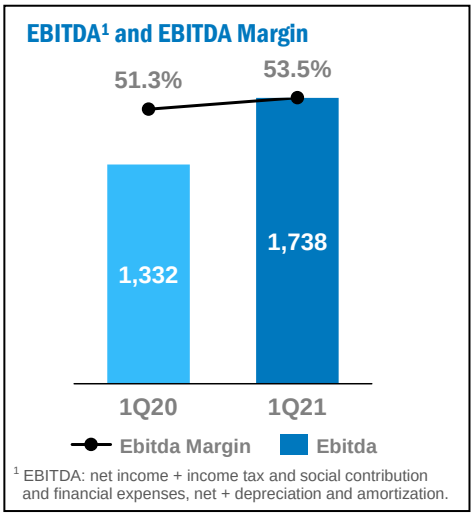
EBITDA and EBITDA Margin

	EBITDA by segment – 1Q21 x 1Q20 (in R$ million)					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
1Q21						
Income (loss) before financial results and taxes	1,176	156	2	(2)	175	1,507
Depreciation and amortization	231	-	-	-	-	231
EBITDA	**1,407**	**156**	**2**	**(2)**	**175**	**1,738**
EBITDA Margin	**65.6%**	**18.6%**	**0.8%**	**(25.0%)**	**-**	**53.5%**
1Q20						
Income (loss) before financial results and taxes	981	13	4	(4)	103	1,097
Depreciation and amortization	235	-	-	-	-	235
EBITDA	**1,216**	**13**	**4**	**(4)**	**103**	**1,332**
EBITDA Margin	**56.5%**	**8.3%**	**1.5%**	**(30.8%)**	**-**	**51.3%**
Variation						
Income (loss) before financial results and taxes	195	143	(2)	2	72	410
Depreciation and amortization	(4)	-	-	-	-	(4)
EBITDA	**191**	**143**	**(2)**	**2**	**72**	**406**
EBITDA Margin	**9.1 p.p.**	**10.3 p.p.**	**(0.7 p.p.)**	**5.8 p.p.**	**-**	**2.2 p.p.**

Between 1Q21 and 1Q20, EBITDA increased R$ 406 million (30.5%) from R$ 1,332 million in 1Q20 to R$ 1,738 million in 1Q21. The variation was a consequence of the combination of the following **positive effects**: (i) R$ 191 million (15.7%) in the energy generation and sales from the Company's portfolio segment; (ii) R$ 143 million stemming from the energy transmission segment; (iii) R$ 72 million (69.9%) due to the variation in results from the corporate stake in TAG; and (iv) R$ 2 million (50.0%) from the solar panels segment. These positive impacts were offset by the following **negative effect:** (v) R$ 2 million (50.0%) from the trading segment.

Economic-Financial Performance

The Company's principal business is the generation and energy sales from the Company's portfolio segment with a variation shown in item (i) above, the principal effects of which are described as follows: (i) a reduction of R$ 167 million in the cost of energy purchases; (ii) booking of a non-recurring effect of R$ 52 million relative to the clawing back of energy costs due to the renegotiation of the hydrological risks; (iii) a reduction of R$ 48 million in the result of transactions conducted on the short-term market; (iv) an increase of R$ 46 million in remuneration and monetary restatement revenue on concession assets; (v) R$ 42 million driven by the increase of revenue from energy sales contracts in the regulated and free environments, in turn the result of the variations in energy sales volumes and of net average selling price; (vi) an increase of R$ 30 million in fuel costs; (vii) an increase of R$ 10 million in costs of materials and outsourced services; (viii) R$ 9 million from the increase in cost with royalties; and (ix) an increase of R$ 19 million of the remaining operational costs and expenses. Excluding the non-recurring effect in item (ii), the variation of EBITDA for this segment between 1Q21 and 1Q20, would have declined from R$ 191 million to R$ 139 million (11.4%).



Generation EBITDA Margin

The EBITDA margin for the generation segment registered an increase of 9.1 p.p. from 56.5% in 1Q20 to 65.6% in 1Q21. Excluding the non-recurring effect, the EBITDA margin would have shown a year-on-year increase of 6.7 p.p.

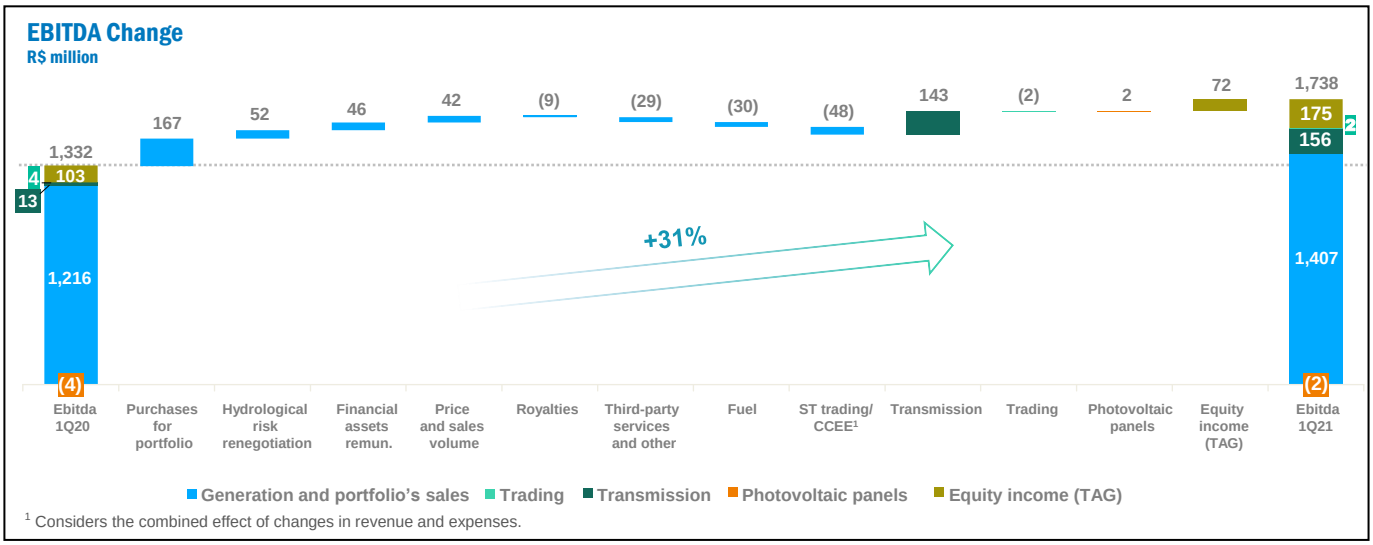
Consolidated EBITDA Margin

The consolidated EBITDA margin recorded a 2.2 p.p. increase from 51.3% in 1Q20 to 53.5% in 1Q21. Excluding the effect of non-recurring revenue, the EBITDA margin would have reported an increase of 0.6 p.p. between the periods under comparison.

It should be noted that the consolidated EBITDA margin is partially reduced by the effects of the energy trading operations, the booking of income and costs on the construction of the transmission lines and the operations executed by the EGSD subsidiary, the latter reporting characteristically lower margins than those recorded for the other operations executed by the Company.

The following table reconciles net income with EBITDA:

(In millions of R$)	1Q21	1Q20	Chg. %
Net income	529	512	3.3
(+) Income tax and social contribution	146	193	-24.4
(+) Net financial result	832	392	112.2
(+) Depreciation and amortization	231	235	-1.7
Ebitda	**1,738**	**1,332**	**30.5**



Economic-Financial Performance

Financial Result

Financial income: in 1Q21, financial revenues were R$ 25 million, R$ 19 million or 43.2% lower than the R$ 44 million reported for the first quarter 2020, due mainly to the decrease of R$ 15 million in income from financial investments in the light of lower interest rates between the two comparative periods.

Financial expenses: expenses in 1Q21 were R$ 857 million, that is, R$ 421 million or 96.6% above those registered in the same quarter of 2020, namely R$ 436 million. The key variations were as follows: (i) an increase of R$ 251 million on concessions payable between the periods under analysis, of which: (i.i) R$ 231 million of monetary variation given the increase in inflation indexes; and (i.ii) R$ 20 million in interest; (ii) an increase of R$ 136 million in monetary restatement on debt due to inflation variation; and (iii) R$ 17 million of interest largely reflecting the issue of debentures by the Company's subsidiaries in 2020 as well as the engagement of loans and financing during the course of 2020 and 2021 for the management of cash flow and the execution of investments.

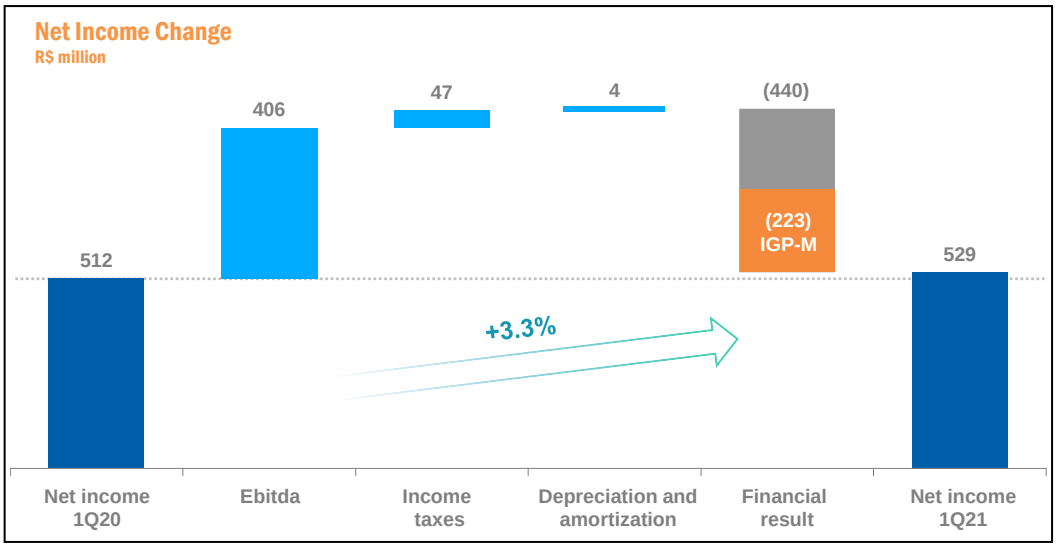
It is worth mentioning that all energy sales contracts have inflation adjustment clauses, with the application of IGP-M or IPCA, which represents a long-term natural hedge for debts and obligations indexed to inflation indexes.

Income Tax and Social Contribution

Expenses with Income Tax (IT) and Social Contribution (CSLL) in 1Q21 were R$ 146 million, R$ 47 million (24.4%) down on the same quarter for 2020 when these same expenses stood at R$ 193 million, this reflecting reduced pre-tax profits in 1Q21 relative to the same quarter in 2020 and in changes made in the tax regime of subsidiaries. The effective rate of IT and CSLL, excluding the effects of equity income, fell by 2.8 p.p. from 32.0% in 1Q20 to 29.2% in 1Q21.

Net Income

Net income for 1Q21 was R$ 529 million, R$ 17 million or 3.3% higher than the R$ 512 million reported for the same quarter in 2020. This growth is the result of the following effects: (i) an increase of R$ 406 million in EBITDA; (ii) an increase of R$ 440 million in net financial expenses; (iii) decrease of R$ 47 million in income tax and social contribution; and (iv) a reduction of R$ 4 million in depreciation and amortization overheads. Excluding the non-recurring effect of the renegotiation of hydrological risk, net income for 1Q21 would have been R$ 17 million (3.3%) lower.



Notes to the Financial Statements

ENGIE BRASIL ENERGIA S.A.
CNPJ No. 02.474.103/0001-19 | NIRE Nº 42 3 0002438-4
NOTES TO THE QUARTERLY INFORMATION AS OF 3.31.2021
(In thousands of Reais or other currencies, unless otherwise indicated)

NOTE 1 – OPERATIONS

ENGIE Brasil Energia S.A. ("Company" or "ENGIE Brasil Energia" or "ENGIE") is an independent utility concessionaire and a publicly held corporation with its registered headquarters in the municipality of Florianópolis, state of Santa Catarina, Brazil. The core business and main operating activity of the Company and its subsidiaries is the generation and sale of electricity, regulated by the Brazilian Electricity Regulatory Agency (Aneel), which is linked to the Ministry of Mines and Energy (MME). The Company, through its subsidiaries and joint ventures, also operates in the electricity trading, solar panels, gas transportation, and energy transmission segments. For more information, see Note 31 – Segment Information.

The shares of the Company are listed in the New Market segment of B3 S.A. – Brasil, Bolsa, Balcão (B3) under the ticker EGIE3. ENGIE Brasil Energia also trades Level 1 American Depositary Receipts (ADR) in the U.S. Over-the-Counter market under the ticker EGIEY, in the proportion of one ADR for each common share.

The Company is controlled by ENGIE Brasil Participações Ltda. ("ENGIE Participações"), a company established in Brazil and controlled by International Power S.A., headquartered in Belgium. International Power is a subsidiary of International Power Ltd., a company headquartered in the United Kingdom, which is part of the economic group ENGIE group, headquartered in France.

ENGIE Brasil Energia is part of the largest independent energy producer in Brazil, accounting for approximately 6.2%[4] of the country's installed capacity. At 3.31.2021, its installed capacity, including its stakes in energy generation consortiums, was 8,790.3 MW. Out of this total, 72.7% arises from hydroelectric power plants, 13.7% from thermal power plants and 13.6% from complementary energy (wind, solar, biomass and small hydroelectric power plants). Physical guarantee for sale averaged was 5,010.2 MW, of which 377.4 average MW are related to the portion of 70% of physical guarantee of the Jaguara and Miranda Hydroelectric Power Plants, which were allocated to the Regulated Contracting Environment (ACR) in the Physical Guarantee Quota System.

On 3.31.2021, the Company's generation facilities in operation consisted of 63 plants, of which 11 hydroelectric power plants (HPP), 4 conventional thermal power plants (TPP), 41 wind farms, 3 biomass plants, 2 photovoltaic solar power plants and 2 small hydroelectric power plants (SHPP).

[4] The non-financial information herein, such as MW, average MW, installed power and others has not been revised by the independent auditors.

Notes to the Financial Statements

The main corporate and operational events occurred in the first quarter of 2021 are as follows:

a) Payment of interim dividends related to the 1st half of 2020 and interest in equity for 2020

On 1.29.2021, the Company paid interim dividends related to the 1st half of 2020, in the amounts of R$ 678 million, corresponding to R$ 0.8305737385 per share, and R$ 554 million, corresponding to R$ 0.6795603315 per share. Additionally, on 1.8.2021, the Company informed its shareholders and the market that 4.5.2021 has been defined as the date for the payment of interest on equity for the period from 1.1.2020 to 12.31.2020, in the gross amount of R$ 175 million, corresponding to R$ 0.2144797773 per share.

b) Start of implementation of Santo Agostinho Wind Power Plant ("CESA") and operational startup of Campo Largo II Wind Power Complex

On 1.15.2021, the Company informed its shareholders and the market of the agreement to supply wind turbines of CESA, which will enable it to start the first phase of CESA, whose installed capacity will be 434 MW. Construction is expected to start in June 2021, commercial startup by March 2023 and the energy generated will be fully allocated for contracting in the Free Contracting Environment (ACL).

Additionally, in the 1st quarter of 2021, Plants IX, X and XIV of the Campo Largo II Wind Power Complex started commercial operations, adding 79.8 MW of installed capacity and 43.5 MW average of physical guarantee to the Company, with total installed capacity of the Campo Largo II Wind Power Complex being 361.2 MW and the energy fully allocated to ACL.

c) Reaffirmation and changes in the rating of the Company and subsidiaries

The following table shows the ratings assigned by rating agencies during 2021:

Company	Risk Agency	Rating	Classification	Date
ENGIE Brasil Energia	Fitch Ratings	long-term national rating	'AAA(bra)' with stable outlook	03.08.2021
ENGIE Brasil Energia	Fitch Ratings	long-term international rating in foreign currency	'BB' with negative outlook	03.08.2021
ENGIE Brasil Energia	Fitch Ratings	long-term international rating in domestic currency	'BBB-' with negative outlook	03.08.2021
ENGIE Brasil Energia	Fitch Ratings	long-term national rating – 6th, 7th and 9th issues of debentures	'AAA(bra)' with stable outlook	03.08.2021

d) Renegotiation of hydrological risk – Federal Law 14,052/2020

The conditions for the agreement relating to the new renegotiation of hydrological risk were established by Federal Law 14,052, approved on 9.8.2020, and regulated by Aneel Normative Resolution 895/2020, issued on 12.1.2020. The law establishes compensation for owners of hydroelectric power plants included in the Energy Relocation Mechanism (MRE) for effects caused by structuring generation projects, related to the anticipation of physical guarantee and the restrictions in the operational startup of transmission facilities required for energy distribution and, retroactively, for generation outside the order of merit and import.

As compensation, the generating companies were entitled to extend their concession periods up to seven years, considering only the energy portion that was not renegotiated in 2015.

Notes to the Financial Statements

On 12.15.2020, the Board of Directors approved the adhesion of the Company's plants that hold power generation concession to the renegotiation of hydrological risk envisaged in Federal Law 14,052/2020. As such, intangible assets amounting to R$ 968 million were recognized in the 4th quarter of 2020, corresponding to the right to extend the concession, as a corresponding entry to "Operating costs – Renegotiation of hydrological risk" in the income statement.

On 3.2.2021, the Electricity Trading Chamber (CCEE) published the revised calculation of compensations, which encompassed: (i) the application of a discount rate on the calculation of concession renewals; (ii) the consideration of impacts arising from the lapse of concessions of Abengoa and Isolux in the distribution to Belo Monte HPP; and (iii) the recognition of the right of plants under the quota regime, eligible under Law 13,783/13, to the compensations calculated in accordance with Law 14,052/2020. As a result of this revised calculation, in the 1st quarter of 2021, the Company recognized R$ 35 million in the parent company and R$ 52 million in the consolidated, in addition to the amount recognized in 2020. Accordingly, the Company presents under intangible assets, on 3.31. 2021, R$ 1,003 million and R$ 1,020 million in the parent company and consolidated, respectively.

During the 1st quarter of 2021, Aneel accepted some requests to reconsider the renegotiation calculation submitted by sector agents, through Aneel Normative Resolution 930 of 3.30.2021. However, the Federal Accounting Court (TCU) challenged, through an Order issued on 4.12. 2021, specifically the possibility offered to hydroelectric power plants contracted in the regulated market, which had already renegotiated the hydrological risk in 2015. Therefore, the period for adhesion established to occur within 60 days after the submission to Aneel of the plants' concession renewal calculations by CCEE has not started yet. Note that this discussion involving Aneel and TCU is supplementary and does not bring risks to the subject and, therefore, not affecting the asset recognized by the Company.

e) Status of Gralha Azul project

On 10.15.2020, in a Public-Interest Civil Action filed by three Non-Governmental Organizations (NGOs), the Company was notified by the Federal Courts suspending two environmental licenses for the project and the removal of vegetation of these groups, relating to the 525 Kv line. On 12.9.2020, the Superior Court of Justice (STJ) granted the suspension of injunction and the judgment filed by the Federal Government and the State Government of Paraná, and on 12.10.2020 the STJ granted the suspension of injunction and judgment filed by the Company, thereby suspending the injunction and enabling the resumption and continuity of construction works immediately.

In addition, on 10.16.2020, the Federal Prosecution Office and the State Prosecution Office of Paraná filed a second public-interest civil action which is pending in connection with the above action, in the same Federal Court. In connection with this lawsuit, a preliminary injunction was rendered on 3.16. 2021, partially suspending construction works at a stretch called "Escarpa Devoniana". In view of this decision, on 3.24.2021, the Federal Government, the State Government of Paraná and Gralha Azul Transmissora de Energia S.A. ("Gralha Azul") filed a request to extend the effects of the suspension of the injunction and judgment to include this second injunction. On the same date, the STJ accepted the requests submitted, suspending the effects of said injunction until a final and unappealable decision is rendered.

Notes to the Financial Statements

Note that the Company currently has 17 environmental programs to reduce, control and offset environmental impacts. All possible additional measures have been adopted to reduce the removal of native and endangered species, which, when inevitable, is carried out in a controlled and responsible manner, minimizing and offsetting the environmental impacts in the region.

Some examples of actions that have been taken to preserve the highest number of species along the Transmission System are the deviation from sensitive areas, such as Private Natural Heritage Reserves (RPPN) and Full Protection Conservation Units, the elevation of towers and use of drones to lay cables, as well as the use of self-supporting towers exclusively in native vegetation areas. Thanks to all these efforts, only 4% of the areas with lines and sub-stations that are part of the project have been impacted.

Note that all impacts of the project, including the removal of vegetation, will be matched by environmental compensation and reforestation, with initiatives that go beyond the requirements of the laws in force. In addition to these compensatory measures, the Company adopts voluntary measures in line with its sustainability policies, such as the donation of 3,000 tree seedlings of native species, support for projects aimed at the conservation of flora and fauna, and the planting of three Brazilian pine trees for each felled tree.

On 3.31.2021, there was no significant change in budget and schedule of works on account of the above facts and the estimated date for the commercial startup remains unchanged.

f) Diamante Geração de Energia Ltda (“Diamante”) and Pampa Sul Thermal Power Plant (Pampa Sul)

As a result of the Company’s decarbonization strategy, in 2020, a special work group was formed to study the alternatives for Jorge Lacerda Thermal Power Complex (“CTJL”), an asset controlled by the direct subsidiary Diamante Geração de Energia Ltda. (“Diamante”). The study includes an in-depth evaluation of socio-economic implications based on dialogue with all stakeholders. On 2.25. 2021, in light of the scenarios being analyzed, the Company informed its investors and the market of the advance in negotiations with a potential buyer, to which the Company granted, based on the proposal submitted by it, the exclusive rights for 120 days to conduct due diligence related to the sale of Diamante.

The final terms and conditions of the transaction, if the negotiations succeed, will still be subject to approval from the Company’s management and shareholders, as well as from applicable government authorities. If this sale does not materialize, the Company will continue to evaluate other options, including the phased decommissioning of the asset.

Additionally, on 3.17. 2021 the Company announced to its investors and the market the resumption of the process to sell all its shares held in the direct subsidiary Pampa Sul. On the reporting date, the sale is under evaluation by potential buyers.

The current stage of the processes does not allow an evaluation of the possibility of sale of CTJL and Pampa Sul and hence the Company concluded that the prerequisites for reclassifying the balances of Diamante and Pampa Sul to non-current asset held for sale were not met.

Notes to the Financial Statements

g) Impacts of the new coronavirus pandemic

The year of 2020 was marked by the effects of the COVID-19 pandemic, caused by the new coronavirus, which affected, and continues to affect in 2021, the global economy. Due to the pandemic, restrictive measures were adopted to maintain physical distancing, close down commercial establishments and shutdown industrial plants.

The restrictions imposed by physical distancing had significant effects on activities in diverse sectors, household incomes and investments in Brazil. As the pandemic situation improved and, consequently, restrictions on economic activities were gradually reduced, there were improvements in different regions and business segments.

In the first quarter of 2021, the Company did not observe any material impacts of the pandemic on its individual and consolidated quarterly information, since its operations are authorized by federal agencies to continue operating for being considered essential for the country. In addition, provided the pandemic situation does not worsen and the economic activity are resumed to pre-pandemic levels, the Company does not estimate significant effects in its results that could compromise the operational capacity and implementation of its projects. Below are the main items that are being monitored by the Company.

g.1) Demand for electricity

The restrictions on circulation and on commercial and industrial activities and services impact electricity consumption. However, a large portion of the energy consumption expected is established in agreements signed prior to the COVID-19 pandemic. In the Free Contracting Environment (ACL) and the Regulated Contracting Environment (ACR), no contractual clauses have been amended due to the pandemic for negotiations in the first three-month period of 2021.

g.2) Construction of new plants and transmission lines

Decree 10,282, of 3.20.2020, regulated Law 13,979, of 2.6.2020, defining essential public services and activities, which included electricity generation and distribution. In addition, Decree 10,329, of 4.28.2020, extended the concept of essential activities to engineering works related to the generation, transmission and distribution of electricity. For the first three-month period of 2021, these decrees were favorable to the Company as they guarantee the continuity of construction works on the Gralha Azul and Novo Estado Transmission Systems and on the Campo Largo II and Santo Agostinho Wind Power Complexes.

g.3) Level of default

The Company is monitoring the realization of its balance of trade accounts receivable, as well as the risk associated with each client. The amounts due on the base date of this quarterly information are shown in Note 4 - Trade accounts receivable. So far there was no significant increase in the level of Company's defaults.

g.4) Impairment of long-term assets

The Company assessed the indicators of asset depreciation due to the pandemic and concluded there was no evidence that the costs registered are higher than their recovery amounts. The Company adopted measures that postponed the realization of cash potentially in the short term, with no material effects being identified in the medium and long term.

Notes to the Financial Statements

NOTE 2 – PRESENTATION OF QUARTERLY INFORMATION

The Company's quarterly information was prepared in compliance with Accounting Pronouncement CPC 21 – Demonstração Intermediária (*Interim Financial Reporting*), and the consolidated quarterly information (ITR) is simultaneously presented in accordance with the international standard IAS 34 – Interim Financial Reporting and with CPC 21.

The Brazilian accounting standards are convergent with the IFRS, except for the recording, in the parent company's balance sheet, of the controlling interest in joint ventures which, under Brazilian rules, is recognized by the equity income method and, according to IFRS, by the rules applicable to joint ventures, which stipulate that assets, liabilities and profit or loss are recognized in proportion to its share in the joint venture.

There is no difference between shareholders' equity and the parent company and consolidated results included, respectively, in the individual and consolidated (ITR) financial statements. There is also no difference between the basic and diluted net earnings per share, since no shares were issued with diluting effects in the periods reported.

The quarterly information was also prepared in accordance with the rules of the Securities and Exchange Commission of Brazil (CVM), using amortized historical cost as base value, except for the fair value assessment of certain financial instruments, when required by the rules.

While preparing the quarterly information, the Company Management uses estimates to record certain transactions that affect its assets, liabilities and expenses.

The content and values of certain notes presented in the financial statements of fiscal year ended 12.31.2020 that did not require significant updates were not reported again in the quarterly information of 3.31.2021. These quarter, therefore, must be read jointly with the financial statements of 12.31.2020.

The accounting practices and calculation methods adopted while preparing the quarterly information of 3.31.2021, as well as the main judgments and uncertainties in the estimates used in the application of the accounting practices, were the same adopted to prepare the financial statements of fiscal year ended 12.31.2020.

a) Standards and changes applicable to the Company starting from 1.1.2021

As of 1.1.2020, the following pronouncements are in force: (i) Revision of CPC 06 (R2) – Leases; and (ii) Revision of CPC 48 – Financial Instruments.

The adoption of the changes in these standards did not result in material impacts on the individual and consolidated quarterly information of 3.31.2021.

b) EmpresasNet system

Note that in the "Statement of Changes in Shareholders' Equity" table of the EmpresasNet System of the CVM, the equity valuation adjustment, though not corresponding to "Other Comprehensive Income," is presented in the column with this indication because there is not a more appropriate option to present said transaction in the standard statement of CVM.

c) Approval of the quarterly information

The ITR was approved at the Board of Directors Meeting held on 5.5.2021.

Notes to the Financial Statements

NOTE 3 – CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Cash and bank deposits	**4,409**	**3,201**	**198,805**	**54,948**
Marketable securities:				
Exclusive investment fund				
Repurchase transactions backed by federal bonds	1,998,973	1,921,332	4,086,660	4,450,369
Other marketable securities	147	56	28,557	33,629
	1,999,120	**1,921,388**	**4,115,217**	**4,483,998**
	2,003,529	**1,924,589**	**4,314,022**	**4,538,946**

NOTE 4 – TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Distributors	270,330	254,929	491,599	482,900
Transactions within the CCEE	213,940	291,692	435,269	586,290
Free Consumers	36,408	33,469	411,461	405,317
Trading operations	-	-	62,124	105,220
Traders	129,606	118,891	53,353	75,858
Others	-	-	74,068	88,854
Estimated losses with doubtful accounts	(6,180)	(6,180)	(21,338)	(21,338)
Current assets	**644,104**	**692,801**	**1,506,536**	**1,723,101**
Free Consumers	1,454	1,454	13,814	15,405
Distributors	748	748	761	761
Non-current assets[1]	**2,202**	**2,202**	**14,575**	**16,166**
	646,306	**695,003**	**1,521,111**	**1,739,267**

(1) The amounts refer to trade accounts receivable in the long term are presented as part of "Other non-current assets."

Despite the increase in defaults at CCEE due to the legal imbroglio surrounding the Generating Scaling Factor (GSF) since 2015, the Company has been constantly managing its portfolio in order to mitigate this situation. This default tends to be balanced out after the adhesion of the players to the renegotiation of hydrological risk established by Federal Law 14,052/2020.

The breakdown of overdue accounts receivable recorded under current assets is as follows:

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Overdue up to 30 days	147	-	4,984	1,701
Overdue more than 30 days	6,277	6,188	30,508	27,900
With estimated losses recognized	*6,180*	*6,180*	*21,338*	*21,338*
Other	*97*	*8*	*9,170*	*6,562*
	6,424	**6,188**	**35,492**	**29,601**

Notes to the Financial Statements

NOTE 5 – INVENTORIES

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Supplies	16,462	16,077	109,435	97,972
Advances to suppliers	584	723	48,893	57,163
Inputs for energy production	-	-	17,712	26,231
Other	443	514	12,065	8,062
	17,489	**17,314**	**188,105**	**189,428**

In 2019 and 2020, the subsidiary Pampa Sul advanced R$ 79,903 and R$ 50,048, respectively, amounting to R$ 129,951, to a coal supplier due to compliance with the contractual commitment of acquisition of a minimum monthly quota of 106,000 tons. The balance on 3.31.2021 was R$ 41,940 (R$ 47,723 on 12.31.2020), to be realized when the purchase of coal exceeds the minimum monthly quota. The Company expects to fully pay the advance by the end of 2021.

In addition, the subsidiary EGSD made advance payments to suppliers for acquisition of solar panels, whose balance at 3.31.2021 was R$ 3,621 (R$ 5,995 at 12.31.2020).

NOTE 6 – MARKETABLE SECURITIES

a) Changes in marketable securities

	Parent Company		
	Current	Non-current	Total
Balance at 12.31.2020	**6,830**	**332,389**	**339,219**
Interest [1]	6,060	-	6,060
Inflation adjustment[1]	312	8,859	9,171
Transfer	1,307	(1,307)	-
Fair value adjustment	2,301	57,633	59,934
Balance at 3.31.2021	**16,810**	**397,574**	**414,384**

(1) The information presented includes PIS and Cofins.

b) Settlement of marketable securities presented in non-current assets

	Parent Company
April to December 2022	6,591
2023	9,650
2024	18,667
2025	18,487
2026	19,697
2027 to 2031	132,862
2032 to 2036	191,620
Marketable securities	**397,574**

Notes to the Financial Statements

NOTE 7 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Financing guarantees	161,830	161,052	161,830	161,052
Reinvestment deposits	2,466	807	4,410	807
Guarantees for negative balance at CCEE	-	1	1,360	12,189
Current assets	**164,296**	**161,860**	**167,600**	**174,048**
Financing guarantees	7,607	-	277,543	185,801
Contractual commitment guarantees	-	-	43,950	43,778
Others	-	-	6,262	6,240
Non-current assets	**7,607**	**-**	**327,755**	**235,819**
	171,903	**161,860**	**495,355**	**409,867**

- Financing guarantees

Financing guarantees registered under current assets are related to the swap settlement with Scotiabank on 12.28.2020. This guarantee will be used to pay a portion of the principal and interest on the foreign currency loan in April 2021.

In addition, the financing guarantees registered under non-current assets are aimed paying the debt owed to BNDES, BNB and debentures issued by its subsidiaries, as well as for operation and maintenance, as established in the agreements. They are mostly constituted for the amount equivalent to 3 months of debt service and contractual operating and maintenance expenses.

- Contractual commitment guarantees

Deposits in the amount of R$ 43,950 (R$ 43,778 on 12.31.2020) were recognized as consolidated non-current assets, which were made to guarantee compliance with certain contractual commitments undertaken by the seller of Novo Estado. These deposits will be released: (i) in the first anniversary of the closing date, up to the limit of 2% of the base purchase price established in the share purchase agreement; and (ii) the balance, 30 months after the closing date or at the start of commercial operation, whichever occurs first.

NOTE 8 – CONCESSION FINANCIAL ASSET

	Consolidated					
	3.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Jaguara HPP	194,170	1,580,380	1,774,550	189,612	1,550,501	1,740,113
Miranda HPP	118,802	966,950	1,085,752	116,014	948,669	1,064,683
	312,972	**2,547,330**	**2,860,302**	**305,626**	**2,499,170**	**2,804,796**

Notes to the Financial Statements

a) Changes in concession financial assets

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
Balances at 12.31.2020	**1,740,113**	**1,064,683**	**2,804,796**
Amounts received	(44,776)	(27,396)	(72,172)
Interest	37,481	22,931	60,412
Inflation adjustment	41,732	25,534	67,266
Balances at 3.31.2021	**1,774,550**	**1,085,752**	**2,860,302**

b) Realization profile of the concession financial asset presented under non-current assets

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
April to December 2022	124,014	75,876	199,890
2023	151,499	92,693	244,192
2024	137,018	83,833	220,851
2025	123,950	75,838	199,788
2026	112,131	68,606	180,737
2027 to 2031	419,173	256,470	675,643
2032 to 2047	512,595	313,634	826,229
	1,580,380	**966,950**	**2,547,330**

NOTE 9 – CONTRACT ASSET

The Company has primary responsibility for the construction and installation of infrastructure related to the transmission concession of the Gralha Azul Transmission System, whose implementation started in the second half of 2018, and of the Novo Estado Transmission System, through the acquisition of 100% of its shares in March 2020, and it is exposed to the risks and benefits of these constructions.

The changes in concession contract asset are shown below:

	Consolidated		
	Novo Estado	Gralha Azul	Total
Balance at 12.31.2020	**1,593,863**	**1,367,556**	**2,961,419**
Transmission infrastructure construction cost	476,096	207,135	683,231
Transmission infrastructure construction margin	10,680	5,516	16,196
Gain due to efficiency in construction	1,160	1,655	2,815
Interest	25,919	31,565	57,484
Inflation adjustment	43,244	37,038	80,282
Balance at 3.31.2021	**2,150,962**	**1,650,465**	**3,801,427**
Classification in balance sheet			
Current assets	67,604	103,611	171,215
Non-current assets	2,083,358	1,546,854	3,630,212
	2,150,962	**1,650,465**	**3,801,427**

Notes to the Financial Statements

The balance shown will start being realized from the commercial startup of the electricity transmission systems. The Company estimates that Gralha Azul and Novo Estado will go operational in September 2021 and December 2021, respectively.

NOTE 10 – OTHER ASSETS

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Tax credits recoverable	2,218	36,039	136,678	179,286
Fuels to reimburse	-	-	61,267	58,462
Deferred tax asset	-	-	47,569	47,642
Divestments and services in course	25,402	26,452	33,895	29,827
Prepaid expenses	10,095	11,298	22,294	39,258
Trade accounts receivables	2,202	2,202	14,575	16,166
Advances to employees	5,691	3,173	9,228	5,769
Other amounts receivable	60,753	50,333	92,168	73,754
	106,361	**129,497**	**417,674**	**450,164**
Classification in balance sheet				
Current assets	97,350	90,515	271,248	274,413
Non-current assets	9,011	38,982	146,426	175,751
	106,361	**129,497**	**417,674**	**450,164**

a) Tax credits recoverable

Mainly corresponds to PIS and Cofins dues stemming from (i) the acquisition of machinery and equipment and expenses with construction of Plants; and (ii) the recognition of federal credits due to favorable outcome in a lawsuit in 2020 of the Company and its subsidiary EBC. ENGIE's credit were fully offset, while EBC has on 3.31.2021 the recoverable amount of R$ 64,154, having offset R$ 1,019 in March 2021.

b) Fuel to be reimbursed

Refers to amounts receivable from the reimbursement of fuel consumed for thermal power generation at the CTLJ, which are reimbursed by CCEE. The amounts eligible for reimbursement correspond to the limit of 2,400,000 tons per annum, discounting the percentage indicated every year by the regulatory body regarding the Plant's availability and efficiency indices.

Notes to the Financial Statements

NOTE 11 – INVESTMENTS

a) Breakdown

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Interest on subsidiaries:				
Measured at the equity method				
Equity in earnings of subsidiaries	13,701,495	14,124,862	2,242,571	2,251,408
Goodwill from investment acquisition	55,971	56,806	-	-
Goodwill from expected future profitability	173,654	173,654	173,654	173,654
	13,931,120	**14,355,322**	**2,416,225**	**2,425,062**

b) Changes in investments evaluated through the equity method

	Balance at 12.31.2020	Capital increase	Capital decrease	Equity in earnings of subsidiaries	Dividends	Other comprehensive income	Balances at 3.31.2021
Subsidiaries							
ECP[1]	**4,060,695**	77,508	(598,442)	61,354	-	57,900	**3,659,015**
CEE[2]	**1,735,564**	-	-	51,721	(95,550)	-	**1,691,735**
Pampa Sul	**2,414,520**	-	(880,000)	(74,242)	-	-	**1,460,278**
ETP II[3]	**490,016**	766,612	-	46,910	-	-	**1,303,538**
Jaguara[4]	**1,132,463**	-	-	56,094	-	-	**1,188,557**
Miranda[5]	**762,769**	-	-	35,215	-	-	**797,984**
Diamante	**565,276**	-	-	35,588	-	-	**600,864**
EBC[6]	**301,850**	-	-	26,673	-	-	**328,523**
EGSD[7]	**82,595**	-	-	(2,036)	-	469	**81,028**
ENGIE Trading[8]	**25,676**	-	-	4,424	-	-	**30,100**
ECV[9]	**20,994**	-	-	6,498	-	-	**27,492**
Lages[10]	**26,364**	-	-	1,126	-	-	**27,490**
Other	**3,589**	-	-	-	-	-	**3,589**
Under shared control							
Itasa[11]	**251,083**	-	-	7,648	-	-	**258,731**
Joint venture							
TAG[12]	**2,251,408**	-	-	174,529	-	(183,366)	**2,242,571**
	14,124,862	**844,120**	**(1,478,442)**	**431,502**	**(95,550)**	**(124,997)**	**13,701,495**

(1) ENGIE Brasil Energias Complementares Participações Ltda.
(2) Companhia Energética Estreito
(3) ENGIE Transmissão de Energia Participações II S.A
(4) Companhia Energética Jaguara
(5) Companhia Energética Miranda
(6) ENGIE Brasil Energia Comercializadora Ltda.
(7) ENGIE Geração Solar Distribuída S.A.
(8) ENGIE Trading Comercializadora de Energia Ltda.
(9) ENGIE Comercializadora Varejista de Energia Ltda.
(10) Lages Bioenergética Ltda.
(11) Itá Energética S.A.
(12) Transportadora Associada de Gás is a joint venture, therefore it is not consolidated by the Company.

Notes to the Financial Statements

b.1) ECP

The capital increase in ECP in the first quarter of 2021 was mainly allocated to investments in Campo Largo II Wind Power Complex, controlled by the Company's subsidiary. The capital reduction results from the corporate restructuring at the indirect subsidiary Gralha Azul to improve the administrative and corporate organization of assets in the electricity transmission segment.

On 2.3.2021, ECP and ETP III, a direct subsidiary of ETP II, approved at the Extraordinary Shareholders Meeting the partial spin-off of ECP and the respective merger with ETP III of ECP's equity partially spun off, and the transfer of shares of Gralha Azul held by it to ETP III. The transfer of ownership of shares issued by Gralha Azul, which were partially spun off, to ETP III, was previously approved by Aneel. Since EBE became a partner of ETP III on 2.4.2021, the Company increased the capital of the direct subsidiary ETP II, transferring its interest in ETP III.

b.2) Pampa Sul

Capital reduction in Pampa Sul in the first quarter of 2021 was due to the issue of debentures in Pampa Sul in November 2020.

b.3) ETP II

The capital increase in ETP II in the first quarter of 2021 was mainly allocated to investments in the Gralha Azul Transmission System controlled by the Company's subsidiary, as per the corporate restructuring described in item b.1, and Novo Estado.

Notes to the Financial Statements

b.4) Information on main investees

	3.31.2021						
	Capital	Assets	Liabilities	Adjusted shareholders' equity	Net revenue	Adjusted net income (loss)	Interest (%)
ECP	2,341,949	7,896,966	4,399,827	3,661,793	342,994	61,663	**99.99**
CEE	1,369,380	2,057,841	366,106	1,691,735	144,081	51,721	**99.99**
Pampa Sul	1,076,692	3,277,514	2,064,452	1,460,278	136,232	(74,242)	**99.99**
ETP II	1,188,996	4,420,984	3,132,154	1,303,538	745,112	46,910	**99.99**
Jaguara	854,409	2,493,679	1,305,122	1,188,557	143,971	56,094	**99.99**
Miranda	582,663	1,558,427	760,443	797,984	86,765	35,215	**99.99**
Diamante	638,940	876,044	275,180	600,864	222,367	35,588	**99.99**
EBC	10,038	866,679	538,156	328,523	1,080,462	26,673	**99.99**
EGSD	58,990	118,160	37,132	81,028	7,659	(2,036)	**99.99**
ENGIE Trading	36,000	257,041	226,941	30,100	207,624	4,424	**99.99**
ECV	23,970	99,622	72,130	27,492	140,965	6,498	**99.99**
Lages	30,530	41,431	13,941	27,490	12,982	1,126	**99.99**
Under shared control							
Itasa	510,136	575,971	45,241	530,730	59,469	15,688	**48.75**
Joint Venture							
TAG	2,255,637	39,546,462	32,646,245	6,900,217	1,715,525	537,013	**32.50**

Non-controlling shareholder

The non-controlling interest of Ibitiúva on 3.31.2021 in the shareholders' equity and the net income of ECP presented above was R$ 2,778 and R$ 309 (R$ 2,469 on 12.31.2020 and R$ 462 in the first quarter of 2020), respectively.

Capitalized amounts

ENGIE Brasil Energia took out loans and debentures to finance the construction of the Campo Largo, Umburanas Phase I and Campo Largo II Wind Power Complexes and the Assú V Photovoltaic Power Plant, investments that are part of ECP, and of Pampa Sul. The interest on these debts is capitalized during the construction period of the Plants in the consolidated financial statements and recognized using the equity method in the parent company's financial statements. After the commercial startup, the amounts capitalized are amortized in the period corresponding to the amortization of property, plant and equipment.

The amounts capitalized in the direct subsidiaries ECP and Pampa Sul until 3.31.2021 were R$ 164,654 and R$ 247,216 (R$ 163,016 and R$ 289,151 until 12.31.2020), respectively. In the first three-month period of 2021, capitalized interest, net of amortization, in EBP were R$ 1,638 (R$ 3,659 on 3.31.2020) and amortized interest in Pampa Sul were R$ 2,379 (R$ 2,379 on 3.31.2020).

Notes to the Financial Statements

In 2020, Pampa Sul, the Company's direct subsidiary, issued simple debentures, which were acquired by ENGIE and are measured at fair value in the parent company and at amortized cost in the subsidiary. For consolidation purposes, this operation is fully eliminated, and the difference between the fair value and amortized cost is recognized as equity income in the parent company. In the quarter ended 3.31.2021, the amount was negative R$ 28,674 (R$ 10,882 – positive – on 12.31.2020) and the amount recognized in the first quarter was R$ 39,556 (negative).

In 2020, ETP II issued redeemable preferred shares and the cost of this issue was paid by its parent company ENGIE Brasil Energia, in the amount of R$ 14,979. This cost was capitalized in the consolidated financial statements and recognized in equity income (loss) in the parent company financial statements and will be amortized on a straight line basis until the redemption of shares. On 3.31.2021, the total capitalized amount was R$ 14,708.

In the table above, "Information on main subsidiaries", the amounts under "Adjusted shareholders' equity" and "Adjusted net income (loss)" include the items described above.

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent Company					
		3.31.2021			12.31.2020		
	Average rate of depreciation	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
In service							
Reservoirs, dams and ducts	3.0%	5,110,695	(3,462,803)	1,647,892	5,110,695	(3,425,282)	1,685,413
Buildings and improvements	3.2%	1,285,653	(866,025)	419,628	1,283,888	(854,978)	428,910
Machinery and equipment	3.5%	4,236,040	(2,646,775)	1,589,265	4,229,755	(2,617,771)	1,611,984
Furniture and fixtures	6.3%	8,861	(4,635)	4,226	8,775	(4,546)	4,229
Vehicles	14.3%	2,233	(1,982)	251	2,233	(1,933)	300
Special obligations		(49,656)	8,771	(40,885)	(49,655)	8,302	(41,353)
		10,593,826	**(6,973,449)**	**3,620,377**	**10,585,691**	**(6,896,208)**	**3,689,483**
In progress							
Reservoirs, dams and ducts		2,091	-	2,091	1,809	-	1,809
Buildings and improvements		221	-	221	1,035	-	1,035
Machinery and equipment		83,630	-	83,630	82,577	-	82,577
Advances to suppliers		29,704	-	29,704	29,666	-	29,666
Acquisitions to be apportioned		19,867	-	19,867	20,979	-	20,979
		135,513	**-**	**135,513**	**136,066**	**-**	**136,066**
		10,729,339	**(6,973,449)**	**3,755,890**	**10,721,757**	**(6,896,208)**	**3,825,549**

Notes to the Financial Statements

		Consolidated					
		3.31.2021			12.31.2020		
	Average rate of depreciation	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
In service							
Reservoirs, dams and ducts	3.2%	7,287,590	(4,220,978)	3,066,612	7,287,590	(4,163,724)	3,123,866
Buildings and improvements	3.1%	2,192,547	(1,224,722)	967,825	2,187,460	(1,207,346)	980,114
Machinery and equipment	4.2%	16,376,933	(6,435,060)	9,941,873	16,255,557	(6,295,200)	9,960,357
Furniture and fixtures	6.3%	15,430	(7,385)	8,045	15,185	(7,200)	7,985
Vehicles	14.3%	5,892	(4,323)	1,569	5,869	(4,230)	1,639
Special obligations		(50,146)	8,946	(41,200)	(50,146)	8,475	(41,671)
		25,828,246	**(11,883,522)**	**13,944,724**	**25,701,515**	**(11,669,225)**	**14,032,290**
In progress							
Reservoirs, dams and ducts		15,132	-	15,132	14,848	-	14,848
Buildings and improvements		76,970	-	76,970	68,312	-	68,312
Machinery and equipment		582,244	-	582,244	565,396	-	565,396
Advances to suppliers		815,568	-	815,568	737,400	-	737,400
Acquisitions to be apportioned		153,153	-	153,153	119,591	-	119,591
		1,643,067	**-**	**1,643,067**	**1,505,547**	**-**	**1,505,547**
		27,471,313	**(11,883,522)**	**15,587,791**	**27,207,062**	**(11,669,225)**	**15,537,837**

b) Changes in property, plant and equipment

	Parent Company						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2020	**1,685,413**	**428,910**	**1,611,984**	**4,529**	**136,066**	**(41,353)**	**3,825,549**
Additions	-	-	-	-	8,357	-	8,357
Transfers	(489)	1,664	7,618	117	(8,910)	-	-
Write-offs	-	-	(391)	(34)	-	-	(425)
Depreciation	(37,032)	(10,946)	(29,946)	(135)	-	468	(77,591)
Balance at 3.31.2021	**1,647,892**	**419,628**	**1,589,265**	**4,477**	**135,513**	**(40,885)**	**3,755,890**

Notes to the Financial Statements

	Consolidated						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2020	**3,123,866**	**980,114**	**9,960,357**	**9,624**	**1,505,547**	**(41,671)**	**15,537,837**
Additions	-	-	-	-	226,777	-	226,777
Capitalized interest, inflation adjustment and depreciation	-	-	-	-	37,934	-	37,934
Transfers	(270)	4,878	122,215	368	(127,191)	-	-
Write-offs	-	-	(438)	(22)	-	-	(460)
Depreciation	(56,984)	(17,167)	(140,261)	(356)	-	471	(214,297)
Balance at 3.31.2021	**3,066,612**	**967,825**	**9,941,873**	**9,614**	**1,643,067**	**(41,200)**	**15,587,791**

NOTE 13 – INTANGIBLE ASSETS

a) Changes in intangible assets

	Parent Company
	Total[1]
Balance at 12.31.2020	**1,035,535**
Additions	42,662
Amortization	(3,279)
Balance at 3.31.2021	**1,074,918**

(1) Mainly includes the amount related to concession renewal right arising from the renegotiation of hydrological risk.

	Consolidated					
	Grant bonus	Project rights[1]	Right to use assets	Energy purchase right	Other	Total
Balances at 12.31.2020	**922,922**	**1,407,762**	**86,622**	**16,437**	**80,247**	**2,513,990**
Additions	-	51,961	7,346	-	-	59,307
Amortization	(8,576)	(751)	(3,448)	(1,504)	-	(14,279)
Balances at 3.31.2021	**914,346**	**1,458,972**	**90,520**	**14,933**	**80,247**	**2,559,018**

(1) Includes the amount related to concession renewal right arising from the renegotiation of hydrological risk and the operating rights of projects acquired by the Company.

Notes to the Financial Statements

Right to extend the concession – renegotiation of hydrological risk

On 9.8.2020, Federal Law 14,052 came into effect, which partially amended Federal Law 13,023 of 2015, and established new conditions for renegotiation of hydrological risk of energy generation. Federal Law 14,052 determined that the owners of hydroelectric power plants participating in the MRE may be compensated for effects arising from (i) restrictions to energy distribution due to delay in the operational startup or operational startup under unsatisfactory technical condition of energy transmission facilities dedicated to distribution; and (ii) the difference between the physical guarantee granted in the motorization phase and the effective aggregation amounts of each motorized generating unit on the National Interconnected System (SIN), and that said compensation will be made through an extension of the concession period, limited to 7 years, calculated based on the parameters applied by Aneel.

On 12.1.2020, Aneel issued Normative Resolution 895 establishing the methodology to calculate the compensation and the procedures for renegotiating the hydrological risk.

To be eligible for the compensations set forth in Federal Law 14,052, the owners of hydroelectric power plants participating in the MRE must: (i) withdraw lawsuits claiming exemption or mitigation of hydrological risks related to MRE; (ii) waive any allegation and/or new lawsuits related to the exemption or mitigation of hydrological risks related to MRE; and (iii) not have renegotiated the hydrological risk.

The Company neither has lawsuits claiming the compensation referred to in item (i) above nor had renegotiated the hydrological risk of the portion of the energy covered by the Federal Law and hence is eligible for the compensation.

At a meeting held on 12.15.2020, the Board of Directors approved the adhesion of the Company to said hydrological risk renegotiation. With this approval, the Company recognized, in 2020, the intangible asset related to the right to extend the concession period of the concessions granted, in the amount of R$ 967,681, in the parent company and consolidated. On 3.2.2021, CCEE published the revised calculation of compensations, which encompassed: (i) the application of discount rate on the calculation of concession renewals; (ii) the consideration of impacts arising from the lapse of concessions of Abengoa and Isolux in the distribution to Belo Monte HPP; and (iii) the recognition of the right of plants under the quota regime, eligible under Law 13,783/13, to the compensations calculated in accordance with Law 14,052/20. As a result of this revised calculation, in 2021, the Company recognized R$ 35,343 and R$ 51,961 in the parent company and consolidated, respectively, in addition to the amount recognized in 2020. The recognitions were a corresponding entry to “Operating costs - Renegotiation of hydrological risk” and represent the fair value of the asset, which is equivalent to the amount defined and made available by Aneel and CCEE. The asset will be amortized over the period the book value is expected to be recovered.

Moreover, the Company did not recognize the extension rights related to the Consortiums Itá and Machadinho, since there was no approval, until the date of this ITR, by all consortium members, to accept the extension of the concession term, which is a condition precedent to receive the compensation set forth in Federal Law 14,052. The approval by consortium members is expected during 2021.

Notes to the Financial Statements

The extension of concession periods and the amounts by plant are:

Plants	Intangible Assets	Estimated concession extension (years)
Salto Santiago	476,196	1.9
Salto Osório	429,433	2.6
Passo Fundo	96,472	2.6
Ponte de Pedra	871	0.5
Cana Brava	30	0.5
São Salvador	22	-
Parent Company	**1,003,024**	
Jaguara	10,329	0.5
Miranda	6,289	0.5
Consolidated	**1,019,642**	

NOTE 14 – SUPPLIERS

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Suppliers of property, plant and equipment and intangible assets	4,873	5,176	335,615	368,359
Fossil fuels and biomass	-	-	148,879	84,026
Trading operations	-	-	116,420	128,939
Suppliers of materials and services	27,515	25,480	81,547	80,341
Charges for the use of the power grid	32,088	32,029	60,423	59,117
Electricity purchased for resale	72,665	78,572	44,315	140,958
Transactions in the short-term market	-	-	7,416	12
Current liabilities	**137,141**	**141,257**	**794,615**	**861,752**
Suppliers of property, plant and equipment and intangible assets	-	-	9,653	11,088
Suppliers of materials and services	-	-	6,262	6,240
Non-current liabilities [1]	**-**	**-**	**15,915**	**17,328**
	137,141	**141,257**	**810,530**	**879,080**

(1) The amounts related to trade accounts payable in the long term are presented as part of "Other non-current liabilities."

The Company's average payment term is approximately 30 days, and no interest is charged on the balances.

Notes to the Financial Statements

NOTE 15 – RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In order to conduct more efficiently risk evaluation and monitoring process in its business, the Company has the Risk Management Forum, which is responsible for: (i) internally promote the awareness on risk treatment; (ii) define goals and guidelines for its management; (iii) promote and suggest improvements in its evaluation processes; and (iv) classify and define control procedures.

In the first quarter of 2021, there was no change in the risks to which the Company and its subsidiaries are exposed or in the management and measurement of these risks, when compared to those presented in Note 18 – Risk management and financial instruments of the financial statements of 12.31.2020.

Notes to the Financial Statements

a) Hedge operations

Unrealized gains (losses) with hedge operations are as follows:

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Unrealized gains from hedge operations				
Current assets				
Fair value hedge – loans and debentures	13,128	6,631	13,128	6,631
Cash flow hedge – loans	11,642	5,058	11,642	5,058
Cash flow hedge - inventories	-	-	3,402	2,786
	24,770	**11,689**	**28,172**	**14,475**
Non-current assets				
Fair value hedge – loans and debentures	982,928	711,998	982,928	711,998
Cash flow hedge – loans	-	2,103	-	2,103
Cash flow hedge - obligations	-	-	59,518	5,279
	982,928	**714,101**	**1,042,446**	**719,380**
Long positions	**1,007,698**	**725,790**	**1,070,618**	**733,855**
Unrealized losses from hedge operations				
Current liabilities				
Fair value hedge – loans and debentures	-	(4,902)	(22,122)	(19,569)
Cash flow hedge - loans	(3,669)	-	(3,669)	-
	(3,669)	**(4,902)**	**(25,791)**	**(19,569)**
Non-current liabilities				
Fair value hedge – loans and debentures	(110,204)	(111,396)	(137,969)	(132,311)
Cash flow hedge – obligations	-	-	-	(3,661)
	(110,204)	**(111,396)**	**(137,969)**	**(135,972)**
Short positions	**(113,873)**	**(116,298)**	**(163,760)**	**(155,541)**
Net positions	**893,825**	**609,492**	**906,858**	**578,314**
Fair value hedge – loans and debentures	885,852	602,331	835,965	566,749
Cash flow hedge – loans	7,973	7,161	7,973	7,161
	893,825	**609,492**	**843,938**	**573,910**
Cash flow hedge - obligations	**-**	**-**	**59,518**	**1,618**
Cash flow hedge - inventories	**-**	**-**	**3,402**	**2,786**
Net positions	**893,825**	**609,492**	**906,858**	**578,314**

a.1) Hedge operations on loans and debentures

At 3.31.2021, the Company held no relevant financial obligation denominated in foreign currencies whose exchange variation was not fully hedged against.

Notes to the Financial Statements

The table below presents the net changes in hedge operations on loans and debentures:

	Parent Company			Consolidated		
	Current	Non-Current	Total	Current	Non-Current	Total
Assets (Liabilities) at 12.31.2020, net	**6,787**	**602,705**	**609,492**	**(7,880)**	**581,790**	**573,910**
Interest	(139)	(18,179)	(18,318)	(7,661)	(25,133)	(32,794)
Exchange variation	104,233	335,161	439,394	104,233	335,161	439,394
Fair value adjustment through profit or loss	-	(46,131)	(46,131)	67	(46,027)	(45,960)
Fair value adjustment through other comprehensive income	(92,554)	(178)	(92,732)	(92,554)	(178)	(92,732)
Transfers	654	(654)	-	654	(654)	-
Repayment of interest	2,120	-	2,120	2,120	-	2,120
Assets (Liabilities) at 3.31.2021, net	**21,101**	**872,724**	**893,825**	**(1,021)**	**844,959**	**843,938**

a.2) Cash flow hedge operations on obligations

The Company maintains on 3.31.2021 a Non-Deliverable Forward (NDF) to hedge all of its future foreign currency payments resulting from contractual commitments in the construction contracts of the first phase of the Santo Agostinho Wind Power Complex. The NDF was contracted on 12.29.2020 and the notional amount on 3.31.2021 is US$ 66,863, € 25,889 and Hong Kong renminbi (CN¥) 184,695, entered into with BNP Paribas and Itaú, with maturities between August 2022 and April 2023.

On 3.31.2021, unrealized gains of NDF totaled a long position of R$ 59,518 (R$ 5,279 long position and R$ 3,661 short position on 12.31.2020). The corresponding entry of this gain is directly recognized in shareholders' equity under "Other comprehensive income". The companies in the Santo Agostinho Wind Power Complex follow the presumptive tax regime. Therefore, the Company does not constitute deferred income taxes on the effects of this operation.

a.3) Unrealized losses (gains) on cash flow hedge operations

Unrealized losses (gains) in cash flow hedge operations originated in the period presented in the "Statement of comprehensive income" are:

	Parent Company		Consolidated	
	3.31.2021	3.31.2020	3.31.2021	3.31.2020
Cash flow hedge – loans	(92,732)	-	(92,732)	-
Cash flow hedge – obligations	-	-	57,900	-
Cash flow hedge – inventories	-	-	616	5,543
Unrealized (losses) gains from cash flow hedge operations originated in the period	**(92,732)**	**-**	**(34,216)**	**5,543**

b) Sensitivity analysis of the exposure to risks related to interest rates and floating rates and foreign currency quotation variation

The Company presents a sensitivity analysis on its financial instruments exposed to interest rate variation risks and floating rate risks. The probable basic scenario for 3.31.2021 was defined using these following assumptions available in the market (Source: Central Bank of Brazil Market Readout):

Notes to the Financial Statements

Risk of variation in interest rates and indices:	Change 12 months 3.31.2021	Probable Scenario 3.31.2022	Sensitivity		
			Probable	Δ + 25% (*)	Management
TJLP	4.4%	4.6%	0.2% p.p.	1.2% p.p.	0.0% p.p.
CDI	2.7%	5.0%	2.3% p.p.	1.3% p.p.	0.1% p.p.
IPCA	6.1%	4.8%	-1.3% p.p.	1.2% p.p.	-0.7% p.p.
IGP-M	31.1%	5.3%	-25.8% p.p.	1.3% p.p.	-0.1% p.p.

(*)Variations on probable scenario for 2022.

The probable sensitivity was calculated based on the variation of indices in the last 12 months, observed on 3.31.2021, and those expected for the next 12 months, ending on 3.31.2022, and showed any additional impacts in the Company's consolidated profit or loss. The other sensitivities shown were calculated based on (i) the variation of 25%; and (ii) Management's estimates of the projected scenario, which correspond to the Managements evaluation of reasonably possible change in interest rates and floating indexes for the following 12 months. Variations that could impact the consolidated result, and consequently the shareholders' equity in the following 12 months compared to the last 12 months, if the scenarios materialize are the following:

	Balances at 3.31.2021	Sensitivity		
		Probable	Δ + 25%	Management
Risk of increase (liability)				
Loans and financing				
TJLP	2,348,474	(4,806)	(25,042)	-
U.S. dollar – with swap to CDI rate	1,823,688	(29,861)	(16,234)	(1,263)
U.S. dollar – with swap to IPCA rate	1,196,322	15,036	(14,017)	8,720
IPCA	4,619,192	64,906	(61,589)	37,729
Debentures				
IPCA	5,340,146	74,909	(69,829)	43,431
CDI – with swap to IPCA rate	431,593	4,970	(4,634)	2,884
Redeemable preferred shares				
CDI	486,220	(12,027)	(6,594)	(512)
Concessions payable				
IGP-M	3,692,322	961,984	(49,177)	5,064
IPCA	633,128	8,059	(7,443)	4,634
Risk of decrease (asset)				
Concession financial asset				
IPCA	2,860,302	(36,323)	44,047	(21,057)

Notes to the Financial Statements

c) Risk related to energy prices in trading operations

The balance sheets for outstanding trading transactions are presented below.

	Consolidated					
	3.31.2021			12.31.2020		
	Assets	Liabilities	Net gain	Assets	Liabilities	Net gain
Classification in balance sheet						
Current	193,083	(193,940)	(857)	320,309	(321,654)	(1,345)
Non-current	70,705	(47,593)	23,112	54,385	(36,405)	17,980
	263,788	**(241,533)**	**22,255**	**374,694**	**(358,059)**	**16,635**

The variation in the balances for outstanding trading transactions is follows:

	Consolidated
Balances at 12.31.2020	**16,635**
Unrealized gain recognized for the period	10,814
Unrealized loss recognized for the period	(5,194)
Balances at 3.31.2021	**22,255**

The balances of trading operations are presented in Note 4 – Trade accounts receivable, Note 14 – Suppliers, Note 26 – Reconciliation of net operating revenue and Note 27 – Detail of operating expenses by nature.

c.1) Sensitivity analysis regarding trading operations

The main risk factor impacting prices in trading operations is the exposure to energy market prices.

In the decision-making process related to trading activities, the Company management uses sensitivity analysis considering the percentiles of historical volatility of energy prices for the product.

Percentiles are measures that divide the sample, by ascending order of data, in 100 parts, each one with an approximately equal percentage, considering, in this case the historical price volatility of each energy product. Therefore, the 25th percentile (P25) and the 75th percentile (P75) determine the lowest 25% and 75% prices observed, respectively.

The sensitivity analyses considering this methodology are shown below:

	Consolidated		
	3.31.2021	P25 Scenario	P75 Scenario
Unrealized gains on trading operations	22,255	(196)	208

The variation in the discount rate does not significantly impact the fair value determined, given the short duration of the outstanding trading portfolio, which is why no sensitivity analysis was presented.

Notes to the Financial Statements

d) Capital management risk

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Debt[1]	8,471,346	8,199,973	17,988,719	16,672,233
(-)Deposits pegged to debt service	(169,437)	(161,052)	(439,373)	(346,853)
(-)Cash and cash equivalents	(2,003,529)	(1,924,589)	(4,314,022)	(4,538,946)
Net debt	**6,298,380**	**6,114,332**	**13,235,324**	**11,786,434**
Shareholders' equity	**8,088,959**	**7,739,529**	**8,091,737**	**7,741,998**
Total debt/Shareholders' equity	**0.8**	**0.8**	**1.6**	**1.5**

(1) Composed of loans and debentures – net of hedge impacts, financing and redeemable preferred shares.

e) Liquidity risk

The following statement presents the estimated settlement profile for the Company's main financial liabilities recorded at 3.31.2021. Amounts were determined based on the estimated undiscounted cash flows, considering estimates of principal amortization and future interest payment, when applicable. For debts with floating interest rates, the amount was obtained based on interest curve at year end.

	Parent Company				
	Up to 1 year	From 2 to 3 years	From 4 to 5 years	Over 5 years	Total
Suppliers	137,141	-	-	-	137,141
Post-fixed interest rates:					
Loans and financing[1]	51,293	51,310	-	-	102,603
Debentures	343,065	672,344	1,707,334	1,749,077	4,471,820
Fixed interest rates:					
Loans and financing	1,310,899	3,378,199	576,865	-	5,265,963
Concessions payable	242,436	799,708	1,350,388	5,470,669	7,863,201
	2,084,834	**4,901,561**	**3,634,587**	**7,219,746**	**17,840,728**

	Consolidated				
	Up to 1 year	From 2 to 3 years	From 4 to 5 years	Over 5 years	Total
Suppliers	794,615	15,915	-	-	810,530
Post-fixed interest rates:					
Loans and financing[1]	543,070	1,312,668	1,370,929	6,936,044	10,162,711
Debentures[1]	2,091,225	103,205	2,476,679	3,342,805	8,013,914
Redeemable preferred shares	-	166,286	177,017	582,400	925,703
Fixed interest rates:					
Loans and financing	1,310,899	3,378,199	576,865	-	5,265,963
Concessions payable	249,277	813,418	1,364,098	5,551,788	7,978,581
	4,989,086	**5,789,691**	**5,965,588**	**16,413,037**	**33,157,402**

(1) Net of hedge effects.

Notes to the Financial Statements

f) Category of financial instruments

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Financial assets				
Fair value through profit or loss				
Financial investments	1,999,120	1,921,388	4,115,217	4,483,998
Marketable securities	414,384	339,219	-	-
Unrealized gains on fair value hedge operations	996,056	718,629	996,056	718,629
Unrealized gains on trading operations	-	-	263,788	374,694
Amortized cost				
Cash and bank deposits	4,409	3,201	198,805	54,948
Trade accounts receivable	646,306	695,003	1,521,111	1,739,267
Restricted deposits	171,903	161,860	495,355	409,867
Fuel reimbursable[1]	-	-	61,267	58,462
Concession financial asset	-	-	2,860,302	2,804,796
Fair value through other comprehensive income				
Unrealized gains on cash flow hedge operations	11,642	7,161	74,562	15,226
	4,243,820	**3,846,461**	**10,586,463**	**10,659,887**
Financial liabilities				
Fair value through profit or loss				
Foreign currency	4,445,638	4,126,373	4,445,638	4,126,373
Debentures	-	-	431,593	428,266
Unrealized losses on fair value hedge operations[2]	110,204	116,298	160,091	151,880
Unrealized losses on trading operations	-	-	241,533	358,059
Amortized cost				
Suppliers	137,141	141,257	810,530	879,080
Loans in local currency	99,960	110,744	6,970,575	6,028,600
Loans in foreign currency	1,158,485	1,046,535	1,158,485	1,046,535
Redeemable preferred shares	-	-	486,220	482,088
Debentures	3,661,088	3,525,813	5,340,146	5,134,281
Concessions payable	4,268,019	3,955,765	4,325,450	4,012,318
Liabilities linked to investment acquisition[2]	-	-	51,917	51,756
Fuel payable to CDE[2]	-	-	41,834	45,206
Reimbursement to distributors[2]	-	-	223,201	203,106
Fair value through other comprehensive income				
Unrealized losses on cash flow hedge operations[2]	3,669	-	3,669	3,661
	13,884,204	**13,022,785**	**24,690,882**	**22,951,209**

(1) Presented under "Other current assets."
(2) Presented under "Other current liabilities" and "Other non-current liabilities."

Notes to the Financial Statements

Financial assets and liabilities measured at fair value through profit or loss are assessed based on observable data (Level 2), except for marketable securities, which are assessed based on the market prices in active markets (Level 1).

g) Market value of financial instruments

In operations involving financial instruments, differences were identified only between amounts presented in the balance sheet and their market values in the financial instruments presented below. These differences occurred mainly because these instruments have long-term settlements and different costs in relation to interest rates currently used for similar contracts. The market values were determined based on future cash flows discounted to present value at rates considered as adequate for operations with similar characteristics.

	Parent Company			
	3.31.2021		12.31.2020	
	Book	Market	Book	Market
Loans and financing in local currency	99,960	97,998	110,744	107,966
Loans in foreign currency	5,604,123	5,868,825	5,172,908	5,172,908
Debentures	3,661,088	3,814,187	3,525,813	3,842,068
Concessions payable	4,268,019	4,375,890	3,955,765	4,301,579
	13,633,190	**14,156,900**	**12,765,230**	**13,424,521**

	Consolidated			
	3.31.2021		12.31.2020	
	Book	Market	Book	Market
Assets				
Concession financial asset	2,860,302	2,833,777	2,804,796	2,778,272
	2,860,302	**2,833,777**	**2,804,796**	**2,778,272**
Liabilities				
Loans and financing in local currency	6,970,575	7,078,378	6,028,600	6,736,194
Loans in foreign currency	5,604,123	5,868,825	5,172,908	5,173,420
Redeemable preferred shares	486,220	508,506	482,088	504,784
Debentures	5,771,739	6,103,462	5,562,547	5,860,290
Concessions payable	4,325,450	4,436,730	4,012,318	4,365,227
	23,158,107	**23,995,901**	**21,258,461**	**22,639,915**

Notes to the Financial Statements

NOTE 16 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	3.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
Measured at amortized cost						
BNDES	16,633	26,335	42,968	16,633	30,493	47,126
BNDES onlendings (Banks)[1]	1,533	1,372	2,905	1,533	1,755	3,288
NIB[2]	30,616	22,979	53,595	29,873	29,890	59,763
Charges	492	-	492	567	-	567
	49,274	**50,686**	**99,960**	**48,606**	**62,138**	**110,744**
Foreign currency – with hedge						
Measured at amortized cost						
Scotiabank	569,433	-	569,433	519,373	-	519,373
MUFG[3]	569,677	-	569,677	519,617	-	519,617
Charges	19,375	-	19,375	7,545	-	7,545
	1,158,485	**-**	**1,158,485**	**1,046,535**	**-**	**1,046,535**
Measured at fair value						
Scotiabank	-	1,766,054	1,766,054	-	1,627,693	1,627,693
BNP Paribas	-	1,600,209	1,600,209	-	1,475,679	1,475,679
MUFG	-	502,709	502,709	-	465,102	465,102
HSBC	-	523,725	523,725	-	535,236	535,236
Charges	52,941	-	52,941	22,663	-	22,663
	52,941	**4,392,697**	**4,445,638**	**22,663**	**4,103,710**	**4,126,373**
Loans and financing	**1,260,700**	**4,443,383**	**5,704,083**	**1,117,804**	**4,165,848**	**5,283,652**

(1) Banks responsible for analyzing and approving the financing and which assume the credit risk in the indirect operations with BNDES.

(2) Nordic Investment Bank.

(3) MUFG Bank LTD. is the new name of Bank of Tokyo.

Notes to the Financial Statements

Balances of loans and financing in the parent company, net of hedge effects, are:

	Parent Company					
	3.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**1,260,700**	**4,443,383**	**5,704,083**	**1,117,804**	**4,165,848**	**5,283,652**
Fair value hedge (swap) effects						
Long position	(13,128)	(982,928)	(996,056)	(6,631)	(711,998)	(718,629)
Short position [1]	-	110,204	110,204	4,902	111,396	116,298
Cash flow hedge (swap) effects						
Long position	(11,642)	-	(11,642)	(5,058)	(2,103)	(7,161)
Short position[1]	3,669	-	3,669	-	-	-
Loans and financing, net of hedge effects	**1,239,599**	**3,570,659**	**4,810,258**	**1,111,017**	**3,563,143**	**4,674,160**

(1) Hedge short position is presented as part of "Other current liabilities" and "Other non-current liabilities."

	Consolidated					
	3.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
Measured at amortized cost						
BNDES	272,992	6,383,893	6,656,885	251,194	5,606,575	5,857,769
BNDES onlendings (Banks)	1,533	1,372	2,905	1,533	1,755	3,288
BASA[1]	-	141,046	141,046	-	-	-
BNB[2]	-	87,103	87,103	-	83,951	83,951
NIB	30,616	22,979	53,595	29,873	29,890	59,763
Charges	29,041	-	29,041	23,829	-	23,829
	334,182	**6,636,393**	**6,970,575**	**306,429**	**5,722,171**	**6,028,600**
Foreign currency – with hedge						
Measured at amortized cost						
Scotiabank	569,433	-	569,433	519,373	-	519,373
MUFG	569,677	-	569,677	519,617	-	519,617
Charges	19,375	-	19,375	7,545	-	7,545
	1,158,485	**-**	**1,158,485**	**1,046,535**	**-**	**1,046,535**
Measured at fair value						
Scotiabank	-	1,766,054	1,766,054	-	1,627,693	1,627,693
BNP Paribas	-	1,600,209	1,600,209	-	1,475,679	1,475,679
MUFG	-	502,709	502,709	-	465,102	465,102
HSBC	-	523,725	523,725	-	535,236	535,236
Charges	52,941	-	52,941	22,663	-	22,663
	52,941	**4,392,697**	**4,445,638**	**22,663**	**4,103,710**	**4,126,373**
Loans and financing	**1,545,608**	**11,029,090**	**12,574,698**	**1,375,627**	**9,825,881**	**11,201,508**

(1) Banco da Amazônia S.A.
(2) Banco do Nordeste do Brasil S.A.

Notes to the Financial Statements

Balances of loans and financing in the consolidated, net of hedge effects, are:

	Consolidated					
	3.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**1,545,608**	**11,029,090**	**12,574,698**	**1,375,627**	**9,825,881**	**11,201,508**
Fair value hedge (swap) effects						
Long position	(13,128)	(982,928)	(996,056)	(6,631)	(711,998)	(718,629)
Short position [1]	-	110,204	110,204	4,902	111,396	116,298
Cash flow hedge (swap) effects						
Long position	(11,642)	-	(11,642)	(5,058)	(2,103)	(7,161)
Short position [1]	3,669	-	3,669	-	-	-
Loans and financing, net of hedge effects	**1,524,507**	**10,156,366**	**11,680,873**	**1,368,840**	**9,223,176**	**10,592,016**

(1) Hedge short position is presented as part of the items "Other current liabilities" and "Other non-current liabilities."

b) Changes in loans and financing

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2020	**1,117,804**	**4,165,848**	**5,283,652**	**1,375,627**	**9,825,881**	**11,201,508**
Additions	-	6	6	-	871,039	871,039
Interest	48,533	-	48,533	118,951	-	118,951
Inflation adjustments	753	658	1,411	(19,075)	101,288	82,213
Capitalized interest and inflation adjustments	-	-	-	37,631	-	37,631
Exchange variations	104,233	335,161	439,394	104,233	335,161	439,394
Fair value adjustment	-	(46,179)	(46,179)	-	(46,179)	(46,179)
Transfers	12,111	(12,111)	-	58,100	(58,100)	-
Payment of principal	(12,139)	-	(12,139)	(67,899)	-	(67,899)
Repayment of interest	(10,595)	-	(10,595)	(61,960)	-	(61,960)
Balances at 3.31.2021	**1,260,700**	**4,443,383**	**5,704,083**	**1,545,608**	**11,029,090**	**12,574,698**

Notes to the Financial Statements

c) Main transactions in 2021

c.1) Financing in domestic currency

- Release of financing

Until 3.31.2021, R$ 189,592 had been released, related to the financing from BNDES, borrowed by the indirect subsidiaries making up the Campo Largo II Wind Power Complex. The funds were used to finance the construction of wind generating plants at the complex.

During the three-month period ended 3.31.2021, the first tranche of financing of the indirect subsidiary Novo Estado from Banco da Amazônia S.A. was released in the amount of R$ 141,201 (R$ 140,982 net of funding costs). Additionally, until 3.31.2021, R$ 540,459 of the indirect subsidiary Novo Estado from BNDES was also released. The funds were used to finance the construction of transmission lines.

The main financing conditions contracted with Banco da Amazônia S.A. were:

			Conditions contracted	
Companies - Banks	Interest	Covenants	Maturity	Principal and interest
Novo Estado - BASA	IPCA + 1.4452% p.a.	ICSD[1] ≥ 1.3 (starting 2023)	08.2044	Principal: monthly, starting November 2022 Interest: monthly, starting April 2021

(1) Debt service coverage rate.

d) Breakdown of borrowings and financing by index and currency

	Parent Company				Consolidated			
	3.31.2021	%	12.31.2020	%	3.31.2021	%	12.31.2020	%
Local currency								
TJLP	43,098	0.8	47,272	0.9	2,348,474	18.7	2,390,392	21.3
IPCA	53,953	0.9	60,180	1.1	4,619,192	36.7	3,634,916	32.5
Not indexed (fixed rate)	2,909	0.1	3,292	0.1	2,909	0.0	3,292	0.0
	99,960	**1.8**	**110,744**	**2.1**	**6,970,575**	**55.4**	**6,028,600**	**53.8**
Foreign currency – with hedge								
U.S. dollar – with swap for fixed rate	1,425,628	25.0	1,350,902	25.6	1,425,628	11.3	1,350,902	12.1
U.S. dollar – with swap for CDI	1,823,688	32.0	1,681,458	31.8	1,823,688	14.5	1,681,458	15.0
U.S. dollar – with swap for IPCA	1,196,322	21.0	1,094,013	20.7	1,196,322	9.6	1,094,013	9.8
U.S. dollar – with NDF[1] for fixed U.S. dollar rate	1,158,485	20.2	1,046,535	19.8	1,158,485	9.2	1,046,535	9.3
	5,604,123	**98.2**	**5,172,908**	**97.9**	**5,604,123**	**44.6**	**5,172,908**	**46.2**
Loans and financing	**5,704,083**	**100.0**	**5,283,652**	**100.0**	**12,574,698**	**100.0**	**11,201,508**	**100.0**

(1) Non-Deliverable Forward (Forward currency contract without physical delivery).

Notes to the Financial Statements

e) Maturity of loans and financing under non-current liabilities

	Parent Company	Consolidated
April to December 2022	2,599,982	2,822,197
2023	581,305	944,559
2024	990,287	1,383,446
2025	271,809	667,882
2026	-	399,205
2027 to 2031	-	1,993,909
2032 to 2036	-	1,765,962
2037 to 2038	-	833,010
2041 to 2044	-	218,920
Loans and financing	**4,443,383**	**11,029,090**

f) Contract commitments (covenants)

There was no change in the covenants compared to those presented in Note 19 – Loans and financing of the financial statements of 12.31.2020, except for the information presented in the main transactions carried out in 2021. The financial commitments are being fully met by the Company and its subsidiaries.

NOTE 17 – DEBENTURES

a) Breakdown

	Parent Company					
	3.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Measured at amortized cost						
ENGIE – 5th issue	-	230,578	230,578	-	224,744	224,744
ENGIE – 6th issue	98,848	616,254	715,102	96,385	600,320	696,705
ENGIE – 7th issue	-	823,226	823,226	-	801,775	801,775
ENGIE – 9th issue	-	1,715,121	1,715,121	-	1,671,276	1,671,276
Charges	177,061	-	177,061	131,313	-	131,313
Debentures	**275,909**	**3,385,179**	**3,661,088**	**227,698**	**3,298,115**	**3,525,813**

Notes to the Financial Statements

	Consolidated					
	3.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Measured at amortized cost						
ENGIE – 5th issue	-	230,578	230,578	-	224,744	224,744
ENGIE – 6th issue	98,848	616,254	715,102	96,385	600,320	696,705
ENGIE – 7th issue	-	823,226	823,226	-	801,775	801,775
ENGIE – 9th issue	-	1,715,121	1,715,121	-	1,671,276	1,671,276
Jaguara – 1st issue	27,769	661,216	688,985	27,035	644,094	671,129
Miranda – 1st issue	6,242	416,404	422,646	6,061	405,629	411,690
Pampa Sul – 2nd issue	11,137	523,894	535,031	10,871	507,778	518,649
Charges	209,457	-	209,457	138,313	-	138,313
	353,453	**4,986,693**	**5,340,146**	**278,665**	**4,855,616**	**5,134,281**
Measured at fair value						
Jaguara – 1st issue	105,273	159,750	265,023	105,239	159,125	264,364
Miranda – 1st issue	65,112	98,830	163,942	65,091	98,430	163,521
Charges	2,628	-	2,628	381	-	381
	173,013	**258,580**	**431,593**	**170,711**	**257,555**	**428,266**
Debentures	**526,466**	**5,245,273**	**5,771,739**	**449,376**	**5,113,171**	**5,562,547**
Hedge (swap) effects						
Short position [1]	22,122	27,765	49,887	14,667	20,915	35,582
Debentures, net of hedge effects	**548,588**	**5,273,038**	**5,821,626**	**464,043**	**5,134,086**	**5,598,129**

(1) Hedge short position is presented as part of the items "Other current liabilities" and "Other non-current liabilities."

b) Changes in debentures

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2020	**227,698**	**3,298,115**	**3,525,813**	**449,376**	**5,113,171**	**5,562,547**
Interest	43,698	-	43,698	73,820	-	73,820
Inflation adjustments	6,294	85,283	91,577	7,936	127,296	135,232
Fair value adjustment	-	-	-	55	85	140
Transfers	(1,781)	1,781	-	(4,721)	4,721	-
Balances at 3.31.2021	**275,909**	**3,385,179**	**3,661,088**	**526,466**	**5,245,273**	**5,771,739**

Notes to the Financial Statements

c) Breakdown of debentures by index

	Parent Company				Consolidated			
	3.31.2021	%	12.31.2020	%	3.31.2021	%	12.31.2020	%
IPCA	3,661,088	100.0	3,525,813	100.0	5,340,146	92.5	5,134,281	92.3
CDI – with swap for IPCA	-	-	-	-	431,593	7.5	428,266	7.7
Debentures	**3,661,088**	**100.0**	**3,525,813**	**100.0**	**5,771,739**	**100.0**	**5,562,547**	**100.0**

d) Maturities of debentures recorded under non-current liabilities

	Parent Company	Consolidated
April to December 2022	170,684	396,881
2023	169,250	412,458
2024	501,001	771,967
2025	934,644	1,189,756
2026	741,829	1,013,067
2027 to 2031	867,771	1,176,620
2032 to 2036	-	284,524
Debentures	**3,385,179**	**5,245,273**

e) Contractual covenants

There was no change in the covenants compared to those presented in Note 20 – Debentures of the financial statements of 12.31.2020. The covenants are being fully met by the Company and its subsidiaries.

NOTE 18 - REDEEMABLE PREFERRED SHARES

a) Changes in redeemable preferred shares

	Consolidated – Non-current
Balance at 12.31.2020	**482,088**
Interest	4,132
Balance at 3.31.2021	**486,220**

b) Maturities of redeemable preferred shares registered under non-current liabilities

	Consolidated
2023	48,316
2024	39,810
2025	39,810
2026	39,810
2027	39,810
2028 to 2032	199,048
2033 to 2034	79,616
Redeemable preferred shares	**486,220**

Notes to the Financial Statements

NOTE 19 – LEASE OPERATIONS

a) Right of use of leases

		Parent Company					
		3.31.2021			12.31.2020		
	Depreciation period	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings							
Headquarters - ENGIE Brasil Energia	Until 2025	33,250	(10,953)	22,297	33,250	(9,715)	23,535
Other	-	60	(31)	29	60	(27)	33
		33,310	**(10,984)**	**22,326**	**33,310**	**(9,742)**	**23,568**

		Consolidated					
		3.31.2021			12.31.2020		
	Depreciation period	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings							
Headquarters - ENGIE Brasil Energia	Until 2025	33,250	(10,953)	22,297	33,250	(9,715)	23,535
Headquarters - EGSD	Until 2025	1,759	(532)	1,227	1,759	(442)	1,317
Land							
Campo Largo Wind Power Complexes	Until 2063	53,169	(2,627)	50,542	53,169	(2,332)	50,837
Trairí Wind Power Complex	Until 2047	26,596	(3,164)	23,432	26,596	(2,821)	23,775
Santo Agostinho Wind Power Complex	Until 2040	5,144	(325)	4,819	5,144	(278)	4,866
Umburanas Wind Power Complex	Until 2057	38,524	(1,582)	36,942	38,524	(1,329)	37,195
Assú Photovoltaic Complex	Until 2043	5,393	(456)	4,937	5,393	(400)	4,993
Other	-	778	(308)	470	778	(294)	484
		164,613	**(19,947)**	**144,666**	**164,613**	**(17,611)**	**147,002**

Notes to the Financial Statements

The change in right of use is presented below:

	Parent Company	Consolidated
Balances at 12.31.2020	**23,568**	**147,002**
Depreciation	(1,242)	(2,336)
Balances at 3.31.2021	**22,326**	**144,666**

b) Leases payable

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2020	**5,876**	**8,417**	**14,293**	**19,144**	**104,828**	**123,972**
Interest	540	-	540	3,669	-	3,669
Transfers	990	(990)	-	1,290	(1,290)	-
Advances	-	-	-	(486)	(96)	(582)
Amortizations	(1,534)	-	(1,534)	(4,950)	-	(4,950)
Balances at 3.31.2021	**5,872**	**7,427**	**13,299**	**18,667**	**103,442**	**122,109**

c) Maturities of leases payable recorded under non-current liabilities

	Parent Company			Consolidated		
	Amounts not discounted	Embedded interest	Balance of lease liability	Amounts not discounted	Embedded interest	Balance of lease liability
April to December 2022	3,435	(537)	2,898	11,513	(1,798)	9,715
2023	5,531	(1,002)	4,529	17,141	(3,853)	13,288
2024	-	-	-	20,226	(5,314)	14,912
2025	-	-	-	11,810	(6,085)	5,725
2026	-	-	-	8,354	(5,363)	2,991
2027 to 2031	-	-	-	61,771	(36,700)	25,071
2032 to 2036	-	-	-	58,543	(44,430)	14,113
After 2037	-	-	-	243,359	(225,732)	17,627
Leases payable	**8,966**	**(1,539)**	**7,427**	**432,717**	**(329,275)**	**103,442**

Notes to the Financial Statements

NOTE 20 – CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Cana Brava Hydroelectric Power Plant	2,155,220	1,947,523	2,155,220	1,947,523
Ponte de Pedra Hydroelectric Power Plant	1,537,102	1,441,006	1,537,102	1,441,006
São Salvador Hydroelectric Power Plant	575,697	567,236	575,697	567,236
Estreito Hydroelectric Power Plant	-	-	57,431	56,553
	4,268,019	**3,955,765**	**4,325,450**	**4,012,318**
Classification in the balance sheet				
Current liabilities	231,384	222,474	237,908	228,865
Non-current liabilities	4,036,635	3,733,291	4,087,542	3,783,453
	4,268,019	**3,955,765**	**4,325,450**	**4,012,318**

b) Changes

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2020	**222,474**	**3,733,291**	**3,955,765**	**228,865**	**3,783,453**	**4,012,318**
Interest	-	91,978	91,978	-	93,326	93,326
Inflation adjustments	-	277,979	277,979	-	279,186	279,186
Transfers	66,613	(66,613)	-	68,423	(68,423)	-
Amortizations	(57,703)	-	(57,703)	(59,380)	-	(59,380)
Balances at 3.31.2021	**231,384**	**4,036,635**	**4,268,019**	**237,908**	**4,087,542**	**4,325,450**

d) Maturities of concessions payable disclosed in non-current liabilities

	Parent Company	Consolidated
2022	174,582	179,092
2023	350,822	356,356
2024	500,661	505,691
2025	457,217	461,790
2026	417,574	421,731
2027 to 2031	1,603,849	1,619,603
2032 to 2036	525,556	535,334
2037 to 2038	6,374	7,945
Concessions payable	**4,036,635**	**4,087,542**

NOTE 21 – PROVISIONS

Provisions are recognized by the Company in amounts considered sufficient to settle the respective liabilities, when according to the legal counsels and Management, they involve probable risk of future disbursement.

Notes to the Financial Statements

a) Breakdown

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Civil				
Expropriations and administrative easement	42,440	46,962	48,614	52,900
Environmental	13,418	13,608	13,418	13,608
Retirement benefits	2,638	2,550	2,638	2,550
Sundry lawsuits	10,986	11,596	31,482	32,177
	69,482	**74,716**	**96,152**	**101,235**
Tax	**5,117**	**5,103**	**5,544**	**5,667**
Labor	**14,672**	**12,985**	**15,764**	**14,026**
Divestment of generation assets	**-**	**-**	**207,377**	**200,076**
	89,271	**92,804**	**324,837**	**321,004**
Classification in the balance sheet				
Current liabilities	4,047	3,293	15,913	15,159
Non-current liabilities	85,224	89,511	308,924	305,845
	89,271	**92,804**	**324,837**	**321,004**

b) Possible and remote risks

The Company is also a party to lawsuits that, in the opinion of the legal counsels and its Management, do not represent a probable risk of future disbursement, for which reason the amounts related to those lawsuits are not provisioned for.

b.1) Possible risks

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Tax and social security	**676,870**	**674,021**	**677,614**	**674,761**
PIS/Cofins on fuel reimbursement	515,760	514,732	515,760	514,732
Voluntary confession	46,437	46,361	46,437	46,361
Compensation of tax loss carryforwards in the succession	28,960	28,925	28,960	28,925
Recovery of PIS and Cofins taxes	27,390	27,339	27,390	27,339
Use of the Income Tax Loss and the Negative Social Contribution Base	18,509	18,473	18,509	18,473
Other	39,814	38,191	40,558	38,931
Civil	**22,845**	**22,927**	**51,902**	**41,098**
Labor	**15,385**	**15,195**	**17,106**	**16,756**
	715,100	**712,143**	**746,622**	**732,615**

In the 1st quarter of 2021, there were no significant updates in the main lawsuits assessed as possible risk, which are presented in Note 27 – Provisions, of the financial statements of 12.31.2020.

Notes to the Financial Statements

b.2) Remote risks

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Tax and social security	368,736	367,666	473,371	478,700
Civil	98,643	95,003	98,799	95,153
Labor	146,888	144,950	155,819	153,536
	614,267	**607,619**	**727,989**	**727,389**

NOTE 22 – RETIREMENT BENEFITS OBLIGATIONS

a) Breakdown

	Consolidated					
	3.31.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	23,999	163,770	187,769	23,232	165,481	188,713
Current contributions and service costs	21	-	21	21	-	21
Uncontracted deficit	19,047	242,821	261,868	19,814	242,365	262,179
Recorded actuarial liability	**43,067**	**406,591**	**449,658**	**43,067**	**407,846**	**450,913**

Retirement benefits obligations recognized in the balance sheet are partially covered by contracted obligations and/or obligations acknowledged through an instrument for the acknowledgment of debt and agreement entered into by the Company with respective Foundations.

Contracted amounts presented in non-current liabilities are expected to be settled as follows:

	Consolidated		
	ELOS	PREVIG	Total
April to December 2022	14,007	1,484	15,491
2023	20,041	1,691	21,732
2024	16,588	263	16,851
2025	17,573	-	17,573.00
2026	18,615	-	18,615.00
2027 to 2031	70,299	-	70,299
2032	3,209	-	3,209
	160,332	**3,438**	**163,770**

Notes to the Financial Statements

b) Changes in retirement benefit obligations

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS	GC	Total
Liabilities recorded at 12.31.2020	**424,760**	**22,036**	**449**	**3,668**	**450,913**
Current contribution and cost of service	-	10	-	(82)	(72)
Payment of contracted obligations	(7,407)	(941)	(91)	-	(8,439)
Interest on actuarial liabilities/assets, net	6,814	379	5	58	7,256
Liabilities recorded at 3.31.2021	**424,167**	**21,484**	**363**	**3,644**	**449,658**

NOTE 23 – DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Deferred income tax and social contribution assets and liabilities, are presented net, as follows:

a) Breakdown

	Parent Company				
		3.31.2021			12.31.2020
Description of credits	Calculation basis	IR	CSLL	Total	Total
Liabilities:					
Unrealized gains on hedge operations	1,044,635	261,159	94,017	355,176	231,382
Hydrological risk renegotiation	1,003,024	250,756	90,272	341,028	329,011
Accelerated depreciation	929,532	232,383	83,658	316,041	313,049
Property, plant and equipment deemed cost (fair value)	571,568	142,892	51,441	194,333	201,253
Unrealized sale at MAE (currently CCEE)	100,309	25,077	9,028	34,105	34,105
Capitalized financial charges	58,929	14,732	5,304	20,036	20,233
Other	92,734	23,184	8,346	31,530	14,622
		950,183	**342,066**	**1,292,249**	**1,143,655**
Assets:					
Income Tax Loss and Negative Social Contribution Base	370,629	92,657	32,040	124,697	11,888
Retirement benefits obligations	261,000	65,250	23,490	88,740	88,853
Unrealized losses on hedge operations	195,235	48,809	17,571	66,380	54,960
Fair value adjustment in business combinations	130,050	32,513	11,705	44,218	41,832
Estimated losses with doubtful accounts	122,017	30,504	10,982	41,486	41,486
Provision for asset impairment	90,853	22,713	8,177	30,890	30,898
Civil, tax and labor provisions	81,397	20,349	7,326	27,675	29,535
Other	82,412	20,603	4,748	25,351	27,852
		333,398	**116,039**	**449,437**	**327,304**
Net total		**616,785**	**226,027**	**842,812**	**816,351**

Notes to the Financial Statements

Description of credits	Consolidated				
	3.31.2021				12.31.2020
	Calculation basis	IR	CSLL	Total	Total
Liabilities:					
Revenue from installation of transmission infrastructure	3,407,931	851,983	306,714	1,158,697	920,891
Interest on concession financial asset	1,635,925	408,981	147,233	556,214	465,963
Accelerated depreciation	1,495,807	373,952	134,623	508,575	483,594
Unrealized gains on hedge operations	1,062,307	265,577	95,608	361,185	233,938
Renegotiation of hydrological risk	1,019,642	254,911	91,768	346,679	329,011
Capitalized financial charges	728,926	182,232	65,603	247,835	268,367
Property, plant and equipment deemed cost (fair value)	571,568	142,892	51,441	194,333	201,253
Intangible asset on the bonus paid for grant	283,987	70,997	25,559	96,556	89,491
Fair value of rights of project acquired	236,021	59,005	21,242	80,247	80,247
Unrealized sale at MAE (currently CCEE)	100,309	25,077	9,028	34,105	34,105
Other	80,950	19,924	7,286	27,210	26,781
		2,655,531	**956,105**	**3,611,636**	**3,133,641**
Assets:					
Construction costs of transmission infrastructure	3,289,235	822,309	296,031	1,118,340	894,564
Revenue from Return of Grant Bonus (RBO)	946,134	236,534	85,152	321,686	297,148
Income Tax Loss and Negative Social Contribution Base	742,193	185,548	65,477	251,025	76,206
Retirement benefits obligations	261,862	65,466	23,568	89,034	89,148
Unrealized losses on hedge operations	245,123	61,281	22,061	83,342	67,058
Provision for asset impairment	148,780	37,195	13,390	50,585	50,593
Estimated losses with doubtful accounts	137,175	34,294	12,346	46,640	46,640
Fair value adjustment in business combinations	130,050	32,513	11,705	44,218	41,832
Civil, tax and labor provisions	102,998	25,750	9,270	35,020	37,337
Other	184,746	46,187	13,960	60,147	57,535
		1,547,077	**552,960**	**2,100,037**	**1,658,061**
Net amount		**1,108,454**	**403,145**	**1,511,599**	**1,475,580**
Classification in the balance sheet					
Liabilities		1,143,431	415,737	1,559,168	1,523,222
Assets[1]		(34,977)	(12,592)	(47,569)	(47,642)
Total		**1,108,454**	**403,145**	**1,511,599**	**1,475,580**

(1) Amount presented under "Other non-current assets".

Notes to the Financial Statements

b) Change in deferred income tax and social contribution, net

	Parent Company	Consolidated
Balance at 12.31.2020	**828,239**	**1,475,580**
Taxes deferred in profit or loss	46,102	67,401
Taxes deferred in other comprehensive income	(31,529)	(31,382)
Balance at 3.31.2021	**842,812**	**1,511,599**

c) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
April to December 2021	187,503	59,504	244,705	119,559
2022	80,667	310,338	227,164	416,720
2023	18,900	70,081	153,386	176,198
2024	18,660	93,484	94,563	194,049
2025	18,979	64,375	91,364	161,614
2026 to 2028	40,781	180,402	239,521	456,630
2029 to 2031	54,836	388,682	224,808	666,167
2032 to 2034	15,231	87,890	489,038	691,943
After 2035	13,880	37,493	335,488	728,756
	449,437	**1,292,249**	**2,100,037**	**3,611,636**

NOTE 24 – OTHER LIABILITIES

	Parent Company		Consolidated	
	3.31.2021	12.31.2020	3.31.2021	12.31.2020
Reimbursement to distributors	-	-	223,201	203,106
Unrealized losses in hedge operations	113,873	116,298	163,760	155,541
Fuels –Aneel Resolution 801/2017	68,739	78,348	69,871	78,348
Liabilities linked to acquisition of investments	-	-	51,917	51,756
Fuel payable to CDE[1]	-	-	41,834	45,206
Advances from clients	3,313	4,175	18,241	32,663
Trade accounts payable	-	-	15,915	17,328
Other accounts payable	47,709	56,306	124,474	135,324
	233,634	**255,127**	**709,213**	**719,272**
Classification in balance sheet				
Current liabilities	90,594	98,662	204,801	238,687
Non-current liabilities	143,040	156,465	504,412	480,585
	233,634	**255,127**	**709,213**	**719,272**

(1) Energy Development Account.

Notes to the Financial Statements

a) Reimbursement to distributors

The Company has liabilities amounting to R$ 223,201 (R$ 203,106 on 12.31.2020), related to the reimbursement mechanism envisaged in the electricity agreements signed in the Regulated Contracting Environment (ACR) of plants of the Trairí, Campo Largo and Umburanas - Phase I Wind Complexes, Assú V and Pampa Sul. Of this amount, R$ 36,572 was recognized in the first quarter of 2021, with the revenues earned by the distributors as a corresponding entry.

b) Fuels – Aneel Resolution no. 801/2017

Corresponds mainly to the amounts payable because of the application of Aneel Resolution 801/2017, which revoked Aneel resolution 500/2012, in 2016. Such resolution envisages a reduction in the reimbursement of mineral coal acquired with funds from the CDE due to the energy efficiency of the generating unit.

c) Fuel payable to CDE

On 12.19.2017, Aneel issued a Normative Resolution, in effect from 1.1.2018, which established rules for the reimbursement of the fuel costs for domestic coal thermal power generation, intermediated by the Energy Development Account (CDE).

The resolution determined the mandatory acquisition, on 1.1.2018, of charcoal belonging to CDE under the management of the Jorge Lacerda Thermal Power Complex on the base date of 12.31.2016 for payment in five years from the acquisition. However, due to the Technical Note 143/2020 issued by Aneel on 8.19.2020, the quantity of charcoal to be acquired by the Company will be lower than that established in 2017. The changes for the first three months of 2021 are shown below:

	Consolidated
Balances at 12.31.2020	**45,206**
Payment	(12,258)
Inflation adjustment by IPCA	1,103
Coal price adjustment	6,660
Asset transfer	1,123
Balances at 3.31.2021	**41,834**

NOTE 25 – SHAREHOLDERS' EQUITY

a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$ 7,000,000, by resolution of Board of Directors, regardless of any amendment to its bylaws. Under the B3's New Market listing regulations, the Company cannot issue preferred shares or founder shares.

The Company has no treasury shares and did not perform any purchase and sale transactions involving shares of its own issuance in the years ended 3.31.2021 and 12.31.2020.

b) Subscribed and paid-in capital

At 3.31.2021 and 12.31.2020, the Company's fully subscribed and paid-in capital was R$ 4,902,648, represented by 815,927,740 registered common shares without par value.

Notes to the Financial Statements

The book value of the share in Reais, at 3.31.2021, is R$ 9.91 (R$ 9.49 for each share at 12.31.2020).

The Company's ownership structure at 3.31.2021 and 12.31.2020 was as follows:

Shareholders	Tranche of common shares	% of capital
ENGIE Brasil Participações Ltda.	560,640,791	68.71%
Banco Clássico S.A.	80,464,085	9.86%
Other shareholders	174,822,864	21.43%
	815,927,740	**100.00%**

As of 3.31.2021 and 12.31.2020, the Board of Directors, the Board of Executive Officers and the Audit Board held 69,620 and 53,870 shares issued by the Company, respectively.

c) Other comprehensive income

The account records variations of the fair value, net of deferred income tax and social contribution, of the following transactions: (i) obligations with the retirement benefits of defined benefit plans sponsored by the Company; and (ii) cash flow hedges of future commitments in foreign currency signed by the joint venture TAG and Santo Agostinho Wind Power Complex, indirect subsidiary; (iii) cash flow hedge on loans in foreign currency and combined exposure; and (iv) the effects from change in interest due to the merger of Aliança with the joint venture TAG.

Notes to the Financial Statements

NOTE 26 – RECONCILIATION OF NET OPERATING REVENUE

The following table presents the reconciliation between gross operating income and net operating revenue reported in the income statement.

	Parent Company		Consolidated	
	3.31.2021	3.31.2020	3.31.2021	3.31.2020
Gross operating income				
Electricity distributors	605,449	628,445	1,018,234	984,963
Free consumers	100,204	94,853	889,196	882,674
Trading operations	-	-	274,904	272,594
Electricity traders	405,185	337,811	157,770	156,319
Transactions in the short-term market	19,721	123,267	118,178	218,280
Other revenues	15,609	31,984	62,179	74,325
	1,146,168	**1,216,360**	**2,520,461**	**2,589,155**
Deductions from operating income				
PIS and Cofins	(102,021)	(109,011)	(222,287)	(233,145)
Research and development	(8,694)	(10,666)	(13,885)	(15,717)
ICMS	(3,926)	(4,916)	(9,208)	(10,028)
ISSQN	(824)	(850)	(826)	(852)
	(115,465)	**(125,443)**	**(246,206)**	**(259,742)**
Other				
Transmission infrastructure construction revenue	-	-	699,427	146,309
Remuneration from contract asset	-	-	137,766	9,325
Interest on concession financial asset	-	-	127,678	82,165
Unrealized gains on trading operations	-	-	10,814	27,382
	-	**-**	**975,685**	**265,181**
Net operating revenue	**1,030,703**	**1,090,917**	**3,249,940**	**2,594,594**

Notes to the Financial Statements

NOTE 27 – DETAIL OF OPERATING EXPENSES BY NATURE

a) Energy purchase

	Parent Company		Consolidated	
	3.31.2021	3.31.2020	3.31.2021	3.31.2020
Energy purchases				
Energy purchase for portfolio management	109,746	125,411	175,979	343,169
Trading operations	-	-	251,279	236,534
Unrealized losses on trading operations	-	-	5,194	25,718
	109,746	**125,411**	**432,452**	**605,421**
Transactions in the short-term energy market				
Purchases in the short-term market	9,970	30,588	70,597	110,768
Trading operations	-	-	673	7,293
	9,970	**30,588**	**71,270**	**118,061**

b) Other operating costs and costs of services rendered:

	Parent Company		Consolidated	
	3.31.2021	3.31.2020	3.31.2021	3.31.2020
Transmission line construction cost	-	-	683,231	142,815
Gain due to efficiency in construction, net	-	-	(2,815)	-
Depreciation and amortization	76,611	70,162	224,975	230,244
Fuels	-	-	125,388	95,174
Third party materials and services	12,414	11,117	92,301	84,067
Personnel	31,104	31,631	68,176	73,789
Royalties	20,748	11,563	25,774	17,372
Other	7,659	4,637	35,405	30,982
	148,536	**129,110**	**1,252,435**	**674,443**
Classification in profit or loss				
Operating costs	140,906	122,103	1,244,805	667,424
Costs of services	7,630	7,007	7,630	7,019
	148,536	**129,110**	**1,252,435**	**674,443**

Notes to the Financial Statements

c) Selling, general and administrative expenses

	Parent Company		Consolidated	
	3.31.2021	3.31.2020	3.31.2021	3.31.2020
Personnel and management	36,306	32,803	37,613	34,684
Third party materials and services	17,653	13,329	19,617	15,465
Depreciation and amortization	5,416	4,771	5,700	5,144
Contributions and donations	1,689	1,670	3,050	3,323
Pension funds	1,649	2,470	1,649	2,470
Other	2,168	675	2,472	1,030
	64,881	**55,718**	**70,101**	**62,116**
Classification in profit or loss				
Selling expenses	4,271	3,962	6,211	5,559
General and administrative expenses	60,610	51,756	63,890	56,557
	64,881	**55,718**	**70,101**	**62,116**

Notes to the Financial Statements

NOTE 28 – FINANCIAL RESULT

	Parent Company		Consolidated	
	3.31.2021	3.31.2020	3.31.2021	3.31.2020
Financial income				
Income from marketable securities	8,656	19,569	17,757	31,335
Income from restricted deposits	742	90	1,845	3,681
Interest and Inflation adjustment on				
Fuels	-	-	2,148	-
Accounts receivable	1,090	4,995	3,383	6,700
Court deposits	1,007	1,108	1,071	1,168
Marketable securities	14,523	-	-	-
Market value adjustment and marketable securities	59,934	-	-	-
Other financial income	(1,136)	2	(1,301)	1,221
	84,816	**25,764**	**24,903**	**44,105**
Financial expenses				
Interest and Inflation adjustment on:				
Concessions payable	369,957	119,339	372,512	121,135
Debentures	135,275	97,113	209,052	138,000
Loans and financing	49,944	51,486	201,164	141,667
Hedge on loans and debentures	18,318	3,145	32,794	13,611
Retirement benefit obligations	7,240	6,705	7,256	6,718
Redeemable preferred shares	-	-	4,132	-
Provisions	3,057	2,312	3,252	5,404
Leases	513	607	3,167	3,806
Other	4,619	93	18,152	1,207
Exchange variation on:				
Loans	439,394	860,722	439,394	860,722
Fair value hedge on loans	(439,394)	(860,722)	(439,394)	(860,722)
Fair value adjustment	(48)	1,340	(79)	692
Other financial expenses	1,454	2,077	5,807	4,121
	590,329	**284,217**	**857,209**	**436,361**
Financial expenses, net	**505,513**	**258,453**	**832,306**	**392,256**

Notes to the Financial Statements

NOTE 29 – INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent Company					
	3.31.2021			3.31.2020		
	IR	CSLL	Total	IR	CSLL	Total
Income before taxes	**574,903**	**574,903**	**574,903**	**650,660**	**650,660**	**650,660**
Standard rates	25%	9%	34%	25%	9%	34%
Tax expense at standard rates	**(143,726)**	**(51,741)**	**(195,467)**	**(162,665)**	**(58,559)**	**(221,224)**
Permanent differences						
Equity in net income of subsidiaries	107,876	38,835	146,711	60,860	21,910	82,770
Tax incentives	-	-	-	72	-	72
Other	2,871	(217)	2,654	(601)	(119)	(720)
	(32,979)	**(13,123)**	**(46,102)**	**(102,334)**	**(36,768)**	**(139,102)**
Breakdown of taxes in the income statement						
Current	-	-	-	73	-	73
Deferred	(32,979)	(13,123)	(46,102)	(102,407)	(36,768)	(139,175)
	(32,979)	**(13,123)**	**(46,102)**	**(102,334)**	**(36,768)**	**(139,102)**
Effective rate	**5.7%**	**2.3%**	**8.0%**	**15.7%**	**5.7%**	**21.4%**

	Consolidated					
	3.31.2021			3.31.2020		
	IR	CSLL	Total	IR	CSLL	Total
Income before taxes	**675,082**	**675,082**	**675,082**	**704,268**	**704,268**	**704,268**
Standard rates	25%	9%	34%	25%	9%	34%
Tax expense at standard rates	**(168,771)**	**(60,757)**	**(229,528)**	**(176,067)**	**(63,384)**	**(239,451)**
Permanent differences						
Equity income	43,632	15,708	59,340	25,725	9,261	34,986
Tax incentives	11,161	-	11,161	6,800	-	6,800
Variation between the calculation base of taxable and presumptive profit tax regimes	10,355	2,708	13,063	5,831	1,681	7,512
Other	911	(919)	(8)	(1,634)	(461)	(2,095)
	(102,712)	**(43,260)**	**(145,972)**	**(139,345)**	**(52,903)**	**(192,248)**
Breakdown of taxes in the income statement						
Current	(54,050)	(24,521)	(78,571)	(29,074)	(13,346)	(42,420)
Deferred	(48,662)	(18,739)	(67,401)	(110,271)	(39,557)	(149,828)
	(102,712)	**(43,260)**	**(145,972)**	**(139,345)**	**(52,903)**	**(192,248)**
Effective rate	**15.2%**	**6.4%**	**21.6%**	**19.8%**	**7.5%**	**27.3%**

Notes to the Financial Statements

NOTE 30 – TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties, which are detailed in Note 37 – Transactions with related parties, of the financial statements of 12.31.2020. The main transactions are:

- Purchase and sale of energy;

- Operation and maintenance;

- Administrative and financial services;

- Guarantees;

- Sureties; and

- Debentures.

There was no significant change in the transactions with related parties in the three-month period ended 3.31.2021.

a) Amounts recognized in balance sheet accounts – Parent Company

	ASSETS				LIABILITIES		
	Accounts receivable		Marketable securities	Dividends Energy	Supplier		IOE[1] / dividends
	Energy	Services and other			Other	Outros	
3.31.2021							
EBC	129,606	-	-	42,500	3,199	41	-
Pampa Sul	22,107	5	370,938	2,103	-	-	-
ENGIE Participações	-	3,729	-	-	-	4,969	102,209
Itasa	-	1,760	-	2,355	47,690	-	-
ECP and subsidiaries	-	1,165	-	-	-	-	-
CEE	-	553	-	129,674	-	-	-
Diamante	-	9	-	30,000	-	-	-
Jaguara	-	1	-	140,833	12,195	-	-
Miranda	-	1	-	56,343	6,292	-	-
ETP II	-	-	-	16,400	-	-	-
Other	-	5,240	-	4,997	1,694	436	-
Total	**151,713**	**12,463**	**370,938**	**425,205**	**71,070**	**5,446**	**102,209**
12.31.2020	**124,755**	**13,882**	**355,707**	**362,156**	**76,950**	**526**	**948,852**

(1) Interest on equity.

Notes to the Financial Statements

b) Amounts recognized in the income statement – Parent Company

	Revenue			Financial income	Cost	Cost and Expense
	Sale of energy	O&M Services	Administrative services		Energy purchase	Third party services
First quarter of 2021						
EBC	364,634	-	113	-	4,482	-
Pampa Sul	31,703	-	113	15,231	-	-
ENGIE Trading	3,072	-	113	-	8,692	-
Itasa	-	5,097	-	-	32,200	-
Ceste	-	5,503	-	-	-	-
Diamante	-	-	2,469	-	-	-
ECP and subsidiaries	-	-	1,585	-	-	-
Jaguara	-	-	104	-	37,421	-
Miranda	-	-	104	-	18,755	-
ESBR[1]	-	-	-	-	4,462	-
Other	-	-	216	-	-	1,307
Total	**399,409**	**10,600**	**4,817**	**15,231**	**106,012**	**1,307**
First quarter of 2020	**374,913**	**10,143**	**5,379**	**-**	**121,294**	**2,062**

(1) Energia Sustentável do Brasil.

c) Remuneration of key management personnel

The remuneration of key Management personnel, composed of the Board of Executive Officers established by the Bylaws, Board of Directors and Audit Board, was approved at the ASM and A/ESM held on 4.28.2021 and 4.28.2020, respectively, and is presented below:

	2020	2019
Fixed compensation	3,691	2,623
Variable compensation	2,057	1,438
Payroll charges	942	666
Other	354	286
	7,044	**5,013**

The Management does not receive share-based compensation from ENGIE Brasil Energia.

NOTE 31 – INFORMATION BY SEGMENT

The information by segment refers to the quarters ended 3.31.2021 and 3.31.2020 and is presented in a consolidated manner in the tables below:

Notes to the Financial Statements

	3.31.2021					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
NET OPERATING INCOME	**2,144,798**	**837,193**	**260,290**	**7,659**	**-**	**3,249,940**
Operating costs	(900,113)	(680,449)	(257,145)	(8,698)	-	(1,846,405)
GROSS PROFIT (LOSS)	**1,244,685**	**156,744**	**3,145**	**(1,039)**	**-**	**1,403,535**
Operating income (expenses)						
Selling, general and administrative expenses	(67,284)	(817)	(986)	(1,014)	-	(70,101)
Other operating income, net	(575)	-	-	-	-	(575)
	(67,859)	**(817)**	**(986)**	**(1,014)**	**-**	**(70,676)**
Equity income	**-**	**-**	**-**	**-**	**174,529**	**174,529**
PROFIT (LOSS) BEFORE FINANCIAL AND TAX RESULTS	**1,176,826**	**155,927**	**2,159**	**(2,053)**	**174,529**	**1,507,388**

	3.31.2020					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
NET OPERATING INCOME	**2,151,624**	**155,633**	**274,761**	**12,576**	-	**2,594,594**
Operating costs	(1,111,474)	(142,843)	(269,545)	(15,112)	-	(1,538,974)
GROSS PROFIT	**1,040,150**	**12,790**	**5,216**	**(2,536)**	**-**	**1,055,620**
Operating income (expenses)						
Selling, general and administrative expenses	(59,337)	(23)	(858)	(1,898)	-	(62,116)
Other operating expenses, net	119	-	-	-	-	119
	(59,218)	**(23)**	**(858)**	**(1,898)**	-	**(61,997)**
Equity income	**-**	**-**	**-**	**-**	**102,901**	**102,901**
PROFIT BEFORE FINANCIAL AND TAX RESULTS	**980,932**	**12,767**	**4,358**	**(4,434)**	**102,901**	**1,096,524**

Notes to the Financial Statements

NOTE 32 – INSURANCE

a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the corporate insurance program of its parent company ENGIE. The PDBI policy is valid until 5.31.2021 and the risk coverage amount is R$ 13,941,216 in the parent company and R$ 32,952,360 in the consolidated statements, namely:

	Parent Company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	10,196,817	3,691,411	14,773,163	4,260,113
Thermal power plants	-	-	5,051,842	2,112,556
Complementary plants (wind, solar, biomass and SHPP)	49,291	3,697	5,480,601	1,274,085
	10,246,108	**3,695,108**	**25,305,606**	**7,646,754**

The maximum combined limit of indemnification for material damages and loss of profits is R$ 3,760,260 per event.

In 2021, an exclusive operating risk insurance policy was contracted for the Campo Largo II Wind Power Complex, covering pecuniary damages and loss of profits, due to the operational startup of the complexes this year. The validity of the policy ends on 3.19.2022 and the risk amount covered is R$ 290,092, as follows:

Plants	Pecuniary damages	Loss of profit
CLWP IX Wind Complex	97,199	26,714
CLWP X Wind Complex	129,598	36,581
	226,797	**63,295**

The indirect subsidiary CLWP Eólica Parque XIV, whose authorization for commercial operation was granted on 3.31.2021, was added to the policy of the Campo Largo II Wind Power Complex starting from April 2021.

b) Engineering risks

The Company has insurance policies for Campo Largo II Wind Power Complex and Gralha Azul and Novo Estado Transmission Systems, whose caps for pecuniary damages are R$ 1,393,182, R$ 1,000,000 and R$ 500,000, respectively.

c) Other coverages

The Company has insurance to cover national and international transportation risks, civil liability of the directors, officers and management, political violence and terrorism extended to its subsidiaries, as well as group life insurance for its employees and officers.

Notes to the Financial Statements

d) Insurance indemnifications

In May 2019, there was an accident at a generation unit of the Jaguara Hydroelectric Power Plant and the unit remained unavailable until February 2020. The Company and the insurer are currently negotiating the loss of profits arising from this accident. Moreover, in April and July 2020, accidents occurred in CLWP Eólica Parque III and Usina Lages Bioenergética, respectively, resulting in exposure to loss of profits and pecuniary damages. The Company and the insurers are currently negotiating the coverages of these accidents.

NOTE 33 – LONG-TERM COMMITMENTS

The Company has long-term agreements, which are detailed in Note 40 – Long-term commitments, of the financial statements of 12.31.2020.

The main long-term commitments of the Company are:

- Contracts for the Use of the Transmission and Distribution System (CUST and CUSD);

- Contracts for purchase of coal at Pampa Sul and Diamante;

- Contracts for connection to the power grid;

- Operation and maintenance contracts;

- Renegotiation of hydrological risk;

- Contracts for modernization of plants;

- Bilateral contracts for purchase and sale of electricity; and

- Contracts for construction of Plants and Transmission Systems in progress.

Additionally, on 1.15.2021, the Company informed its shareholders and the market of the execution of an agreement for the supply of wind turbines to the Santo Agostinho Wind Power Complex. The estimated future commitment on 3.31.2021 was R$ 2,264 million and the conclusion is expected in the first half of 2023.

Except for the contract described above, there was no significant change in the long-term commitments in the three-month period ended 3.31.2021.

Notes to the Financial Statements

NOTE 34 – ADDITIONAL CASH FLOW INFORMATION

The following complementary cash flow transactions were as follows:

	Parent Company		Consolidated	
	3.31.2021	3.31.2020	3.31.2021	3.31.2020
Transfer of interest due to corporate restructuring (Note 11)	598,442	-	-	-
Dividends from subsidiaries	95,550	-	-	-
Dividends and interest on equity not claimed	6,829	1,881	6,829	1,881
Suppliers of property, plant and equipment and intangible assets	(303)	452	(34,179)	1,962
Income tax and social contribution credit	-	(2,151)	328	1,321
Capitalized interest, inflation adjustment and depreciation	-	-	37,934	8,155
Provisions for expropriations without cash effect in transmission construction	-	-	1,997	-
Net assets of subsidiaries acquired	-	-	-	136,093

NOTE 35 – SUBSEQUENT EVENTS

a) Commercial startup of Campo Largo II Wind Power Complex

On 4.7.2021 and 5.4.2021, Plants VIII and XVII of the Campo Largo II Wind Power Complex started commercial operations, adding to the Company installed capacity and physical guarantee of 63.0 MW and 34.7 MW average, respectively.

a) Proposed additional dividends

On 4.28.2021, the Annual Shareholders Meeting approved the allocation of net income and the proposal for payment of additional dividends on net income from the fiscal year 2020, in the amount of R$ 609,594 (R$ 0.7471177357 per share). On that date, the Company recognized the payment obligation in its balance sheet. The Company's shares will be traded ex-dividends as of 5.12.2021, and the dividends will be paid on a date to be defined later by the Board of Executive Officers.

ACCOUNTING DEPARTMENT

Paulo Roberto Keller de Negreiros
Accounting Department Manager
Accountant - CRC RS-068193/O-2 T-SC

Comments on Business Projections

Identification of projections

a. Purpose of projection

Investments in equity interest, maintenance, revitalization and expansion of the generation facilities.

The Company's investment statements segregate values in two groups:

• Investments financed with own capital, including acquisitions, and

• Investments financed with debts, including debts assumed in the acquisitions.

Both projection models are included in item "d" below.

The projections made are estimates deemed reasonable by the Company, which usually depend on future events, thus cannot be regarded as a promise to perform by the Company and its managers.

b. Period projected and projection term

ENGIE Brasil Energia quarterly discloses to the market its investment projections for the current year and the two subsequent years, valid until its realization or replacement by another projection.

c. Prospect assumptions, indicating which ones can be influenced by the Company's management

The Company's projections for investment are mainly based on the following assumptions:

• Schedule for maintenance of the generating units;

• Diagnosis of equipment;

• Regulatory obligations; and

• Strategic initiatives.

The amounts informed, projected and actual, do not consider interest on construction (interest on loan capital).

The Management can influence all assumptions, except for the regulatory obligations that are beyond its control.

In case of a significant change in the foregoing assumptions, the projections can be reviewed.

d. Value of the indicators that are the subject matter of the projection

The estimated and actual amounts for the quarter ended 3.31.2021 are presented below. These amounts are expressed in millions of Brazilian real and do not include interest on financing that were capitalized during the construction of the plants.

Comments on Business Projections

d.1 First quarter of 2021

Estimate for the years 2021, 2022 and 2023, announced in the 4th quarter of 2020:

Description \ Projection period	2021	2022	2023
Financed with debt	3,271	935	397
Financed with own capital	245	633	357
Total	**3,516**	**1,568**	**754**

Estimate for the years 2021, 2022 and 2023, announced in the 1st quarter of 2021:

Description \ Projection period	2021	2022	2023
Financed with debt	3,271	935	397
Financed with own capital	379	629	357
Total	**3,650**	**1,564**	**754**

Changes in the estimates informed for the years 2021, 2022 and 2023 between the 4th quarter of 2020 and 1st quarter of 2021:

Description \ Projection period	2021	2022	2023
Financed with debt	-	-	-
Financed with own capital	134	(4)	-
Total	**134**	**(4)**	**-**

Analysis of material changes:

Changes in relation to the last reporting period were largely due to the change in the financial calendar of the Novo Estado and Gralha Azul Transmission Systems.

The updated forecasts mainly refer to:

- 2021: the construction of the Novo Estado and Gralha Azul Transmission Systems, the Campo Largo II Wind Power Complex and Santo Agostinho Wind Power Complex, the conclusion of the Pampa Sul Thermal Power Plant, the modernization of Salto Osório HPP and the maintenance of the Company's generation park;
- 2022: the construction of the Gralha Azul Transmission System and Santo Agostinho Wind Power Plant, the modernization of the Salto Osório Hydroelectric Power Plant and the maintenance of the Company's generation park; and
- 2023: the construction of the Santo Agostinho Wind Power Complex and the maintenance of the Company's generation park

Comments on Business Projections

Investments made until the 1st quarter of 2021:

The total investments of ENGIE Brasil Energia in the 1st quarter of 2021 amounted to R$ 981.5 million, of which (i) R$ 943.7 million was invested in the construction of new projects: R$ 472.1 million in Novo Estado Transmission System, R$ 233.8 million in Gralha Azul Transmission System, R$ 203.7 million in Campo Largo II Wind Complex and R$ 34.1 million in the Santo Agostinho Wind Power Plant; R$ 26.4 million was allocated to maintenance and renovation projects of the generation park; and (iii) R$ 11.4 million was allocated for modernization of Salto Osório Hydroelectric Power Plant.

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

REPORT ON REVIEW OF QUARTERLY INFORMATION

To the Shareholders and Managers of

Engie Brasil Energia S.A.

Florianópolis - SC

Introduction

We have reviewed the interim, separate and consolidated financial information of Engie Brasil Energia S.A. (“Company”), identified as Parent Company and Consolidated, respectively, contained in the Quarterly Information – ITR Form for the quarter ended March 31, 2021, which comprise the balance sheet as of March 31, 2021 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, including other explanatory notes.

The Management of the Company is responsible for the preparation of the parent company and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) – Interim Financial Statements and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission of Brazil - CVM, applicable to the preparation of the Quarterly Information – ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Accordingly, we do not express an audit opinion.

Conclusion on parent company interim financial information

Based on our review, we are not aware of any fact that would lead us to believe that the parent company interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission of Brazil - CVM.

Conclusion on consolidated interim financial information

Based on our review, we are not aware of any fact that would lead us to believe that the consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission of Brazil - CVM.

Opinions and Statements / Special Review Report - Unqualified

Other matters

Value added statement

The interim financial information referred to above includes parent company and consolidated value added statements for the three-month period ended March 31, 2021, prepared under the responsibility of the Company management and presented as additional information in compliance with international standard IAS 34. These statements were reviewed together with the Quarterly Information – ITR to ensure that they are in compliance with the interim financial information and accounting records, as applicable, and if their form and content are in compliance with the criteria defined in the technical pronouncement CPC 09 – Demonstração do Valor Adicionado. Based on our review, we are not aware of any other event that make us believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in this standard and consistent with the parent company and consolidated interim financial information taken as a whole.

Joinville, May 5, 2021.

DELOITTE TOUCHE TOHMATSU

Independent Auditors

CRC nº 2 SP 011609/O-8 “F” SC

Fernando de Souza Leite

Accountant

CRC nº 1 PR 050422/O-3

Opinions and Statements / Opinion or Summarized Statement, if any, of the Audit Committee (statutory or not)

STATEMENT OF THE AUDIT COMMITTEE

The members of the Audit Committee recommend the approval of the Quarterly Information of the Company and agree with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu Auditores Independentes, as presented in the Special Review Report of the Independent Auditors.

Paulo de Resende Salgado
Coordinator of the Audit Committee

Carla Carvalho de Carvalho
Member of the Audit Committee

Manoel Eduardo Lima Lopes
Member of the Audit Committee

Florianópolis, May 5, 2021.

Opinions and Statements / Statement of the Executive Officers on the Financial Statements

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Quarterly Information (parent company and consolidated) and also agrees with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini

Chief Executive and Investor Relations Officer

Marcelo Cardoso Malta

Chief Financial Officer

Gabriel Mann dos Santos

Chief Energy Commercialization Officer

Guilherme Slovinski Ferrari

Chief Business Development, Strategy and Innovation Officer

José Luiz Jansson Laydner

Chief Operation Officer

Marcos Keller Amboni

Chief Regulation and Market Officer

Luciana Moura Nabarrete

Chief Administrative Officer

Márcio Daian Neves

Chief Implementation Officer

Florianópolis, May 5, 2021.

Opinions and Statements / Statement of the Executive Officers on the Independent Auditors' Report

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Quarterly Information (parent company and consolidated) and, also agrees with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini

Chief Executive and Investor Relations Officer

Marcelo Cardoso Malta

Chief Financial Officer

Gabriel Mann dos Santos

Chief Energy Commercialization Officer

Guilherme Slovinski Ferrari

Chief Business Development, Strategy and Innovation Officer

José Luiz Jansson Laydner

Chief Operation Officer

Marcos Keller Amboni

Chief Regulation and Market Officer

Luciana Moura Nabarrete

Chief Administrative Officer

Márcio Daian Neves

Chief Implementation Officer

Florianópolis, May 5, 2021.