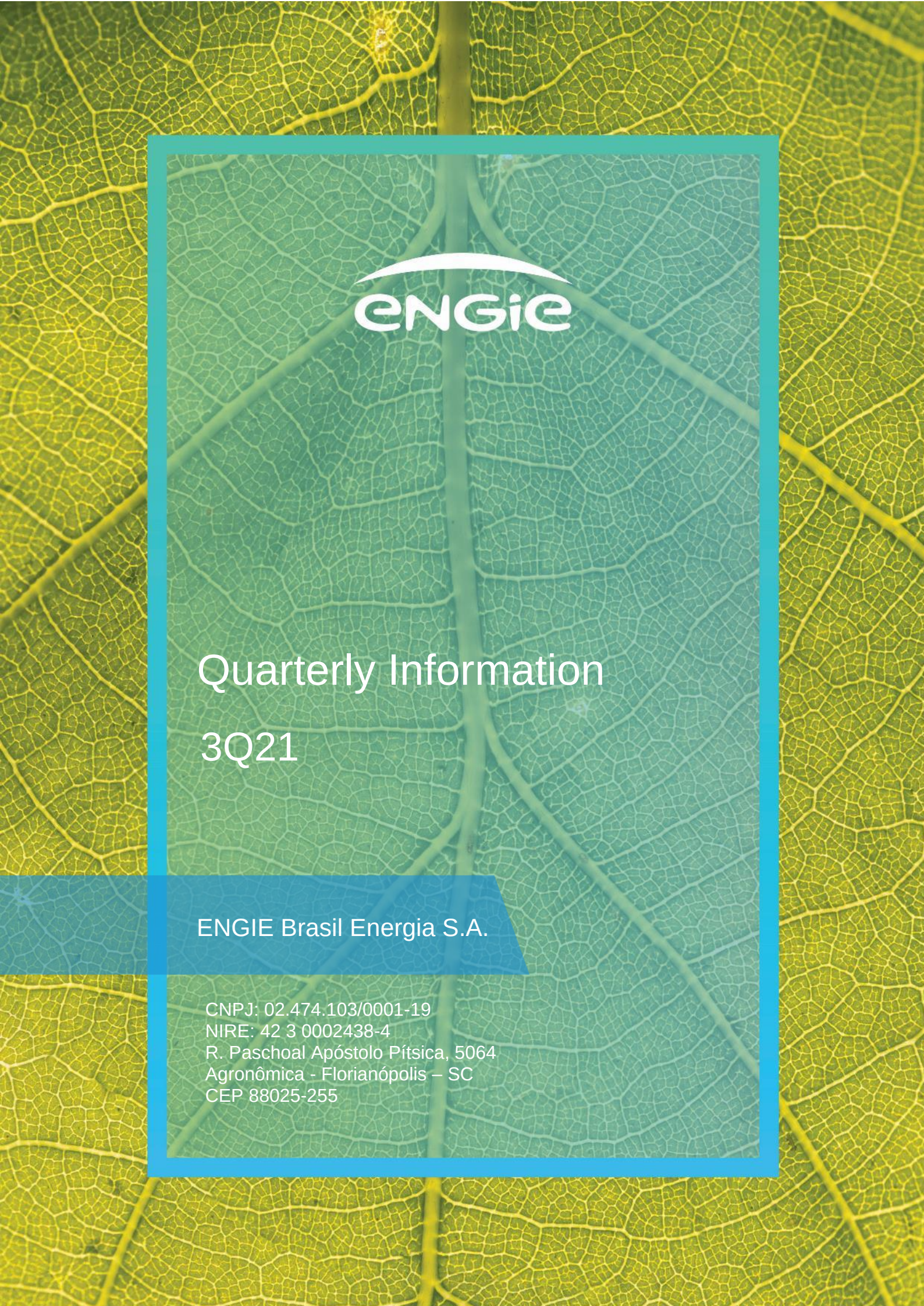


Quarterly Information

3Q21

ENGIE Brasil Energia S.A.

CNPJ: 02.474.103/0001-19
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Company Information / Capital Composition

Number of shares (Units)	Current quarter 9/30/2021
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 9/30/2021	Prior Year 12/31/2020
1	Total assets	23,918,375	23,859,749
1.01	Current assets	3,465,891	3,371,565
1.01.01	Cash and cash equivalents	1,846,192	1,924,589
1.01.03	Accounts receivable	690,598	1,054,957
1.01.03.01	Trade accounts receivable	472,024	692,801
1.01.03.02	Other accounts receivable	218,574	362,156
1.01.03.02.01	Dividends receivable	218,574	362,156
1.01.04	Inventories	17,713	17,314
1.01.06	Taxes recoverable	137,177	86,218
1.01.06.01	Current taxes recoverable	137,177	86,218
1.01.06.01.01	Income tax and social contribution credits	137,177	86,218
1.01.08	Other current assets	774,211	288,487
1.01.08.01	Non-current assets held for sale	374,497	4,577
1.01.08.03	Other	399,714	283,910
1.01.08.03.01	Unrealized gains on hedge operations	233,895	11,689
1.01.08.03.03	Restricted deposits	22,433	161,860
1.01.08.03.04	Renegotiation of hydrological risk to appropriate	13,016	13,016
1.01.08.03.07	Marketable securities	0	6,830
1.01.08.03.08	Other current assets	130,370	90,515
1.02	Non-current assets	20,452,484	20,483,607
1.02.01	Long term assets	784,880	1,267,201
1.02.01.10	Other non-current assets	784,880	1,267,201
1.02.01.10.03	Unrealized gains on hedge operations	596,408	714,101
1.02.01.10.05	Restricted deposits	7,981	0
1.02.01.10.06	Judicial deposits	80,938	80,888
1.02.01.10.07	Renegotiation of hydrological risk to appropriate	67,511	77,273
1.02.01.10.10	Right to use lease	19,845	23,568
1.02.01.10.11	Marketable securities	0	332,389
1.02.01.10.12	Other non-current assets	12,197	38,982
1.02.02	Investments	14,577,259	14,355,322
1.02.02.01	Equity interest	14,577,259	14,355,322
1.02.02.01.02	Interest on subsidiaries	11,760,940	11,679,177
1.02.02.01.03	Interest in joint ventures	2,816,319	2,676,145
1.02.03	Property, plant and equipment	3,616,381	3,825,549
1.02.03.01	Property, plant and equipment in operation	3,480,908	3,689,483
1.02.03.03	Construction in progress	135,473	136,066
1.02.04	Intangible assets	1,473,964	1,035,535
1.02.04.01	Intangible assets	1,473,964	1,035,535

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

Account Code	Account Description	Current Quarter 9/30/2021	Prior Year 12/31/2020
2	Total liabilities	23,918,375	23,855,172
2.01	Current liabilities	3,258,940	3,428,701
2.01.01	Social and labor obligations	123,805	100,980
2.01.01.02	Labor obligations	123,805	100,980
2.01.02	Suppliers	287,792	141,257
2.01.02.01	Domestic suppliers	287,792	141,257
2.01.03	Tax Liabilities	758	45,618
2.01.03.01	Federal tax liabilities	758	45,618
2.01.03.01.01	Income tax and social contribution payable	758	45,618
2.01.04	Loans and financing	1,585,156	1,345,502
2.01.04.01	Loans and financing	1,436,721	1,117,804
2.01.04.01.01	In local currency	33,821	48,606
2.01.04.01.02	In foreign currency	1,402,900	1,069,198
2.01.04.02	Debentures	148,435	227,698
2.01.05	Other liabilities	1,208,100	1,749,063
2.01.05.02	Other	1,208,100	1,749,063
2.01.05.02.01	Dividends and interest on equity payable	801,602	1,381,504
2.01.05.02.04	Lease payable	5,870	5,876
2.01.05.02.05	Concessions payable	259,294	222,474
2.01.05.02.06	Other tax and regulatory liabilities	40,952	40,547
2.01.05.02.08	Other current liabilities	100,382	98,662
2.01.06	Provisions	53,329	46,281
2.01.06.01	Tax, social security, labor and civil Provisions	10,341	3,293
2.01.06.01.01	Fiscal provisions	500	90
2.01.06.01.02	Social security and labor provisions	8,641	2,795
2.01.06.01.04	Civil provisions	1,200	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	12,776,539	12,686,942
2.02.01	Loans and financing	6,857,906	7,463,963
2.02.01.01	Loans and financing	3,421,841	4,165,848
2.02.01.01.01	In local currency	8,624	62,138
2.02.01.01.02	In foreign currency	3,413,217	4,103,710
2.02.01.02	Debentures	3,436,065	3,298,115
2.02.02	Other liabilities	4,564,280	3,898,173
2.02.02.02	Other	4,564,280	3,898,173
2.02.02.03	Concessions payable	4,384,661	3,733,291
2.02.02.02.06	Lease payable	5,382	8,417
2.02.02.02.07	Other non-current liabilities	174,237	156,465
2.02.03	Deferred taxes	864,211	828,239
2.02.03.01	Deferred income tax and social contribution	864,211	828,239
2.02.04	Provisions	490,142	496,567
2.02.04.01	Tax, social security, labor and civil provisions	88,069	89,511
2.02.04.01.01	Tax provisions	3,836	5,013
2.02.04.01.02	Social security and labor provisions	11,924	10,190
2.02.04.01.04	Civil provisions	72,309	74,308

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

Account Code	Account Description	Current Quarter 9/30/2021	Prior Year 12/31/2020
2.02.04.02	Other provisions	402,073	407,056
2.02.04.02.04	Retirement benefits obligations	402,073	407,056
2.03	Shareholders' equity	7,882,896	7,739,529
2.03.01	Paid-in capital stock	4,902,648	4,902,648
2.03.04	Profit reserves	2,942,691	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	239,725	233,936
2.03.04.10	Additional dividends proposed	0	609,594
2.03.05	Retained earnings/losses	723,290	0
2.03.06	Assets valuation adjustments	208,850	230,981
2.03.08	Other comprehensive income	-894,583	-940,596

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

Account Code	Account description	Current quarter 7/1/2021 to 9/30/2021	YTD current year 1/1/2021 to 9/30/2021	Same quarter of previous year 7/1/2020 to 9/30/2020	YTD previous year 1/1/2020 to 9/30/2020
3.01	Revenue from sales of goods and/or services	1,072,062	3,137,468	953,013	2,968,349
3.02	Cost of products and/or services sold	-428,993	-1,215,282	-355,326	-1,080,424
3.02.01	Energy purchases	-299,624	-619,287	-99,759	-372,443
3.02.02	Transactions in the short-term energy market	-216,824	-254,410	-10,071	-47,809
3.02.03	Charges for the use of and connection to the power grid	-97,558	-265,418	-84,927	-252,844
3.02.04	Renegotiation of hydrological risk	371,711	407,054	0	0
3.02.05	Other operating costs	-177,966	-458,386	-154,078	-386,534
3.02.06	Cost of services rendered	-8,732	-24,835	-6,491	-20,794
3.03	Gross profit	643,069	1,922,186	597,687	1,887,925
3.04	Operating expenses/income	402,695	972,907	360,061	998,092
3.04.01	Selling expenses	-5,295	-14,313	-3,668	-11,856
3.04.02	General and administrative expenses	-75,370	-204,175	-50,969	-159,979
3.04.05	Other operating expenses	-29,891	-193,564	-104	-242
3.04.05.01	Provision for impairment of assets	-29,568	-192,377	0	0
3.04.05.02	Other operating expenses, net	-323	-1,187	-104	-242
3.04.06	Equity income	513,251	1,384,959	414,802	1,170,169
3.04.06.01	Equity	514,086	1,387,465	415,637	1,172,675
3.04.06.02	Goodwill amortization	-835	-2,506	-835	-2,506
3.05	Income before financial result and taxes	1,045,764	2,895,093	957,748	2,886,017
3.06	Financial result	-340,423	-1,366,325	-451,117	-834,284
3.06.01	Financial income	27,691	126,666	78,270	173,766
3.06.02	Financial expenses	-368,114	-1,492,991	-529,387	-1,008,050
3.07	Income before income taxes	705,341	1,528,768	506,631	2,051,733
3.08	Income tax and social contribution	-66,641	-42,479	-16,924	-284,758
3.08.01	Current	68,375	-4,259	15,286	15,451
3.08.02	Deferred	-135,016	-38,220	-32,210	-300,209

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

Account Code	Account description	Current quarter 7/1/2021 to 9/30/2021	YTD current year 1/1/2021 to 9/30/2021	Same quarter of previous year 7/1/2020 to 9/30/2020	YTD previous year 1/1/2020 to 9/30/2020
3.09	Net income from continuing operations	638,700	1,486,289	489,707	1,766,975
3.11	Net income/loss for the period	638,700	1,486,289	489,707	1,766,975
3.99	Earnings per share (R$ /share)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	0.78279	1.82159	0.60018	2.1656
3.99.02	Diluted earnings per share				
3.99.02.01	ON	0.78279	1.82159	0.60018	2.1656

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

Account Code	Account description	Current quarter 7/1/2021 to 9/30/2021	YTD current year 1/1/2021 to 9/30/2021	Same quarter of previous year 7/1/2020 to 9/30/2020	YTD previous year 1/1/2020 to 9/30/2020
4.01	Net income for the period	638,700	1,486,289	489,707	1,766,975
4.02	Other comprehensive income	-132,951	46,013	-98,327	-944,162
4.02.01	Unrealized losses of cash flow hedge operations in the year	-436	-6,611	-25	-25
4.02.02	Deferred income tax and social contribution – unrealized losses in the period	148	2,248	8	8
4.02.03	Equity income in gains of cash flow hedge of subsidiaries, net of deferred taxes	57,562	41,736	142	403
4.02.04	Equity income in (losses) gains of cash flow hedges of joint venture, net of deferred taxes	-190,225	8,640	-98,452	-944,548
4.03	Comprehensive income for the period	505,749	1,532,302	391,380	822,813

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

Account Code	Account Description	YTD current year 1/1/2021 to 9/30/2021	YTD previous year 1/1/2020 to 9/30/2020
6.01	Net cash from operating activities	1,486,003	1,611,543
6.01.01	Cash generated from operations	1,579,958	1,947,092
6.01.01.01	Income before income taxes	1,528,768	2,051,733
6.01.01.02	Equity interest income	-1,384,959	-1,170,169
6.01.01.03	Depreciation and amortization	250,863	225,085
6.01.01.04	Provision for impairment of assets	192,377	0
6.01.01.05	Renegotiation of hydrological risk	-407,054	0
6.01.01.06	Monetary variation	809,011	436,392
6.01.01.07	Interest	640,360	451,732
6.01.01.08	Market value adjustment of marketable securities	-47,419	-30,940
6.01.01.13	Other	-1,989	-16,741
6.01.02	Changes in assets and liabilities	312,895	-155,413
6.01.02.01	Trade accounts receivable	232,894	-41,343
6.01.02.02	Inventories	-399	-1,828
6.01.02.04	Restricted and court deposits	-18,447	22,707
6.01.02.05	Renegotiation of hydrological risk to recognize	9,762	9,762
6.01.02.09	Income tax and social contribution credit	-50,959	-37,705
6.01.02.10	Other assets	47,133	-99,216
6.01.02.11	Suppliers	135,912	-25,521
6.01.02.12	Other tax and regulatory obligations	-538	51,607
6.01.02.13	Labor obligations	34,791	-2,319
6.01.02.14	Retirement benefits obligations	-26,885	-22,762
6.01.02.16	Other liabilities	-50,369	-8,795
6.01.03	Other	-406,850	-180,136
6.01.03.01	Payment of income tax and social contribution	-74,200	-24,323
6.01.03.02	Payment of interest on debt, net of hedge	-332,650	-155,813
6.02	Net cash from investment activities	1,640,090	-1,104,310
6.02.01	Dividends received from subsidiaries and joint ventures	731,098	431,704
6.02.02	Capital increase in subsidiaries	-816,415	-819,281
6.02.03	Capital decrease in subsidiaries	880,000	0
6.02.04	New investment	0	-327,168
6.02.06	Investment in property, plant and equipment and intangible assets	-52,577	-49,565
6.02.07	New marketable securities	0	-340,000
6.02.08	Sale of marketable securities	410,984	0
6.03	Net cash from financing activities	-2,717,490	-1,019,485
6.03.01	New loans and financing	529,809	632,490
6.03.05	Payment of loans and financing, net of hedge	-1,117,754	-301,648
6.03.06	Payment of debentures	-100,895	0
6.03.07	Payment of concession installments	-173,609	-104,508
6.03.08	Payment of dividends and interest on equity	-2,004,670	-1,241,098
6.03.09	Lease payment	-4,593	-4,700
6.03.10	Deposits linked to debt service	154,222	19
6.03.11	Other	0	-40

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

Account Code	Account Description	YTD current year 1/1/2021 to 9/30/2021	YTD previous year 1/1/2020 to 9/30/2020
6.05	Increase (decrease) in cash and cash equivalents	-78,397	-512,252
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	1,846,192	2,078,255

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / YTD Current Year - 1/1/2021 to 9/30/2021 (In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Accumulated 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	-609,594	-779,341	0	-1,388,935
5.04.08	Dividends and interest on equity not claimed	0	0	0	10,177	0	10,177
5.04.09	Additional dividends for 2020 credited	0	0	-609,594	0	0	-609,594
5.04.10	Interim dividends credited	0	0	0	-789,518	0	-789,518
5.05	Total comprehensive income	0	0	0	1,486,289	46,013	1,532,302
5.05.01	Net income for the period	0	0	0	1,486,289	0	1,486,289
5.05.02	Other comprehensive income	0	0	0	0	46,013	46,013
5.05.02.06	Fair value of cash flow hedge	0	0	0	0	37,373	37,373
5.05.02.07	Interest in joint venture	0	0	0	0	8,640	8,640
5.06	Internal changes in shareholders' equity	0	0	5,789	16,342	-22,131	0
5.06.07	Realization of deemed cost	0	0	0	22,131	-22,131	0
5.06.08	Tax incentive reserve	0	0	5,789	-5,789	0	0
5.07	Closing balances	4,902,648	0	2,942,691	723,290	-685,733	7,882,896

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / YTD Current Year - 1/1/2020 to 9/30/2020

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Accumulated Losses)	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	-673,710	0	-673,710
5.04.10	Interim dividends credited	0	0	0	-677,688	0	-677,688
5.04.11	Dividends and interest on equity not claimed	0	0	0	3,978	0	3,978
5.05	Total comprehensive income	0	0	0	1,766,975	-944,162	822,813
5.05.01	Net income for the period	0	0	0	1,766,975	0	1,766,975
5.05.02	Other comprehensive income	0	0	0	0	-944,162	-944,162
5.05.02.06	Fair value of cash flow hedge	0	0	0	0	386	386
5.05.02.07	Interest in joint venture	0	0	0	0	-944,548	-944,548
5.06	Internal changes in shareholders' equity	0	0	16,026	6,075	-22,101	0
5.06.05	Tax incentive reserve	0	0	16,026	-16,026	0	0
5.06.06	Realization of deemed cost	0	0	0	22,101	-22,101	0
5.07	Closing balances	4,902,648	0	2,139,271	1,099,340	-997,002	7,144,257

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

Account Code	Account Description	YTD current year 1/1/2021 to 9/30/2021	YTD previous year 1/1/2020 to 9/30/2020
7.01	Revenues	3,476,710	3,299,282
7.01.01	Sale of products and services	3,477,897	3,249,183
7.01.02	Other revenues	-1,187	50,099
7.01.02.06	Favorable outcome in lawsuit	0	50,341
7.01.02.07	Other operating income, net	-1,187	-242
7.02	Raw material acquired from third parties	-1,062,332	-784,723
7.02.02	Materials, energy, third parties services and other	-99,955	-86,309
7.02.04	Other	-962,377	-698,414
7.02.04.01	Energy purchases	-619,287	-372,443
7.02.04.02	Transactions in short-term energy market	-254,410	-47,809
7.02.04.03	Charges for the use of and connection to the power grid	-265,418	-252,844
7.02.04.06	Renegotiation of hydrological asset	407,054	0
7.02.04.09	Provision for impairment of assets	-192,377	0
7.02.04.10	Other	-37,939	-25,318
7.03	Gross added value	2,414,378	2,514,559
7.04	Retentions	-250,863	-225,085
7.04.01	Depreciation, amortization and depletion	-250,863	-225,085
7.05	Net added value generated	2,163,515	2,289,474
7.06	Added value received in transfer	1,511,625	1,343,935
7.06.01	Equity income	1,384,959	1,170,169
7.06.02	Financial income	126,666	173,766
7.07	Total added value to distribute	3,675,140	3,633,409
7.08	Distribution of added value	3,675,140	3,633,409
7.08.01	Labor	212,901	162,821
7.08.01.01	Direct remuneration	154,698	105,520
7.08.01.02	Benefits	30,922	28,873
7.08.01.03	F.G.T.S. - workers' severance fund	9,018	8,783
7.08.01.04	Other	18,263	19,645
7.08.01.04.01	Profit sharing	18,263	19,645
7.08.02	Taxes, duties and contributions	393,427	626,268
7.08.02.01	Federal	380,400	607,887
7.08.02.02	State	10,030	15,548
7.08.02.03	Municipal	2,997	2,833
7.08.03	Third-party capital remuneration	632,633	402,409
7.08.03.01	Interest	619,683	371,760
7.08.03.02	Rentals	1,498	860
7.08.03.03	Other	11,452	29,789
7.08.03.03.02	Other financial expenses	11,452	29,789
7.08.04	Remuneration of own capital	1,512,808	1,777,028
7.08.04.02	Dividends	789,518	677,688
7.08.04.03	Retained earnings / loss for the period	723,290	1,099,340

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

Account Code	Account Description	YTD current year 1/1/2021 to 9/30/2021	YTD previous year 1/1/2020 to 9/30/2020
7.08.05	Other	923,371	664,883
7.08.05.01	Sectorial charges	88,091	75,849
7.08.05.02	Charges on concessions payable	861,799	599,087
7.08.05.04	Tax incentive reserves	5,789	16,026
7.08.05.05	Realization of deemed cost	-22,131	-22,101
7.08.05.06	Dividends and interest on equity not claimed	-10,177	-3,978

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

Account Code	Account Description	Current Quarter 9/30/2021	Prior Year 12/31/2020
1	Total assets	38,840,662	35,186,248
1.01	Current assets	8,598,380	7,733,297
1.01.01	Cash and cash equivalents	4,639,451	4,538,946
1.01.03	Accounts receivable	1,289,531	1,755,601
1.01.03.01	Trade accounts receivable	1,289,531	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	154,794	189,428
1.01.06	Taxes recoverable	198,997	140,785
1.01.06.01	Current taxes recoverable	198,997	140,785
1.01.06.01.01	Income tax and social contribution credits	198,997	140,785
1.01.08	Other current assets	2,315,607	1,108,537
1.01.08.01	Non-current assets for sale	579,846	4,577
1.01.08.03	Other	1,735,761	1,103,960
1.01.08.03.01	Unrealized hedge gains	248,327	14,475
1.01.08.03.02	Unrealized trading gains	500,631	320,309
1.01.08.03.03	Restricted deposits	70,495	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	327,105	305,626
1.01.08.03.06	Agreement asset	338,883	0
1.01.08.03.08	Other current assets	235,231	274,413
1.02	Non-current assets	30,242,282	27,452,951
1.02.01	Long term assets	9,305,884	6,976,062
1.02.01.10	Other non-current assets	9,305,884	6,976,062
1.02.01.10.03	Unrealized hedge gains	627,636	719,380
1.02.01.10.04	Unrealized trading gains	218,925	54,385
1.02.01.10.05	Restricted deposits	330,246	235,819
1.02.01.10.06	Judicial deposits	82,753	82,539
1.02.01.10.07	Renegotiation of hydrological risk to appropriate	89,280	100,597
1.02.01.10.08	Concession financial asset	2,655,590	2,499,170
1.02.01.10.09	Agreement asset	5,037,743	2,961,419
1.02.01.10.10	Right of use of leases	141,541	147,002
1.02.01.10.12	Other non-current assets	122,170	175,751
1.02.02	Investments	2,549,725	2,425,062
1.02.02.01	Equity interest	2,549,725	2,425,062
1.02.02.01.04	Interest in joint ventures	2,549,725	2,425,062
1.02.03	Property, plant and equipment	15,453,986	15,537,837
1.02.03.01	Property, plant and equipment in operation	14,399,018	14,032,290
1.02.03.03	Construction in progress	1,054,968	1,505,547
1.02.04	Intangible assets	2,932,687	2,513,990
1.02.04.01	Intangible assets	2,932,687	2,513,990

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

Account Code	Account Description	Current Quarter 9/30/2021	Prior Year 12/31/2020
2	Total liabilities	38,840,662	35,186,248
2.01	Current liabilities	5,898,206	5,380,926
2.01.01	Social and labor obligations	140,390	130,097
2.01.01.02	Labor obligations	140,390	130,097
2.01.02	Suppliers	990,139	861,752
2.01.02.01	Domestic suppliers	990,139	861,752
2.01.03	Tax liabilities	92,289	198,541
2.01.03.01	Federal tax liabilities	92,289	198,541
2.01.03.01.01	Income tax and social contribution payable	92,289	198,541
2.01.04	Loans and financing	2,188,540	1,825,003
2.01.04.01	Loans and financing	1,713,091	1,375,627
2.01.04.01.01	In local currency	310,191	306,429
2.01.04.01.02	In foreign currency	1,402,900	1,069,198
2.01.04.02	Debentures	475,449	449,376
2.01.05	Other liabilities	2,216,335	2,307,307
2.01.05.02	Other	2,216,335	2,307,307
2.01.05.02.01	Dividends and interest on equity payable	801,782	1,385,056
2.01.05.02.04	Lease payable	17,975	19,144
2.01.05.02.05	Concessions payable	266,094	228,865
2.01.05.02.06	Other tax and regulatory liabilities	106,895	113,901
2.01.05.02.07	Unrealized trading losses	493,734	321,654
2.01.05.02.08	Other current liabilities	529,855	238,687
2.01.06	Provisions	65,164	58,226
2.01.06.01	Tax, social security, labor and civil provisions	22,175	15,159
2.01.06.01.01	Tax provisions	537	192
2.01.06.01.02	Social security and labor provisions	8,673	2,795
2.01.06.01.04	Civil provisions	12,965	12,172
2.01.06.02	Other provisions	42,989	43,067
2.01.06.02.04	Retirement benefits obligations	42,989	43,067
2.01.07	Liabilities on non-current assets for sale and discontinued non-current assets	205,349	0
2.01.07.01	Liabilities on non-current assets for sale	205,349	0
2.02	Non-current liabilities	25,056,190	22,063,324
2.02.01	Loans and financing	17,061,736	14,939,052
2.02.01.01	Loans and financing	11,438,108	9,825,881
2.02.01.01.01	In local currency	8,024,891	5,722,171
2.02.01.01.02	In foreign currency	3,413,217	4,103,710
2.02.01.02	Debentures	5,623,628	5,113,171
2.02.02	Other liabilities	5,573,672	4,887,359
2.02.02.02	Other	5,573,672	4,887,359
2.02.02.02.03	Concessions payable	4,437,227	3,783,453
2.02.02.02.04	Unrealized trading losses	198,243	36,405
2.02.02.02.05	Redeemable preferred shares	498,733	482,088
2.02.02.02.06	Lease payable	103,086	104,828
2.02.02.02.07	Other non-current liabilities	336,383	480,585
2.02.03	Deferred taxes	1,672,713	1,523,222
2.02.03.01	Deferred income tax and social contribution	1,672,713	1,523,222

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

Account Code	Account Description	Current Quarter 9/30/2021	Prior Year 12/31/2020
2.02.04	Provisions	748,069	713,691
2.02.04.01	Tax, social security, labor and civil provisions	345,949	305,845
2.02.04.01.01	Tax provisions	3,989	5,475
2.02.04.01.02	Social security and labor provisions	12,895	11,231
2.02.04.01.04	Civil provisions	88,104	89,063
2.02.04.01.05	Provision for divestment	240,961	200,076
2.02.04.02	Other provisions	402,120	407,846
2.02.04.02.04	Retirement benefits obligations	402,120	407,846
2.03	Consolidated shareholders' equity	7,886,266	7,741,998
2.03.01	Paid-in capital stock	4,902,648	4,902,648
2.03.04	Profit reserves	2,942,691	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	239,725	233,936
2.03.04.10	Additional dividend proposed	0	609,594
2.03.05	Retained earnings/losses	723,290	0
2.03.06	Assets valuation adjustments	208,850	230,981
2.03.08	Other comprehensive income	-894,583	-940,596
2.03.09	Non-controlling interest	3,370	2,469

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

Account Code	Account description	Current quarter 7/1/2021 to 9/30/2021	YTD current year 1/1/2021 to 9/30/2021	Same quarter of previous year 7/1/2020 to 9/30/2020	YTD previous year 1/1/2020 to 9/30/2020
3.01	Revenue from sales of goods and/or services	3,388,846	9,771,851	3,208,816	8,489,925
3.02	Cost of products and/or services sold	-1,991,466	-5,747,450	-2,040,361	-5,161,701
3.02.01	Energy purchases	-516,868	-1,449,826	-640,844	-1,834,260
3.02.02	Transactions in the short-term energy market	-328,113	-527,630	-22,666	-198,110
3.02.03	Charges for the use of and connection to the power grid	-164,825	-453,057	-140,913	-418,329
3.02.04	Renegotiation of hydrological risk	371,711	423,672	0	0
3.02.05	Other operating costs	-1,344,639	-3,715,774	-1,229,397	-2,690,135
3.02.06	Cost of services rendered	-8,732	-24,835	-6,541	-20,867
3.03	Gross profit	1,397,380	4,024,401	1,168,455	3,328,224
3.04	Operating expenses/income	111,874	123,805	40,803	176,379
3.04.01	Selling expenses	-7,250	-20,527	-6,771	-18,271
3.04.02	General and administrative expenses	-83,246	-217,026	-54,736	-172,010
3.04.05	Other operating expenses	50,794	-112,165	-7	-76
3.04.05.01	Reversal (provision) for impairment of assets	50,697	-112,112	0	0
3.04.05.02	Other operating (expenses) income, net	97	-53	-7	-76
3.04.06	Equity income (loss)	151,576	473,523	102,317	366,736
3.05	Income before financial result and taxes	1,509,254	4,148,206	1,209,258	3,504,603
3.06	Financial result	-669,998	-2,258,108	-598,921	-1,159,715
3.06.01	Financial income	82,842	171,074	63,325	218,490
3.06.02	Financial expenses	-752,840	-2,429,182	-662,246	-1,378,205
3.07	Income before income taxes	839,256	1,890,098	610,337	2,344,888
3.08	Income tax and social contribution	-200,220	-402,908	-120,326	-577,097
3.08.01	Current	-14,680	-233,553	-65,784	-221,454
3.08.02	Deferred	-185,540	-169,355	-54,542	-355,643

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

Account Code	Account description	Current quarter 7/1/2021 to 9/30/2021	YTD current year 1/1/2021 to 9/30/2021	Same quarter of previous year 7/1/2020 to 9/30/2020	YTD previous year 1/1/2020 to 9/30/2020
3.09	Net income from continuing operations	639,036	1,487,190	490,011	1,767,791
3.11	Consolidated net income/loss for the period	639,036	1,487,190	490,011	1,767,791
3.11.01	Attributable to the partners of the parent company	638,700	1,486,289	489,707	1,766,975
3.11.02	Attributable to non-controlling partners	336	901	304	816
3.99	Earnings per share (R$ /share)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	0.78279	1.82159	0.60018	2.1656
3.99.02	Diluted earnings per share				
3.99.02.01	ON	0.78279	1.82159	0.60018	2.1656

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

Account Code	Account description	Current quarter 7/1/2021 to 9/30/2021	YTD current year 1/1/2021 to 9/30/2021	Same quarter of previous year 7/1/2020 to 9/30/2020	YTD previous year 1/1/2020 to 9/30/2020
4.01	Consolidated net income for the period	639,036	1,487,190	490,011	1,767,791
4.02	Other comprehensive income	-132,951	46,013	-98,327	-944,162
4.02.01	Unrealized gains in cash flow hedge operations in the period	57,030	34,558	162	506
4.02.02	Deferred income tax and social contribution - Unrealized gains (losses) in cash flow hedge operations in the period	244	2,815	-37	-120
4.02.04	Equity income in (losses) gains of cash flow hedge operations of joint venture, net of deferred taxes	-190,225	8,640	-98,452	-944,548
4.03	Consolidated comprehensive income for the period	506,085	1,533,203	391,684	823,629
4.03.01	Attributed to the parent company's shareholders	505,749	1,532,302	391,380	822,813
4.03.02	Attributed to non-controlling shareholders	336	901	304	816

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

Account Code	Account Description	YTD current year 1/1/2021 to 9/30/2021	YTD previous year 1/1/2020 to 9/30/2020
6.01	Net cash from operating activities	1,284,606	1,547,832
6.01.01	Cash generated from operations	3,232,231	3,597,544
6.01.01.01	Income tax before income	1,890,098	2,344,888
6.01.01.02	Equity interest income	-473,523	-366,736
6.01.01.03	Depreciation and amortization	708,582	691,534
6.01.01.04	Provision for impairment of assets	112,112	0
6.01.01.05	Renegotiation of hydrological risk	-423,672	0
6.01.01.06	Monetary variation	1,276,367	492,344
6.01.01.07	Interest	1,093,392	740,501
6.01.01.08	Market value adjustment of marketable securities	-30,931	0
6.01.01.09	Remuneration of concession financial asset	-398,228	-236,098
6.01.01.10	Remuneration of agreement asset	-508,400	-57,385
6.01.01.12	Unrealized trading (gains) losses, net	-10,944	6,630
6.01.01.13	Other	-2,622	-18,134
6.01.02	Changes in assets and liabilities	-1,044,470	-1,408,779
6.01.02.01	Trade accounts receivable	553,197	-230,976
6.01.02.02	Inventories	84,522	-17,801
6.01.02.04	Restricted and judicial deposits	-10,578	-17,754
6.01.02.05	Renegotiation of hydrological risk to recognize	11,317	11,317
6.01.02.06	Concession financial asset	220,329	212,948
6.01.02.07	Agreement asset	-1,906,452	-1,318,481
6.01.02.09	Income tax and social contribution credit	-56,732	-46,965
6.01.02.10	Other assets	185,432	-89,087
6.01.02.11	Suppliers	-76,098	-89,538
6.01.02.12	Other tax and regulatory obligations	-18,012	130,239
6.01.02.13	Labor obligations	8,841	3,129
6.01.02.14	Retirement benefits obligations	-28,591	-22,777
6.01.02.16	Other liabilities	-11,645	66,967
6.01.03	Other	-903,155	-640,933
6.01.03.01	Payment of income tax and social contribution	-343,119	-250,823
6.01.03.02	Payment of interest on debt, net of hedge	-560,036	-390,110
6.02	Net cash from investment activities	-495,585	-857,522
6.02.01	Dividends received from joint ventures	390,000	321,750
6.02.04	Acquisition of investment	0	-327,168
6.02.05	Fair value of rights of projects acquired	0	-328,889
6.02.06	Acquisition of property, plant and equipment and intangible assets	-762,906	-523,215
6.02.08	Sale of marketable securities	32,439	0
6.02.09	Cash and cash equivalents of subsidiaries sold	-155,144	0
6.02.10	Other	26	0

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

Account Code	Account Description	YTD current year 1/1/2021 to 9/30/2021	YTD previous year 1/1/2020 to 9/30/2020
6.03	Net cash from financing activities	-688,516	1,136,118
6.03.01	New loans and financing	3,069,381	2,517,125
6.03.02	Issue of debentures	377,288	497,064
6.03.03	Preferred shares issued	0	476,757
6.03.05	Payment of loans and financing, net of hedge	-1,753,430	-545,630
6.03.06	Payment of debentures, net of hedge	-211,168	-596,130
6.03.07	Payment of concession installments	-178,813	-109,468
6.03.08	Payment of dividends and interest on equity	-2,008,042	-1,240,918
6.03.09	Lease payment	-14,617	-15,228
6.03.10	Deposits linked to debt service	32,216	151,047
6.03.11	Other	-1,331	1,499
6.05	Increase (decrease) in cash and cash equivalents	100,505	1,826,428
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	4,639,451	5,696,689

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / YTD Current Year - 1/1/2021 to 9/30/2021 (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	-609,594	-779,341	0	-1,388,935	0	-1,388,935
5.04.08	Dividends and interest on equity not claimed	0	0	0	10,177	0	10,177	0	10,177
5.04.09	Additional dividends for 2020 credited	0	0	-609,594	0	0	-609,594	0	-609,594
5.04.10	Interim dividends credited	0	0	0	-789,518	0	-789,518	0	-789,518
5.05	Total comprehensive income	0	0	0	1,486,289	46,013	1,532,302	901	1,533,203
5.05.01	Net income for the period	0	0	0	1,486,289	0	1,486,289	901	1,487,190
5.05.02	Other comprehensive income	0	0	0	0	46,013	46,013	0	46,013
5.05.02.06	Fair value of cash flow hedge	0	0	0	0	37,373	37,373	0	37,373
5.05.02.07	Interest in joint venture	0	0	0	0	8,640	8,640	0	8,640
5.06	Internal changes in shareholders' equity	0	0	5,789	16,342	-22,131	0	0	0
5.06.07	Realization of deemed cost	0	0	0	22,131	-22,131	0	0	0
5.06.08	Tax incentive reserve	0	0	5,789	-5,789	0	0	0	0
5.07	Closing balances	4,902,648	0	2,942,691	723,290	-685,733	7,882,896	3,370	7,886,266

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / YTD Current Year - 1/1/2020 to 9/30/2020 (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	-673,710	0	-673,710	0	-673,710
5.04.10	Interim dividends credited	0	0	0	-677,688	0	-677,688	0	-677,688
5.04.11	Dividends and interest on equity not claimed	0	0	0	3,978	0	3,978	0	3,978
5.05	Total comprehensive income	0	0	0	1,766,975	-944,162	822,813	816	823,629
5.05.01	Net income for the period	0	0	0	1,766,975	0	1,766,975	816	1,767,791
5.05.02	Other comprehensive income	0	0	0	0	-944,162	-944,162	0	-944,162
5.05.02.06	Fair value hedge of cash flow	0	0	0	0	386	386	0	386
5.05.02.07	Interest in joint venture	0	0	0	0	-944,548	-944,548	0	-944,548
5.06	Internal changes in shareholders' equity	0	0	16,026	6,075	-22,101	0	0	0
5.06.05	Tax incentive reserve	0	0	16,026	-16,026	0	0	0	0
5.06.06	Realization of deemed cost	0	0	0	22,101	-22,101	0	0	0
5.07	Closing balances	4,902,648	0	2,139,271	1,099,340	-997,002	7,144,257	4,482	7,148,739

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

Account Code	Account Description	YTD current year 1/1/2021 to 9/30/2021	YTD previous year 1/1/2020 to 9/30/2020
7.01	Revenues	11,246,889	9,721,558
7.01.01	Sale of products and services	7,570,866	7,540,154
7.01.02	Other income	3,676,023	2,181,404
7.01.02.01	Revenue from generation construction	741,834	485,012
7.01.02.02	Revenue from transmission infrastructure construction	1,995,182	1,318,481
7.01.02.03	Remuneration of concession financial asset	398,228	236,098
7.01.02.04	Remuneration of agreement asset	508,400	57,385
7.01.02.05	Unrealized gains from trading operations	32,432	4,482
7.01.02.06	Favorable outcome in lawsuit	0	80,022
7.01.02.07	Other operating expenses, net	-53	-76
7.02	Raw material acquired from third parties	-5,596,558	-4,726,130
7.02.02	Materials, energy, third parties services and other	-372,995	-303,446
7.02.04	Other	-5,223,563	-4,422,684
7.02.04.01	Energy purchases	-1,449,826	-1,834,260
7.02.04.02	Transactions in the short-term energy market	-527,630	-198,110
7.02.04.03	Charges on use of and connection to power grid	-453,057	-418,329
7.02.04.04	Fuels for energy production	-285,007	-130,490
7.02.04.06	Renegotiation of hydrological risk	423,672	0
7.02.04.07	Plant construction costs	-671,832	-455,378
7.02.04.08	Transmission infrastructure construction costs	-2,037,237	-1,287,085
7.02.04.09	Provision for impairment of assets	-112,112	0
7.02.04.10	Other	-110,534	-99,032
7.03	Gross added value	5,650,331	4,995,428
7.04	Retentions	-708,582	-691,534
7.04.01	Depreciation, amortization and depletion	-708,582	-691,534
7.05	Net added value generated	4,941,749	4,303,894
7.06	Added value received in transfer	644,597	585,226
7.06.01	Equity income (loss)	473,523	366,736
7.06.02	Financial income	171,074	218,490
7.07	Total added value to distribute	5,586,346	4,889,120
7.08	Distribution of added value	5,586,346	4,889,120
7.08.01	Labor	314,000	259,337
7.08.01.01	Direct remuneration	220,882	165,589
7.08.01.02	Benefits	50,646	48,113
7.08.01.03	F.G.T.S. - workers' severance fund	14,399	15,068
7.08.01.04	Other	28,073	30,567
7.08.01.04.01	Equity interest	28,073	30,567
7.08.02	Taxes, duties and contributions	1,150,843	1,340,628
7.08.02.01	Federal	1,122,005	1,305,906
7.08.02.02	State	25,253	30,920
7.08.02.03	Municipal	3,585	3,802

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

Account Code	Account Description	YTD current year 1/1/2021 to 9/30/2021	YTD previous year 1/1/2020 to 9/30/2020
7.08.03	Third-party capital remuneration	1,635,342	800,777
7.08.03.01	Interest	1,498,343	734,162
7.08.03.02	Rentals	6,766	5,508
7.08.03.03	Other	130,233	61,107
7.08.03.03.01	Capitalized interest and inflation adjustment	70,002	29,634
7.08.03.03.02	Other financial expenses	60,231	31,473
7.08.04	Remuneration of own capital	1,512,808	1,777,028
7.08.04.02	Dividends	789,518	677,688
7.08.04.03	Retained earnings / accumulated losses for the period	723,290	1,099,340
7.08.05	Other	973,353	711,350
7.08.05.01	Sectorial charges	129,155	116,574
7.08.05.02	Charges on concessions payable	869,816	604,013
7.08.05.03	Non-controlling shareholder	901	816
7.08.05.04	Tax incentive reserves	5,789	16,026
7.08.05.05	Realization of deemed cost	-22,131	-22,101
7.08.05.06	Dividends and interest on equity not claimed	-10,177	-3,978

Economic-Financial Performance

ECONOMIC-FINANCIAL PERFORMANCE

	Result by segment – 3Q21 x 3Q20 (in R$ million)					
	Electric energy					
	Generation[1]	Transmission	Trading	Solar panels	Gas transportation	Consolidated
3Q21						
Net operating revenue	2,228	890	269	2	-	3,389
Operational costs	(979)	(740)	(268)	(5)	-	(1,992)
Gross income (loss)	**1,249**	**150**	**1**	**(3)**	**-**	**1,397**
Selling, general and administrative expenses	(83)	(6)	(1)	(1)	-	(91)
Impairment reversal, net	51	-	-	-	-	51
Equity income	-	-	-	-	152	152
Income (loss) before financial results and taxes	**1,217**	**144**	**-**	**(4)**	**152**	**1,509**
3Q20						
Net operating revenue	2,163	786	244	16	-	3,209
Operational costs	(1,053)	(731)	(238)	(18)	-	(2,040)
Gross income	**1,110**	**55**	**6**	**(2)**	**-**	**1,169**
Selling, general and administrative expenses	(59)	-	(1)	(1)	-	(61)
Equity income	-	-	-	-	102	102
Income (loss) before financial results and taxes	**1,051**	**55**	**5**	**(3)**	**102**	**1,210**
Variation						
Net operating revenue	65	104	25	(14)	-	180
Operational costs	74	(9)	(30)	13	-	48
Gross income (loss)	**139**	**95**	**(5)**	**(1)**	**-**	**228**
Selling, general and administrative expenses	(24)	(6)	-	-	-	(30)
Impairment reversal, net	51	-	-	-	-	51
Equity income	-	-	-	-	50	50
Income (loss) before financial results and taxes	**166**	**89**	**(5)**	**(1)**	**50**	**299**

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").

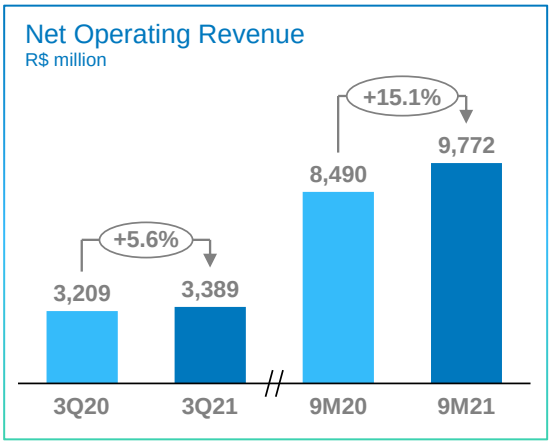
Economic-Financial Performance

Net Operating Revenue

	Operating revenue by segment – 3Q21 x 3Q20 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
3Q21					
Distribution companies	832	-	-	-	832
Free consumers	793	-	-	-	793
Construction revenue	-	671	-	-	671
Remuneration of concession financial assets	150	219	-	-	369
Energy trading operations	-	-	280	-	280
Transactions in the short-term market	234	-	15	-	249
Trading companies	174	-	-	-	174
Services rendered revenue	34	-	-	-	34
Unrealized gains on trading operations[2]	-	-	(26)	-	(26)
Other revenues	11	-	-	2	13
Net operating revenue	**2,228**	**890**	**269**	**2**	**3,389**
3Q20					
Distribution companies	883	-	-	-	883
Free consumers	828	-	-	-	828
Construction revenue	-	749	-	-	749
Remuneration of concession financial assets	101	37	-	-	138
Energy trading operations	-	-	256	-	256
Transactions in the short-term market	132	-	6	-	138
Trading companies	148	-	-	-	148
Services rendered revenue	31	-	-	-	31
Unrealized gains on trading operations	-	-	(18)	-	(18)
Energy export	30	-	-	-	30
Other revenues	10	-	-	16	26
Net operating revenue	**2,163**	**786**	**244**	**16**	**3,209**
Variation					
Distribution companies	(51)	-	-	-	(51)
Free consumers	(35)	-	-	-	(35)
Construction revenue	-	(78)	-	-	(78)
Remuneration of concession financial assets	49	182	-	-	231
Energy trading operations	-	-	24	-	24
Transactions in the short-term market	102	-	9	-	111
Trading companies	26	-	-	-	26
Services rendered revenue	3	-	-	-	3
Unrealized gains on trading operations	-	-	(8)	-	(8)
Energy export	(30)	-	-	-	(30)
Other revenues	1	-	-	(14)	(13)
Net operating revenue	**65**	**104**	**25**	**(14)**	**180**

In 3Q21, net operating revenue increased 5.6% (R$ 180 million) when compared to 3Q20 rising from R$ 3,209 million to R$ 3,389 million. This variation reflects the following factors:

Generation and sales of energy from the portfolio: up R$ 65 million (3.0%), due largely to the following additions: (i) R$ 102 million from short-term market transactions, mostly at the CCEE; and (ii) R$ 49 million in remuneration of financial assets associated with the payment for the concession awards for the Jaguara and Miranda Hydroelectric Power Plants, in connection with energy allocated to the Regulated Contracting Environment (ACR) because of the higher inflation between the relevant quarters. These effects were partly offset by the following decreases: (iii) R$ 60 million in revenues from bilateral contracts, ex-transactions carried out on the short-term market, resulting from a combination of: (iii.i) R$ 254 million decrease in the volume of energy sold; and (iii.ii) R$ 194 million increase from the higher average net selling price; and (iv) R$ 30 million from energy exports in 3Q20.



[2] In the quarters at hand, the Company saw a decrease in unrealized gains from trading operations in the light of the compared results in 2021 and 2020.

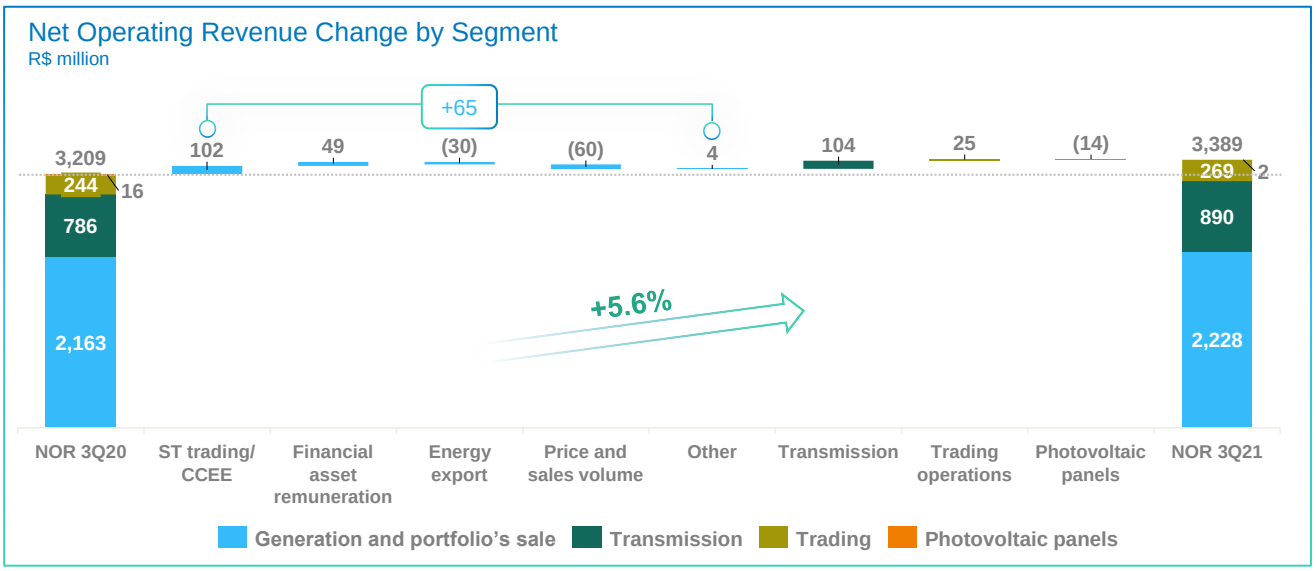
Economic-Financial Performance

Transmission: up R$ 104 million (13.2%) resulting from construction progress for the Gralha Azul and Novo Estado Transmission Systems. It is worth emphasizing that accounting revenues from the construction of transmission assets arises from the application of Accounting Standard CPC 47 – Revenues from Contracts with Clients.

Trading: up R$ 25 million (10.2%) due mainly to increased revenues from operations and short-term market transactions. The gains were offset by an increase in the negative result from marking to market of future sales.

Solar panels: down R$ 14 million (87.5%) on solar panel sales and installations.

The results of the transmission and trading segments are commented under "Operational result from the energy trading segment" and "Operational result from the energy transmission segment".



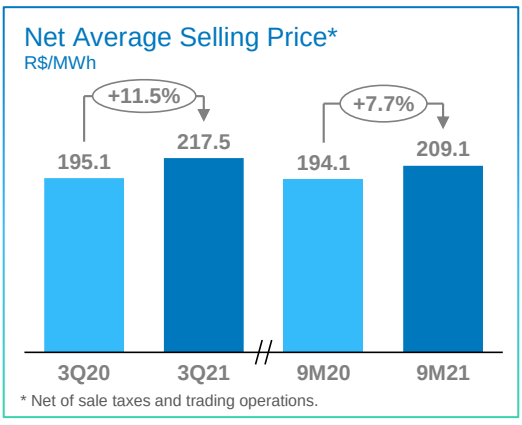
Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

The average selling price of energy, net of charges on revenues, was **R$ 217.52/MWh in 3Q21, up 11.5%** from 3Q20's R$ 195.13/MWh.

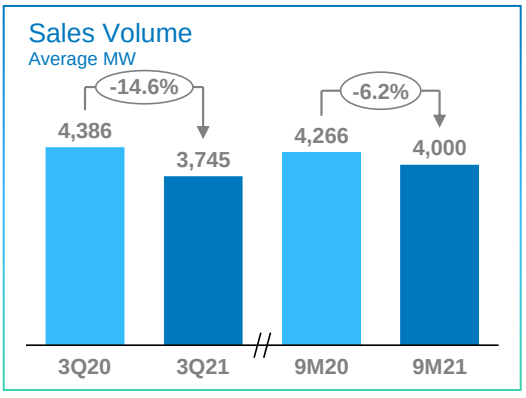
The higher price was largely due to the monetary restatement of existing contracts and new contracts with traders at prices above the average of existing or expired contracts, given the increase in market prices seen in 2021.



➢ Sales Volume

The volume of energy sold under contracts was down from 9,685 GWh (4,386 MWa) in 3Q20 to **8,270 GWh (3,745 MWa) in 3Q21**, a 1,415 GWh (641 MWa) decrease between periods (14.6%).

The decrease in the volume of energy sold was largely due to the reduced energy availability arising from the hydrological scenario, lower purchase volumes.



Economic-Financial Performance

➢ Revenue from Sale of Electric Energy

• Distribution Companies:

Revenues from sales to distribution companies were R$ 832 million in 3Q21, down R$ 51 million (5.8%) from 3Q20's R$ 883 million. The decrease was due to the following effects: (i) R$ 98 million — 430 GWh (194 MWa) decrease in volume sold; and (ii) R$ 47 million — 5.3% increase in the average net selling price.

The lower sales volume was largely due to the scheduled stops at subsidiary Pampa Sul and the effects of the sazonalization of contracted volumes between quarters. The higher average net selling price was largely due to the effects of monetary restatement of existing contracts.

• Free Consumers:

Revenues from sales to free customers were down R$ 35 million (4.2%) between the quarters at hand, from R$ 828 million in 3Q20 to R$ 793 million in 3Q21. The following events contributed to this change: (i) R$ 141 million — 806 GWh (365 MWa) decrease in the volume of energy sold; and (ii) R$ 106 million — 12.9% increase in the average net selling price.

The decrease in the volume of energy sold was largely due to the reduced energy availability arising from the hydrological scenario, lower purchase volumes and contract expirations. The decrease was partly offset by new energy sale contracts executed in 3Q21.

The price increase was largely due to the effects of monetary restatement of existing contracts and new contracts at higher prices than the average of existing or expired ones.

• Trading Companies:

In 3Q21, revenues from sales to trading companies were R$ 174 million, up R$ 26 million (17.6%) from 3Q20's R$ 148 million. The increase arises from the following: (i) R$ 41 million — 27.7% increase in the average net selling price; and (ii) R$ 15 million — 104 GWh (48 MWa) decrease in the volume of energy sold.

The price increase was essentially due to new contracts at higher prices than those of existing or expired ones, given the price increases seen in 2021 and monetary restatement of existing contracts.

The reduced quantity between periods is due mainly to the lower energy availability because of the hydrological scenario and lower purchase volumes.

• Export:

In 3Q20, based on the portfolio management strategy, the Company exported energy to Argentina on a continuous basis and with the potential for exports until December 31, 2022. Revenues in 3Q20 were R$ 30 million, with 75 GWh (34 MWa) in energy traded. No energy exports took place in 3Q21.

➢ Remuneration of Concession Financial Assets

Concession assets represent the present value of the future cash flows from the portion of energy allocated to the Regulated Contracting Environment (ACR) and generated by the Jaguara and Miranda Hydroelectric Power Plants, equivalent to 70% of their physical guarantee. These assets are remunerated at the internal rate of return and the change in the Consumer Price Index – Comprehensive (IPCA).

Remuneration of concession assets went from R$ 101 million in 3Q20 to R$ 150 million **in 3Q21, up R$ 49 million (48.5%)**. The increase is largely due to the IPCA change between periods and the increased average balance between periods.

➢ Transactions in the Short-term Energy Market

In 3Q21, revenues from the short-term market were R$ 234 million, versus 3Q20's R$ 132 million, for a **R$ 102 million (77.3%) increase** between quarters. Additional information on these operations and the variation may be found in "Details of short-term operation ".

➢ Solar Panels

Revenues from the sale and installation of solar panels through subsidiary ENGIE Geração Solar Distribuída S.A. (EGSD) **was down R$ 14 million (87.5%)** between the quarters at hand, from R$ 16 million in 3Q20 to **R$ 2 million in 3Q21**. The decrease is mainly due to a strategy change, shifting focus to the development of industrial projects for large consumers and decelerating commercial activities because of the Covid-19 pandemic.

Economic-Financial Performance

Operational Costs

	Costs by segment – 3Q21 x 3Q20 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
3Q21					
Construction costs	-	740	-	-	740
Electric power purchases	249	-	295	-	544
Transactions in the short-term market	328	-	-	-	328
Depreciation and amortization	231	-	-	-	231
Charges for the use of and connection to the power grid	165	-	-	-	165
Materials and third-party services	101	-	-	1	102
Fuel for generation	114	-	-	-	114
Personnel	92	-	-	1	93
Royalties	33	-	-	-	33
Insurance	25	-	-	-	25
Hydrological risk renegotiation	(372)	-	-	-	(372)
Unrealized losses on trading operations[3]	-	-	(27)	-	(27)
Other operational costs, net	13	-	-	3	16
Operational costs	**979**	**740**	**268**	**5**	**1,992**
3Q20					
Construction costs	-	731	-	-	731
Electric power purchases	402	-	262	-	664
Transactions in the short-term market	23	-	-	-	23
Depreciation and amortization	218	-	-	-	218
Charges for the use of and connection to the power grid	141	-	-	-	141
Materials and third-party services	84	-	-	4	88
Fuel for generation	46	-	-	-	46
Personnel	63	-	-	2	65
Royalties	37	-	-	-	37
Insurance	22	-	-	-	22
Unrealized losses on trading operations	-	-	(24)	-	(24)
Other operational costs, net	17	-	-	12	29
Operational costs	**1,053**	**731**	**238**	**18**	**2,040**
Variation					
Construction costs	-	9	-	-	9
Electric power purchases	(153)	-	33	-	(120)
Transactions in the short-term market	305	-	-	-	305
Depreciation and amortization	13	-	-	-	13
Charges for the use of and connection to the power grid	24	-	-	-	24
Materials and third-party services	17	-	-	(3)	14
Fuel for generation	68	-	-	-	68
Personnel	29	-	-	(1)	28
Royalties	(4)	-	-	-	(4)
Insurance	3	-	-	-	3
Hydrological risk renegotiation	(372)	-	-	-	(372)
Unrealized losses on trading operations	-	-	(3)	-	(3)
Other operational costs, net	(4)	-	-	(9)	(13)
Operational costs	**(74)**	**9**	**30**	**(13)**	**(48)**

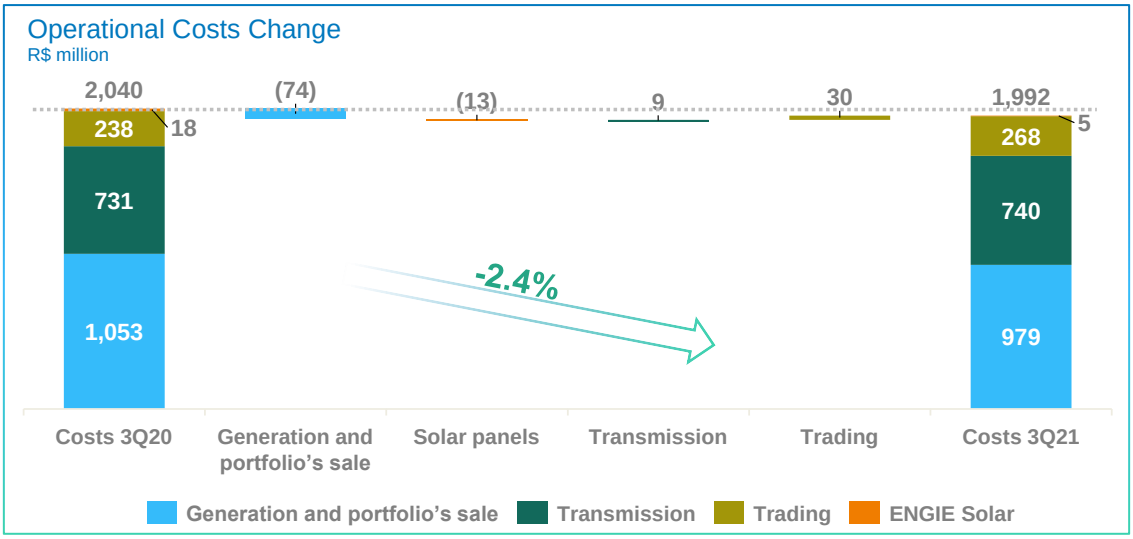
Operating costs were down R$ 48 million (2.4%) between the compared quarters, from R$ 2,040 million in 3Q20 **to R$ 1,992 million in 3Q21**. This change reflects the following: (i) R$ 74 million (7.0%) decrease in 3Q21 from 3Q20 in the costs of the energy generation and sales from the Company's portfolio segment; (ii) R$ 13 million (72.2%) decrease in solar panel selling and installation costs; (iii) R$ 30 million (12.6%) increase in energy trading costs; and (iv) R$ 9 million (1.2%) increase in costs of the transmission segment.

Concerning the change named in item (i), we underscore the 3Q21 recognition of amounts arising from the recovery of past energy costs due to the retroactive renegotiation of hydrological risk pursuant to Law Lei 14.182/2021, in the amount of R$ 372 million. Ex- this effect, the operating costs of the electric energy generation and sale from the Company's portfolio segment would have been up R$ 298 million (28.3%) in 3Q21 from 3Q20.

The costs of the trading and transmission segments will be discussed in specific items.

[3] In the quarters at hand, the Company booked reduced unrealized losses from trading operations in a comparison of 2021 and 2020 results.

Economic-Financial Performance



Comments on Variations in Operational Costs

➢ Generation and Energy Sales from the Portfolio

» **Energy purchases:** between 3Q20 and 3Q21 there was a R$ 153 million (38.1%) decrease in purchase operations for energy portfolio management purposes, due to: (i) R$ 209 million — 1,166 GWh (528 MWa) decrease in the volume purchased; and (ii) R$ 56 million — up 28.7% increase in the net average price of energy purchases.

The increase in the average purchase price was due mainly to the higher Differences Settlement Price (PLD) seen between the quarters at hand, mainly as a result of the hydrological crisis. As a result, volume decreased because of the few opportunities to buy at attractive prices.

» **Transactions in the short-term energy market:** between the quarters at hand, costs incurred with these transactions increased by R$ 305 million. Additional information on these operations and the change between periods can be seen in the "Details of short-term operations" section.

» **Charges for use of electric energy network and connections:** up R$ 24 million (17.0%) YoY, mainly as a reflection of the annual adjustment to transmission and distribution tariffs and the commercial startup, over the course of 2021 of the Campo Largo II Wind Complex.

» **Material and third-party services:** up R$ 17 million (20.2%) in 3Q21, compared with the same quarter in 2020, due largely to the R$ 13 million increase in generating plant operation and maintenance costs because of contract restatements, and R$ 2 million in replacement and consumable materials.

» **Fuels for generation:** up R$ 68 million (147.8%) between 3Q21 and 3Q20, due essentially to increased own coal consumption due to the higher thermal generation volume between the periods.

» **Personnel:** up R$ 29 million (46.0%) in 3Q21 from 3Q20, due mostly to the booking of costs arising from adherence to the voluntary dismissal program in 3Q21, in the amount of R$ 24 million, and the annual adjustment to employee compensation.

» **Hydrological risk renegotiation:** on September 17, 2021, the Official Print of the Federative Union published Aneel Certifying Resolution 2.932/2021, which certified the concession extension for hydroelectric power plants, part of the MRE, affected by the retroactive effects of hydrological risk renegotiation, treatment of which was set forth in Law 14.182/2021, which amends law 13.203/2015. The Certifying Resolution complements Certifying Resolution 2.919/2021, which established periods for plants that did not renegotiate hydrological risk in 2015, as well as for plants operating under quotas. As a consequence, the Company recognized R$ 372 million in 3Q21 to complement the amount recognized in previous periods.

The other costs of this segment showed no significant change between the quarters under analysis.

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.

Economic-Financial Performance

Gross income was down R$ 5 million (83.3%) between the quarters at hand, from R$ 6 million in 3Q20 to R$ 1 million in 3Q21. The change is due to the following effects: (i) R$ 9 million in reduced gross income from energy purchase and sale transactions conducted; (ii) a negative R$ 5 million from the marking to market – the gap between contracted and market prices – of net contracted operations outstanding as at September 30 2021 and 2020; and (iii) R$ 9 million increase in the result of short-term energy market transactions.

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 and Novo Estado transmission concessions 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 energy transmission segment's gross operating profit was up R$ 95 million in 3Q21 from 3Q20, due mainly to progress on the construction works for the Gralha Azul and Novo Estado Transmission Systems. This effect was partly offset by the expected delay achieving operational startup of certain transmission lines, for an amount of R$ 84 million. In addition, revenues from transmission infrastructure remuneration are also impacted by IPCA changes.

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 3Q21 and 3Q20, **net income** (the difference between revenues and costs – less taxes) arising from short-term transactions — in particular those carried out in the CCEE — **was a negative R$ 79 million** and a positive R$ 115 million, respectively. The amount is equivalent to a **R$ 194 million decrease between periods**, breaking down into a R$ 203 million decrease in income from energy generation and sales from the Company's portfolio segment transaction results, and a R$ 9 million increase in income from energy trading transactions.

The change was essentially due to the greater negative impact of the MRE Adjustment Factor (GSF) — net of the effects of hydrological risk renegotiation. This effect was partly mitigated by the following: (i) higher financial impact of short-term operations, mainly because of the change in PLD; (ii) increased thermal power generation between periods; and (iii) increased revenues in the MRE. It is worth emphasizing that the changes seen were significantly affected by the change in PLD between quarters, as discussed below.

In December 2020, Aneel set the ceiling and floor PLD values for 2021 at R$ 583.88/MWh and R$ 49.77/MWh, respectively. The table below shows the average PLD values per MWh for the sub-markets in which the Company operates.

Average PLD in R$/MWh	3Q21	3Q20	Chg. (%)
South	581.71	91.68	534.52%
Southeast/Center-West	581.71	91.68	534.52%
Northeast	581.71	77.07	654.78%

Economic-Financial Performance

Selling, General and Administrative Expenses

SG&A expenses were up from R$ 61 million in 3Q20 to R$ 91 million in 3Q21, a R$ 30 million (49.2%) increase between quarters. The increase was due to a combination of the following: R$ 24 million (40.7%) increase from the energy generation and sales from the Company's portfolio segment, largely because of the recognition of current expenses arising from adhesion to the voluntary dismissal program in 3Q21, in the amount of R$ 11 million; annual employee compensation adjustment; and materials and third-party services expenditures, where the general information technology services category stands out. Furthermore, there was a R$ 6 million increase in other segments where the Company operates, due mainly to third-party services.

Reversal of Provision for Impairment of Assets

In 3Q21, the Company booked R$ 51 million in impairment reversal because of: (i) revaluation of the stoppage of units 1 and 2 of the Jorge Lacerda Thermal Power Complex, due mainly to evolution of the disposal process for subsidiary Diamante, which control the asset; and (ii) feasibility of the Lages Co-Generation Plant, with the resulting expected future cash generation due to increased dispatching from thermal power plants in the wake of the hydrological crisis.

Equity Income – Gas Transportation

On July 20, 2020, the company acquired an additional 3.25% equity stake in TAG out of the total 10% that Petrobras still held. The Company's direct stake in TAG thus 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	3Q21		3Q20	
	100%	Company's share	100%	Company's share
TAG				
Net operational revenue	1,766	574	1,541	501
Costs of services provided	(649)	(211)	(563)	(183)
Gross income	**1,117**	**363**	**978**	**318**
General and administrative expenses	(46)	(15)	(29)	(9)
Income before financial result and taxes	**1,071**	**348**	**949**	**309**
Financial result	(361)	(117)	(409)	(133)
Income before taxes	**710**	**231**	**540**	**176**
Income tax and social contribution	(243)	(79)	(220)	(72)
TAG's net income	**467**	**152**	**320**	**104**
Equity interest adjustment in the period of July 1st to July 20, 2020		-		(2)
Equity income – TAG		**152**		**102**

Between 3Q21 and 3Q20, equity income increased by R$ 50 million (49.0%), from R$ 102 million in 3Q20 to R$ 152 million in 3Q21. The change was a consequence of a combination of the following: (i) R$ 47 million added to Ebitda, mainly because of the restatement of gas transportation tariffs, largely because of the IGP-M and of the foreign exchange change affecting one of the gas transportation contracts; (ii) R$ 16 million decrease in net financial expenses; (iii) R$ 7 million increase in Income Tax and Social Contribution due largely to higher income before taxes; and (iv) R$ 6 million increase in depreciation and amortization.

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

Ebitda – in R$ million	3Q21	3Q20
	100%	100%
Income before financial result and taxes	**1,071**	**949**
Depreciation and amortization	173	157
Amortization of *mais valia*	234	227
Ebitda	**1,478**	**1,333**

Economic-Financial Performance

Balance Sheet

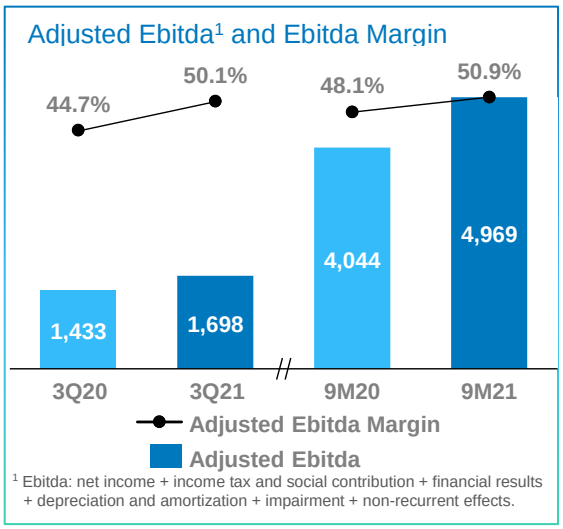
TAG's principal asset and liability groups as of September 30, 2021 and December 31, 2020 were as follows:

Balance Sheet	9/30/2021	12/31/2020
ASSETS		
Current assets	**3,404**	**2,220**
Cash and cash equivalents	494	437
Accounts receivables from clients	1,405	1,556
Restricted deposits	1,298	1
Unrealized gains on hedging transactions	112	19
Other current assets	95	207
Non-current assets	**31,487**	**35,660**
Accounts receivables from clients	523	49
Restricted deposits	116	203
Unrealized gains on hedging transactions	22	29
Other non-current assets	1	3,475
Property, plant and equipment	28,081	29,185
Intangible	2,744	2,719
Total	**34,891**	**37,880**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**3,693**	**3,874**
Loans, financing and debentures	3,220	3,250
Unrealized losses on hedging transactions	307	298
Other current liabilities	166	326
Non-current liabilities	**23,887**	**27,079**
Loans, financing and debentures	20,877	22,519
Unrealized losses on hedging transactions	535	910
Deferred income taxes and social contribution	1,848	1,073
Other non-current liabilities	627	2,577
Shareholders' equity	**7,311**	**6,927**
Total	**34,891**	**37,880**

Ebitda and Ebitda Margin

	Ebitda by segment – 3Q21 x 3Q20 (in R$ million)					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
3Q21						
Income (loss) before financial results and taxes	1,217	144	-	(4)	152	1,509
Depreciation and amortization	240	-	-	-	-	240
Ebitda	**1,457**	**144**	**-**	**(4)**	**152**	**1,749**
Non-recurrent effects						
Impairment	(51)	-	-	-	-	(51)
Adjusted Ebitda	**1,406**	**144**	**-**	**(4)**	**152**	**1,698**
Adjusted Ebitda Margin	**63.1%**	**16.2%**	**-**	**(200.0%)**	**-**	**50.1%**
3Q20						
Income (loss) before financial results and taxes	1,051	55	5	(3)	102	1,210
Depreciation and amortization	223	-	-	-	-	223
Ebitda / Adjusted Ebitda	**1,274**	**55**	**5**	**(3)**	**102**	**1,433**
Ebitda Margin / Adjusted Ebitda Margin	**58.9%**	**7.0%**	**2.0%**	**(18.8%)**	**-**	**44.7%**
Variation						
Income (loss) before financial results and taxes	166	89	(5)	(1)	50	299
Depreciation and amortization	17	-	-	-	-	17
Ebitda	**183**	**89**	**(5)**	**(1)**	**50**	**316**
Non-recurrent effects						
Impairment	(51)	-	-	-	-	(51)
Adjusted Ebitda	**132**	**89**	**(5)**	**(1)**	**50**	**265**
Adjusted Ebitda Margin	**4.2 p.p.**	**9.2 p.p.**	**(2.0 p.p.)**	**(181.2 p.p.)**	**-**	**5.4 p.p.**

Economic-Financial Performance



Adjusted Ebitda was up R$ 265 million (18.5%) in 3Q21 from 3Q20, from de R$ 1,433 million in 3Q20 to R$ 1,698 million in 3Q21. The change was a consequence of the following **positive effects**: (i) R$ 132 million (10.4%) in the energy generation and sales from the Company's portfolio segment; (ii) R$ 89 million (161.8%) in the energy transmission segment; and (iii) R$ 50 million (49.0%) arising from equity income from TAG. The foregoing positive effects were mitigated by **negative ones** as follows: (iv) R$ 5 million from the trading segment; and (v) R$ 1 million (33.3%) from the solar panels segment.

The Company's main business segment in the electric energy sector is generation and sale from the Company's portfolio segment, with the variation as indicated in foregoing item (i) after the effects of a non-recurring event recognized in 3Q21 in the amount of R$ 51 million and associated with the recognition of impairment reversal. In a YoY comparison between quarters, the segment's adjusted Ebitda would have been up R$ 132 million (10.4%) because of the following **positive impacts**: (i) booking of R$ 372 million associated with the recovery of energy costs arising from hydrological risk renegotiation; (ii) R$ 153 million decrease in energy purchase for resale; and (iii) R$ 49 million additional revenue from remuneration and monetary restatement of the Jaguara and Miranda HPP concession assets. These positive effects were partly mitigated by the following **negative ones**: (iv) R$ 203 million in losses from short-term market operations; (v) R$ 68 million increase in fuel costs; (vi) R$ 60 million due to revenue losses from energy sale contracts in the regulated and free environments because of the combined variations of volume of energy sold and average net selling price; (vii) R$ 29 million increase in payroll costs; (viii) R$ 24 million increase in electric grid and connection charges costs; (ix) R$ 24 million in SG&A expenses; (x) R$ 17 million increase in the cost of materials and third-party services; and (xi) R$ 17 million increase in other operating costs and expenses.

Generation Adjusted Ebitda Margin

The adjusted Ebitda margin in the generation segment was up 4.2 p.p., from 58.9% in 3Q20 to 63.1% in 3Q21, due mainly to the recognition of the hydrological risk renegotiation in 3Q21.

Consolidated Adjusted Ebitda Margin

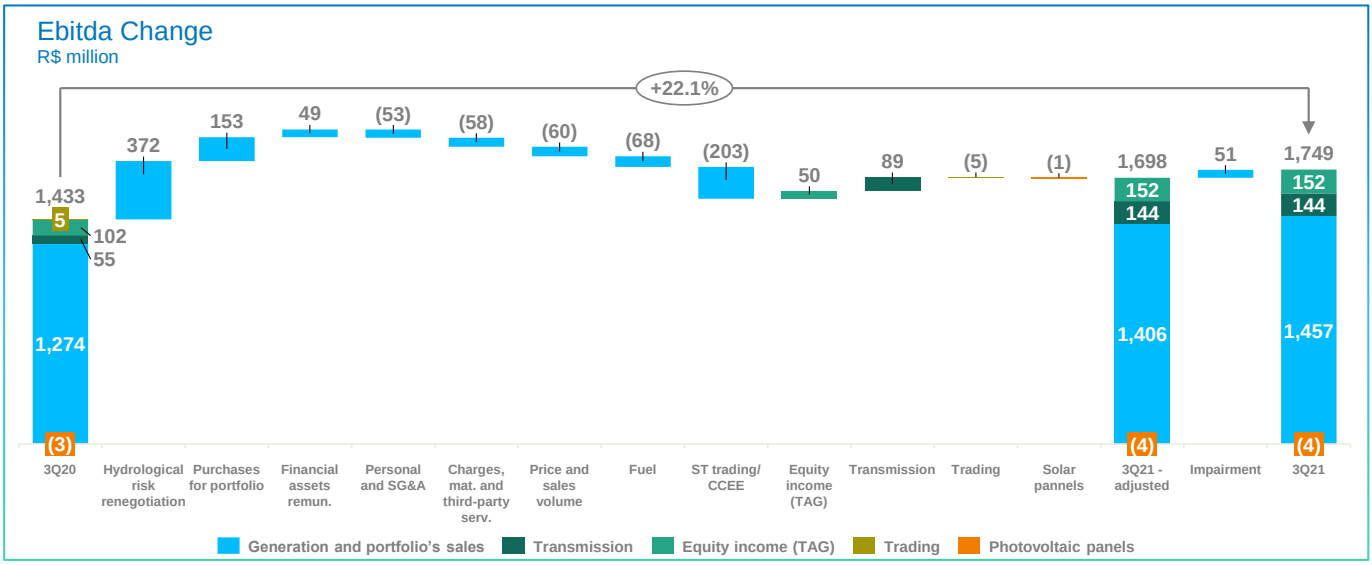
The consolidated adjusted Ebitda margin was up 5.4 p.p., from 44.7% no 3Q20 to 50.1% in 3Q21, due mainly to the recognition of the hydrological risk renegotiation in 3Q21.

It is worth emphasizing that the consolidated adjusted Ebitda margin is partly offset by the effects of energy trading operations, of the recognition of the revenues and costs associated with the construction of transmission lines, and of operations at subsidiary EGSD, all of which show margins below those earned in the Company's other operations.

The following table reconciles net income with Ebitda:

(In millions of R$)	3Q21	3Q20	Chg. %	9M21	9M20	Chg. %
Net income	639	490	30.4	1,487	1,768	-15.9
(+) Income tax and social contribution	200	121	65.3	403	577	-30.2
(+) Net financial result	670	599	11.9	2,258	1,160	94.7
(+) Depreciation and amortization	240	223	7.6	709	691	2.6
Ebitda	**1,749**	**1,433**	**22.1**	**4,857**	**4,196**	**15.8**
Non-recurrent effects						
(+) Impairment	(51)	-	-	112	-	-
(+) Gain in lawsuit	-	-	-	-	(80)	-
(+) Extemporaneous tax incentive credits	-	-	-	-	(72)	-
Adjusted Ebitda	**1,698**	**1,433**	**18.5**	**4,969**	**4,044**	**22.9**

Economic-Financial Performance



Financial Result

Financial income: in 3Q21, financial revenues were R$ 83 million, up R$ 20 million or 31.7% from the 3Q20's R$ 63 million. This was mainly due to a combination of the following: (i) R$ 31 million increase in revenues from financial investments, due basically to the higher interest rates in the last quarter; (ii) 3Q20 booking of the positive impact of monetary restatement in the amount of R$ 29 million, due mainly to the regulating authority's decision in connection with the effects of Aneel Resolution 801/2017, which provided for reduced reimbursement for coal acquired with funds from the Energy Development Account (CDE) because of the generating unit's energy efficiency; (iii) additional R$ 10 million in interest on amounts receivable from third parties; and (iv) R$ 7 million in gains from the disposal of securities recognized in 3Q21.

Financial expenses: financial expenses in 3Q21 were R$ 753 million, that is, up R$ 91 million or 13.7% from 3Q20's R$ 662 million. The increase was due to the effects of (i) R$ 295 million increase on debt between the relevant quarters, of which: (i.i) R$ 213 million in inflation-related monetary restatement; and (i.ii) R$ 92 million in interest, due mainly to debentures issued by the Company's subsidiaries in 2020 and loans and financings taken over the course of 2020 and 2021. This effect was partly offset by (ii) a R$ 208 million decrease on concessions payable between the relevant quarters, of which: (ii.i) R$ 235 million in monetary restatement due mainly to the lower IGP-M inflation index; and (ii.ii) R$ 27 million in additional interest.

Worthy of note is that all energy sales agreements contain inflation clauses for readjustment either against the IPCA or IGP-M, thus representing a natural long-term hedge for debt and liabilities earmarked to inflation indices.

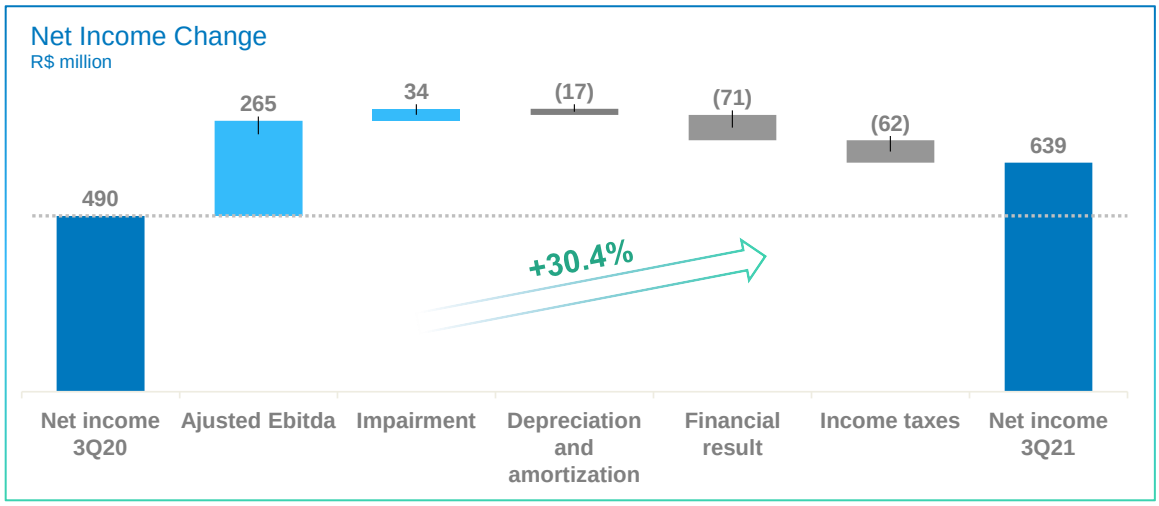
Income Tax and Social Contribution

Income Tax and Social Contribution in 3Q21 were R$ 200 million, up R$ 79 million (65.3%) from the R$ 121 million in the same quarter of 2020. This was largely due to higher earnings before taxes in 3Q21, mostly because of the recognition of the effects of the hydrological risk renegotiation compared with the 3Q20 and of the changes in taxation rules applicable to subsidiaries. The effective rate of Income Tax and Social Contribution, excluding equity income effects, was up 5.4 p.p., from 23.7% in 3Q20 to 29.1% in 3Q21. Excluding the non-recurring effect, the change between quarters would have been R$ 62 million (51.2%).

Net Income

Net income in 3Q21 was R$ 639 million, up R$ 149 million or 30.4% from 3Q20's R$ 490 million. The increase is a consequence of the following: (i) R$ 265 million increase in recurring Ebitda; (ii) R$ 17 million increase in depreciation and amortization; (iii) R$ 71 million increase in net financial expenses; (iv) R$ 62 million increase in income tax and social contribution, considering recurring transactions; and (v) recognition of non-recurring effects with a positive effect of R$ 34 million. Excluding the non-recurring effect, net income would have been up R$ 115 million (23.5%) YoY.

Economic-Financial Performance



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 9.30.2021
(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 32 – 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 6.3%[1] of the country's installed capacity. At 9.30.2021, its installed capacity, including its stakes in energy generation consortiums, was 9,075.7 MW. Out of this total, 70.4% arises from hydroelectric power plants, 13.2% from thermal power plants and 16.4% from complementary energy (wind, solar, biomass and small hydroelectric power plants). Physical guarantee for sale averaged was 5,159.2 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 9.30.2021, the Company's generation facilities in operation consisted of 71 plants, of which 11 hydroelectric power plants (HPP), 4 conventional thermal power plants (TPP), 49 wind farms, 3 biomass plants, 2 photovoltaic solar power plants and 2 small hydroelectric power plants (SHPP).

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

[1] 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

a) Dividends and interest in equity

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. On 4.5.2021, interest on equity for the period from 1.1.2020 to 12.31.2020 was paid in the gross amount of R$ 175 million, corresponding to R$ 0.2144797773 per share.

Also related to 2020, on 4.28.2021, the Annual Shareholders Meeting approved the proposal for payment of additional dividends on net income, in the amount of R$ 609 million (R$ 0.7471177357 per share). On that date, the Company recognized the payment obligation in its balance sheet. The Company's shares were traded ex-dividends as of 5.12.2021, and the dividends were paid on 7.12.2021.

Moreover, at the meeting held on 8.5.2021, the Board of Directors approved the distribution of interim dividends in the amount of R$ 790 million, corresponding to R$ 0.9676321449 per share, equivalent to 100% of the adjusted net income in the 1st half of 2021. The Company's shares were traded ex-interim dividends as of 8.17.2021 and the date of payment will be defined later by the Executive Board and informed through a Notice to Shareholders.

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

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 its first phase, whose installed capacity will be 434 MW and its energy will be fully allocated for contracting in the Free Contracting Environment (ACL). Construction started in June 2021, with estimated investment of R$2 billion (base date December 2020) and commercial startup by March 2023.

Additionally, on 9.2.2021, Aneel authorized the start of commercial operations of CECL II's last three wind farms, whose total installed capacity is 361.2 MW and the energy is 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

Notes to the Financial Statements

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, published on 9.9.2020, which was regulated by Aneel Normative Resolutions 895/2020, published on 12.3.2020, and 930/2021, published on 4.13.2021. 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.

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.

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.

Also 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 of fresh negotiations offered to hydroelectric power plants contracted in the regulated market, which had already renegotiated the hydrological risk in 2015.

In July 2021, Federal Law 14,182 was enacted, which addresses the privatization of Eletrobras and the retroactive effects of the Generation Scaling Factor (GSF), explicitly ruling that for the period prior to the start of the period for renegotiating hydrological risk, the entire physical guarantee of the plants will be considered as the portion of energy not renegotiated for the purposes of receipt of reimbursement.

Aneel published Ratification Resolution 2,919 on 8.12.2021, approving the deadline for extending the concession of the plants pertaining to MRE that did not renegotiate the hydrological risk in 2015. This approval covered the following Plants of the Company: Salto Osório, Passo Fundo, Jaguara and Miranda. Moreover, on 9.17.2021, Ratification Resolution 2,932 was published, approving the deadline for extending the concession of hydroelectric power plants in the MRE affected by the new treatment of the period prior to the period when renegotiation of the the hydrological risk took effect. This approval covered the following plants of the Company: Salto Santiago, Cana Brava, São Salvador and Ponte de Pedra.

Notes to the Financial Statements

As a result of Ratification resolution 2,932/2021 mentioned above, in the 3rd quarter of 2021, the Company recognized R$ 372 million in the parent company and consolidated, which refers to the right to extend the installment covered by Federal Law 14,182. Accordingly, the Company presents under intangible assets, on 9.30.2021, R$ 1,375 million and R$ 1,392 million in the parent company and consolidated, respectively.

On the reporting date, the Company is in the process of formalizing its adhesion to the agreement under the conditions established by the abovementioned Ratification Resolutions, as already authorized by its Board of Directors on 12.15.2020.

Note that the consent of consortium members is pending in the assets in which the Company participates through a consortium so that the right on such these assets is recognized and they join the agreement.

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.

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.

Notes to the Financial Statements

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.

Moreover, on 9.28.2021, the Gralha Azul Transmission System was authorized by the National System Operator (ONS) to start operating its transmission lines.

f) Diamante Geração de Energia Ltda ("Diamante")

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 subsidiary Diamante Geração de Energia Ltda. ("Diamante"), whose installed capacity and physical guarantee are 857.0 MW and 649.9 MW average, respectively. 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 to conduct due diligence.

With the negotiations advancing, on 8.30.2021, a share purchase agreement (SPA) was entered into between the Company and ENGIE Brasil Energia Comercializadora Ltda. ("EBC"), the Company's subsidiary, as sellers; Fram Capital Energy II Fundo de Investimento em Participações Multiestratégia ("FRAM") and Diamante, as consenting intervening parties; and Diamante Holding Participacoes Ltda. ("Diamante Holding"), a subsidiary of FRAM, as the buyer, regulating the acquisition, by Diamante Holding, of all the shares held by the Company and EBC in Diamante.

The acquisition price of 100% of ownership interest in Diamante will be up to R$ 325 million, of which R$ 210 million was paid at the time of closing the operation on 10.18.2021, after the fulfillment of conditions precedent, and up to R$ 115 million, subject to the fulfillment of some conditions established in the SPA.

On 9.30.2021, since it fulfilled the requirements of CPC 31 – Ativo não circulante mantido para venda e operações descontinuadas (*Non-current assets held for sale and discontinued operations*), the Company started booking Diamante's assets and liabilities under "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale," respectively. Since the sale amount, net of costs, is lower than the book value of the subsidiary's net assets, the Company recognized, in the parent company and consolidated, impairment of R$ 163 million and R$ 30 million in the 2nd and 3rd quarters, respectively. Also, in the 3rd quarter of 2021, the Company reversed impairment of R$ 58 million booked in 2020 in Diamante after reviewing the shutdown of CTJL's units 1 and 2, mainly due to the progress made in the process of selling the Plant. Note that the sale of Diamante does not classify as a discontinued operation.

Further information is available in Note 10 – Non-current assets held for sale.

Notes to the Financial Statements

g) Pampa Sul Thermal Power Plant("Pampa Sul")

Also in line with the strategy of decarbonizing the Company, on 3.17.2021 the Company announced to its investors and the market the resumption of the process to sell all shares held in the subsidiary Pampa Sul. On the reporting date, the sale is under evaluation by potential buyers.

Hence, the Company concluded that the prerequisites for reclassifying the balances of Pampa Sul to non-current asset held for sale were not met.

h) Contracting of debts

On 7.6.2021, the Company borrowed a loan from Scotiabank, an overseas financial institution, in the amount of US$ 102 million, equivalent to R$ 530 million, which was disbursed after the conditions were met. Concomitantly, on 7.23.2021, the Company signed a swap agreement with the Brazilian subsidiary of the same financial institution to guarantee working capital for the Company and prepay the loan of the São Salvador Plant and the indirect subsidiaries making up the Trairí Thermal Power Complex.

i) Establishment of Special Independent Committee for Related-Party Transactions

In order to gradually replace thermal power with generation from renewable resources, the Board of Directors meeting held on 8.5.2021 approved the establishment of a Special Independent Committee for Related-Party Transactions to evaluate the acquisition of the Paracatu and Floresta Photovoltaic Complexes, located in Minas Gerais and Rio Grande do Norte, respectively, with installed capacity of 259.8 MWp. The assets are controlled by ENGIE Solar, a company pertaining to the ENGIE Group, and were contracted for 20 years through the 2nd Reserve Energy Auction of 2015.

j) Acquisition of Assu Sol Geração de Energia SPE S.A. ("Assu Sol")

On 9.28.2021, a share purchase agreement was entered into between the Company's subsidiary, ENGIE Brasil Energias Complementares Participações Ltda. ("ECP"), as the buyer, and Infinito Energy Investimentos e Participações S. A. and Atlântica Solar Power Ltda., as sellers, to acquire all the shares of Assu Sol Geração de Energia SPE S.A., which owns the Assú Sol Photovoltaic Complex Project located in the city of Assú in Rio Grande do Norte.

The project, with estimated installed capacity of up to 750 MW, will be implemented in the same region where the Company has been operating since 2017: the Assú V Photovoltaic Plant. The total amount of the operation is up to R$ 41 million. Payments will be made as milestones related to the project development schedule are reached.

The investment and transfer of shares to the Company will be booked when the conditions precedent established in the purchase agreement for closing the deal are met.

k) 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 nine-month period of 2021, the Company did not observe any material impacts of the pandemic on its individual and consolidated quarterly information. 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.

k.1) Demand for electricity

The restrictions on circulation and on commercial and industrial activities and services impact electricity consumption. However, in 2021 the restrictive measures related to the pandemic were slackened and 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 nine-month period of 2021.

k.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. 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 Santo Agostinho Wind Power Complex.

k.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.

k.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.

NOTE 2 – PRESENTATION OF QUARTERLY INFORMATION

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

Notes to the Financial Statements

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 9.30.2021. 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 9.30.2021, 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) – Arrendamentos (*Leases*); and (ii) Revision of CPC 48 – Instrumentos Financeiros (*Financial Instruments*).

The adoption of the changes in these standards did not result in material impacts on the individual and consolidated quarterly information of 9.30.2021.

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 11.4.2021.

Notes to the Financial Statements

NOTE 3 – CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Cash and bank deposits	**1,712**	**3,201**	**71,765**	**54,948**
Marketable securities:				
Exclusive investment fund				
Repurchase transactions backed by federal bonds	1,844,372	1,921,332	4,544,125	4,450,369
Other marketable securities	108	56	23,561	33,629
	1,844,480	**1,921,388**	**4,567,686**	**4,483,998**
	1,846,192	**1,924,589**	**4,639,451**	**4,538,946**

NOTE 4 – TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Distributors	296,871	254,929	522,897	482,900
Free Consumers	35,179	33,469	374,486	405,317
Transactions in the short-term market	6,180	291,692	204,525	586,290
Trading operations	-	-	94,504	105,220
Traders	139,974	118,891	56,064	75,858
Others	-	-	58,393	88,854
Estimated losses with doubtful accounts	(6,180)	(6,180)	(21,338)	(21,338)
Current assets	**472,024**	**692,801**	**1,289,531**	**1,723,101**
Free Consumers	1,454	1,454	10,751	15,405
Distributors	748	748	747	761
Non-current assets[1]	**2,202**	**2,202**	**11,498**	**16,166**
	474,226	**695,003**	**1,301,029**	**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 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 is being settled through the renegotiation of hydrological risk established by Federal Laws 14,052/2020 and 14,182/2021.

Notes to the Financial Statements

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

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Overdue up to 30 days	-	-	5,227	1,701
Overdue more than 30 days				
With estimated losses recognized	*6,180*	*6,180*	*21,338*	*21,338*
Other	*8*	*8*	*5,280*	*6,562*
	6,188	**6,188**	**31,845**	**29,601**

NOTE 5 – INVENTORIES

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Supplies	17,063	16,077	93,691	97,972
Advances to suppliers	568	723	34,741	57,163
Inputs for energy production	-	-	19,877	26,231
Other	82	514	6,485	8,062
	17,713	**17,314**	**154,794**	**189,428**

The subsidiary Pampa Sul advanced 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 of these advances on 9.30.2021 was R$ 19,610 (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.

NOTE 6 – MARKETABLE SECURITIES

Changes in marketable securities

	Parent Company		
	Current	Non-current	Total
Balance at 12.31. 2020	**6,830**	**332,389**	**339,219**
Interest[1]	8,718	-	8,718
Inflation adjustment[1]	1,576	12,544	14,120
Transfer	360,404	(360,404)	-
Fair value adjustment[1]	33,456	15,471	48,927
Amounts received	(410,984)	-	(410,984)
Balance at 9.30.2021	**-**	**-**	**-**

(1) The information presented includes PIS and Cofins.

- Receipts of marketable securities

During 2021, the Company traded all debentures acquired in 2020, pursuant to CVM Instruction 476/2009, of its direct subsidiary Pampa Sul, in the secondary market. The amounts involved in the sale totaled R$ 410,984, of which R$ 378,545 refer to principal and interest, and R$ 32,439 (R$ 30,931, net of PIS and Cofins) to gains from the sales of debentures.

Notes to the Financial Statements

NOTE 7 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Financing guarantees	-	161,052	-	161,052
Contractual commitment guarantees	-	-	44,733	-
Guarantees for negative balance at CCEE	19,967	1	21,352	12,189
Reinvestment deposits	2,466	807	4,410	807
Current assets	**22,433**	**161,860**	**70,495**	**174,048**
Financing guarantees	7,981	-	323,904	185,801
Contractual commitment guarantees	-	-	-	43,778
Others	-	-	6,342	6,240
Non-current assets	**7,981**	**-**	**330,246**	**235,819**
	30,414	**161,860**	**400,741**	**409,867**

- Financing guarantees

On 12.31.2020, financing guarantees registered under current assets were related to the swap settlement with Scotiabank on 12.28.2020. The amount of this guarantee was used to pay a portion of the principal and interest on the foreign currency loan related to this swap in April 2021.

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

- Contractual commitment guarantees

Deposits in the amount of R$ 44,733 (R$ 43,778 on 12.31.2020) were made to guarantee compliance with certain contractual commitments undertaken by the seller of Novo Estado. In August 2021, this amount was reclassified to current liabilities, due to the expected settlement of bonus in the short term related to the commercial startup of the Novo Estado Transmission System.

NOTE 8 – CONCESSION FINANCIAL ASSET

a) Breakdown

	Consolidated					
	9.30.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Jaguara HPP	202,936	1,647,546	1,850,482	189,612	1,550,501	1,740,113
Miranda HPP	124,169	1,008,044	1,132,213	116,014	948,669	1,064,683
	327,105	**2,655,590**	**2,982,695**	**305,626**	**2,499,170**	**2,804,796**

Notes to the Financial Statements

b) 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	(136,691)	(83,638)	(220,329)
Interest	113,464	69,421	182,885
Inflation adjustment	133,596	81,747	215,343
Balances at 9.30.2021	**1,850,482**	**1,132,213**	**2,982,695**

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

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
October to December 2022	44,364	27,143	71,507
2023	166,771	102,037	268,808
2024	150,831	92,284	243,115
2025	136,445	83,483	219,928
2026	123,435	75,523	198,958
2027 to 2031	461,430	282,324	743,754
2032 to 2047	564,270	345,250	909,520
	1,647,546	**1,008,044**	**2,655,590**

NOTE 9 – CONTRACT ASSET

The Company has primary responsibility for the construction and installation of infrastructure related to the 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	1,328,201	620,661	1,948,862
Transmission infrastructure construction margin	29,792	16,528	46,320
Loss due to inefficiency in construction	(68,100)	(20,275)	(88,375)
Interest	113,236	108,876	222,112
Inflation adjustment	154,711	131,577	286,288
Balance at 9.30.2021	**3,151,703**	**2,224,923**	**5,376,626**
Classification in balance sheet			
Current assets	145,498	193,385	338,883
Non-current assets	3,006,205	2,031,538	5,037,743
	3,151,703	**2,224,923**	**5,376,626**

Notes to the Financial Statements

The balance shown will start being realized from the commercial startup of the electricity transmission systems.

NOTE 10 - NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

The main categories of assets and liabilities held for sale are:

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Held-for-sale property, plant and equipment	4,577	4,577	4,577	4,577
Held-for-sale investments				
Assets	369,920	-	575,269	-
Liabilities related to assets	-	-	(205,349)	-
Net assets	**369,920**	**-**	**369,920**	**-**
	374,497	**4,577**	**374,497**	**4,577**
Classification in the balance sheet				
Assets	374,497	4,577	579,846	4,577
Liabilities[1]	-	-	(205,349)	-
	374,497	**4,577**	**374,497**	**4,577**

(1) Shown under "Liabilities related to non-current assets held for sale".

a) Held-for-sale property, plant and equipment

Refers to assets of the non-operational project Jacuí, which had been provided as guarantee and were received as a result of the favorable outcome for the Company in 2014 of a lawsuit filed for collecting the amounts receivable from the sale of said plant. The Company is in process of selling the assets.

b) Held-for-sale investments

In line with the strategy to decarbonize the Company, on 8.30.2021, a share purchase agreement related to the shares of Diamante was entered into between the Company and EBC, as sellers; FRAM and Diamante, as consenting intervening parties; and Diamante Holding, a subsidiary of FRAM, as the buyer. With this, the requirements to classify the subsidiary as held for sale were met.

On 9.30.2021, the estimated sale amount, net of costs, was R$ 292,420, which is lower than the subsidiary's book value. Therefore, the assets held for sale are measured at fair value, net of sale costs. In 2021, the Company registered the amount of R$ 192,377 as provision for impairment of the assets held for sale, related to the difference between their book and fair value. This amount was registered in profit or loss as "Provision for impairment of assets."

Notes to the Financial Statements

	9.30.2021
Equity at book value	562,297
Provision for impairment of assets	(192,377)
Net assets	**369,920**
Capital reduction on 10.01.2021	(77,500)
Fair value	**292,420**

The sale of the subsidiary was closed on 10.18.2021, after the fulfillment of the conditions precedent, when R$ 210,000 was received.

b1) Assets and liabilities held for sale

The main assets and liabilities of Diamante classified as held for sale on 9.30.2021 are shown below:

	9.30.2021			9.30.2021	
	Book value	Fair value		Book value	Fair value
CURRENT ASSETS			**CURRENT LIABILITIES**		
Cash and cash equivalents	155,144	155,144	Trade accounts payable	131,028	131,028
Trade accounts receivable	91,423	91,423	Labor obligations	13,419	13,419
Inventories	49,888	49,888	Fuel payable to CDE	23,933	23,933
Fuels to be reimbursed	61,415	61,415	Income tax and social contribution payable	17,382	17,382
Other current assets	5,126	5,126	Other tax and regulatory obligations	9,820	9,820
	362,996	**362,996**	P&D obligations	1,562	1,562
NON-CURRENT ASSETS			Other current liabilities	614	614
Long-term assets				**197,758**	**197,758**
Deferred tax assets	901	901			
Other non-current assets	742	742			
	1,643	**1,643**	**NON-CURRENT LIABILITIES**		
			Fuel payable to CDE	6,637	6,637
Property, plant and equipment	**402,912**	**210,535**	Other non-current assets	954	954
Intangible assets	**95**	**95**		**7,591**	**7,591**
	404,650	**212,273**			
Total assets	**767,646**	**575,269**	**Total liabilities related to assets**	**205,349**	**205,349**

Notes to the Financial Statements

NOTE 11 – OTHER ASSETS

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Tax credits recoverable	2,617	36,039	129,707	179,286
Prepaid expenses	23,053	11,298	54,263	39,258
Divestments and services in course	29,714	26,452	32,092	29,827
Deferred tax asset	-	-	29,692	47,642
Trade accounts receivables	2,202	2,202	11,498	16,166
Advances to employees	7,342	3,173	8,609	5,769
Fuels to be reimbursed	-	-	-	58,462
Other amounts receivable	77,639	50,333	91,540	73,754
	142,567	**129,497**	**357,401**	**450,164**
Classification in balance sheet				
Current assets	130,370	90,515	235,231	274,413
Non-current assets	12,197	38,982	122,170	175,751
	142,567	**129,497**	**357,401**	**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, totaling R$ 97,155, were fully offset, while EBC has on 9.30.2021 the recoverable amount of R$ 56,231, having offset R$ 9,470 during the nine-month period of 2021.

b) Prepaid expenses

Mainly refer to expenses to be appropriated resulting from the Property Damage and Business Interruption (PDBI) insurance policy.

c) Fuel to be reimbursed

Refered to amounts receivable from the reimbursement of fuel consumed for thermal power generation at the CTLJ, which are reimbursed by CCEE, which is responsible for managing the Energy Development Account (CDE). 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. The reduction in this line is due to the reclassification of Diamante's items to "Non-current assets held for sale".

Notes to the Financial Statements

NOTE 12 – INVESTMENTS

a) Breakdown

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Interest on subsidiaries:				
Measured at the equity method				
Equity in earnings of subsidiaries	14,349,305	14,124,862	2,376,071	2,251,408
Goodwill from investment acquisition	54,300	56,806	-	-
Goodwill from expected future profitability	173,654	173,654	173,654	173,654
	14,577,259	**14,355,322**	**2,549,725**	**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	Transfer to ANCMV[1]	Balances at 9.30.2021
Subsidiaries								
ECP[2]	**4,060,695**	629,772	(598,442)	167,625	-	43,529	-	**4,303,179**
CEE[3]	**1,735,564**	-	-	205,980	(95,550)	-	-	**1,845,994**
Pampa Sul	**2,414,520**	-	(880,000)	(89,351)	-	-	-	**1,445,169**
ETP II[4]	**490,016**	781,585	-	101,595	-	-	-	**1,373,196**
Jaguara[5]	**1,132,463**	-	-	157,202	-	-	-	**1,289,665**
Miranda[6]	**762,769**	-	-	99,524	-	-	-	**862,293**
EBC	**301,850**	-	-	63,517	-	-	-	**365,367**
EGSD[7]	**82,595**	3,500	-	(8,494)	-	(1,793)	-	**75,808**
ENGIE Trading[8]	**25,676**	-	-	35,076	-	-	-	**60,752**
ECV[9]	**20,994**	-	-	25,389	-	-	-	**46,383**
Lages[10]	**26,364**	-	-	8,881	-	-	-	**35,245**
Diamante	**565,276**	-	-	127,425	(130,404)	-	(562,297)	**-**
Outros	**3,589**	-	-	-	-	-	-	**3,589**
Under shared control								
Itasa[11]	**251,083**	-	-	19,573	(4,062)	-	-	**266,594**
Joint venture								
TAG[12]	**2,251,408**	-	-	473,523	(357,500)	8,640	-	**2,376,071**
	14,124,862	**1,414,857**	**(1,478,442)**	**1,387,465**	**(587,516)**	**50,376**	**(562,297)**	**14,349,305**

(1) Non-current assets held for sale.
(2) ENGIE Brasil Energias Complementares Participações Ltda.
(3) Companhia Energética Estreito
(4) ENGIE Transmissão de Energia Participações II S.A
(5) Companhia Energética Jaguara
(6) Companhia Energética Miranda
(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 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 registered in 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 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.

b.4) Diamante

In the 3rd quarter of 2021, due to the firm intention of sale of Diamante, the Company started registering its assets and liabilities under "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale," respectively. Further information is available in Note 10 – Non-current assets held for sale.

Notes to the Financial Statements

b.5) Information on main investees

		9.30.2021				12.31.2020				3rd quarter of 2021		9 months of 2021	
	Interest (%)	Assets	Liabilities	Adjusted shareholders' equity	Capital	Assets	Liabilities	Adjusted shareholders' equity	Capital	Net revenue	Adjusted net income (loss)	Net revenue	Adjusted net income (loss)
ECP	99.99	8,320,584	4,179,673	4,306,549	2,894,213	8,918,840	5,018,692	4,063,164	2,862,883	325,190	60,814	925,794	168,526
CEE	99.99	2,084,675	238,681	1,845,994	1,369,380	1,989,842	254,278	1,735,564	1,369,380	166,263	99,334	482,682	205,980
Pampa Sul	99.99	3,422,952	2,248,917	1,445,169	1,076,692	4,130,744	2,005,375	2,414,520	1,956,692	160,129	(22,166)	466,753	(89,351)
ETP II	99.99	6,370,179	5,011,150	1,373,196	1,203,969	2,006,358	1,531,321	490,016	422,384	890,428	9,587	2,411,500	101,595
Jaguara	99.99	2,638,457	1,348,792	1,289,665	854,409	2,426,885	1,294,422	1,132,463	854,409	204,179	58,579	490,158	157,202
Miranda	99.99	1,647,658	785,365	862,293	582,663	1,516,335	753,566	762,769	582,663	112,032	37,043	282,775	99,524
EBC	99.99	1,051,965	686,598	365,367	10,038	874,148	572,298	301,850	10,038	1,216,311	37,073	3,346,343	63,517
EGSD[1]	99.99	114,651	38,843	75,808	83,190	135,045	52,450	82,595	58,990	2,272	(3,333)	19,633	(8,494)
ENGIE Trading	99.99	654,292	593,540	60,752	36,000	379,826	354,150	25,676	36,000	245,968	(2,820)	685,184	35,076
ECV	99.99	123,818	77,435	46,383	23,970	69,814	48,820	20,994	23,970	179,312	12,738	542,304	25,389
Lages	99.99	65,835	30,590	35,245	30,530	34,001	7,637	26,364	30,530	8,274	11,522	49,730	8,881
Diamante	99.99	767,641	205,344	562,297	638,940	845,885	280,609	565,276	638,940	195,859	59,296	758,111	127,425
Under shared control													
Itasa	48.75	601,316	54,456	546,860	510,135	551,733	36,691	515,042	510,135	55,833	10,622	172,001	40,149
Joint Venture													
TAG	32.5	38,832,635	31,521,646	7,310,989	2,255,637	34,524,468	27,597,060	6,927,408	2,255,637	1,766,352	466,388	5,212,001	1,456,994

(1) In 2021, the capital of EGSD was increased by R$ 24,200, of which R$ 20,700 through the transfer of advance for future capital increase.

Non-controlling shareholder

The non-controlling interest of Ibitiúva on 9.30.2021 in the shareholders' equity and the net income of ECP presented above was R$ 3,370 and R$ 901 (R$ 2,469 on 12.31.2020 and R$ 816 on 9.30.2020), respectively. Net income presented in the 3rd quarter of 2021 and 2020 was R$ 336 and R$ 304, respectively.

Capitalized amounts

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

- Loans, financing and debentures

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.

In the 3rd quarter of 2021, all farms of the Campo Largo II Wind Power Complex are authorized for commercial startup and the interest on debt started to be repaid.

Notes to the Financial Statements

The effects of these items are presented in the table:

	Cost of capitalized debt, net of depreciation					
	9.30.2021	12.31.2020	3rd quarter of 2021	3rd quarter of 2020	9 months of 2021	9 months of 2020
ECP	165,638	163,016	46	976	2,622	8,228
Pampa Sul	271,134	278,269	(2,377)	(2,379)	(7,135)	(7,135)

Moreover, in the 2nd half of 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, as effects shown below.

	Fair value adjustment				
	12.31.2020	3rd quarter of 2021	3rd quarter of 2020	9 months of 2021	9 months of 2020
Pampa Sul	10,882	8,491	(20,420)	(10,882)	(20,420)

In the 3rd quarter of 2021, Pampa Sul settled 100% of debentures.

- Redeemable preferred shares

In September 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$ 15,250. 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 9.30.2021, the total capitalized amount was R$ 14,167. The amount recognized in the 3rd quarter of 2021 was R$ 271 and in the first nine months of 2021 was R$ 812.

Notes to the Financial Statements

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent Company					
		9.30.2021			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%	5,111,798	(3,537,867)	1,573,931	5,110,695	(3,425,282)	1,685,413
Buildings and improvements	3.2%	1,285,733	(887,869)	397,864	1,283,888	(854,978)	428,910
Machinery and equipment	3.5%	4,248,599	(2,703,833)	1,544,766	4,229,755	(2,617,771)	1,611,984
Furniture and fixtures	6.3%	8,929	(4,927)	4,002	8,775	(4,546)	4,229
Vehicles	14.3%	2,251	(1,958)	293	2,233	(1,933)	300
Special obligations		(49,655)	9,707	(39,948)	(49,655)	8,302	(41,353)
		10,607,655	**(7,126,747)**	**3,480,908**	**10,585,691**	**(6,896,208)**	**3,689,483**
In progress							
Reservoirs, dams and ducts		2,489	-	2,489	1,809	-	1,809
Buildings and improvements		61	-	61	1,035	-	1,035
Machinery and equipment		79,562	-	79,562	82,577	-	82,577
Advances to suppliers		29,891	-	29,891	29,666	-	29,666
Acquisitions to be apportioned		23,470	-	23,470	20,979	-	20,979
		135,473	**-**	**135,473**	**136,066**	**-**	**136,066**
		10,743,128	**(7,126,747)**	**3,616,381**	**10,721,757**	**(6,896,208)**	**3,825,549**

Notes to the Financial Statements

		Consolidated					
		9.30.2021			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%	7,288,851	(4,331,413)	2,957,438	7,287,590	(4,163,724)	3,123,866
Buildings and improvements	3.1%	2,039,829	(1,071,774)	968,055	2,187,460	(1,207,346)	980,114
Machinery and equipment	4.2%	14,972,543	(4,467,531)	10,505,012	16,255,557	(6,295,200)	9,960,357
Furniture and fixtures	6.3%	12,757	(5,914)	6,843	15,185	(7,200)	7,985
Vehicles	14.3%	4,908	(3,166)	1,742	5,869	(4,230)	1,639
Special obligations		(49,780)	9,708	(40,072)	(50,146)	8,475	(41,671)
		24,269,108	**(9,870,090)**	**14,399,018**	**25,701,515**	**(11,669,225)**	**14,032,290**
In progress							
Reservoirs, dams and ducts		6,435	-	6,435	14,848	-	14,848
Buildings and improvements		44,361	-	44,361	68,312	-	68,312
Machinery and equipment		657,473	-	657,473	565,396	-	565,396
Advances to suppliers		225,281	-	225,281	737,400	-	737,400
Acquisitions to be apportioned		121,418	-	121,418	119,591	-	119,591
		1,054,968	**-**	**1,054,968**	**1,505,547**	**-**	**1,505,547**
		25,324,076	**(9,870,090)**	**15,453,986**	**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	-	-	-	-	24,856	-	24,856
Transfers	(410)	1,498	24,189	172	(25,449)	-	-
Write-offs	-	(4)	(845)	(28)	-	-	(877)
Depreciation	(111,072)	(32,540)	(90,562)	(378)	-	1,405	(233,147)
Balance at 9.30.2021	**1,573,931**	**397,864**	**1,544,766**	**4,295**	**135,473**	**(39,948)**	**3,616,381**

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	-	-	-	-	799,068	182	799,250
Additions – provision for divestment	-	-	-	-	25,085	-	25,085
Capitalized interest, inflation adjustment and depreciation	-	-	-	-	70,002	-	70,002
Reversal of impairment	-	6,052	73,990	223	-	-	80,265
Transfers	7,123	50,102	1,177,043	987	(1,235,255)	-	-
Transfer to ANCMV[1]	(2,876)	(16,292)	(273,207)	(1,242)	(109,479)	184	(402,912)
Write-offs	-	(4)	(1,043)	(29)	-	-	(1,076)
Depreciation	(170,675)	(51,917)	(432,128)	(978)	-	1,233	(654,465)
Balance at 9.30.2021	**2,957,438**	**968,055**	**10,505,012**	**8,585**	**1,054,968**	**(40,072)**	**15,453,986**

(1) Non-current assets held for sale

Reversal of impairment

On 9.30.2021, the Company recognized reversals of impairment in the amount of R$ 80,265, in the consolidated, related to: (i) R$ 57,927, due to the review of the shutdown of Jorge Lacerda Thermal Power Complex units 1 and 2, mainly due to the progress made in the process of selling Diamante; and (ii) R$ 22,338, due to the operational startup of Lages Thermal Power Plant and the consequent expectation of future cash generation, given the higher dispatch from thermal power plants as a result of the water crisis.

NOTE 14 – INTANGIBLE ASSETS

a) Changes in intangible assets

	Parent Company
	Total[1]
Balance at 12.31.2020	**1,035,535**
Additions	452,868
Amortization	(14,439)
Balance at 9.30.2021	**1,473,964**

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

Notes to the Financial Statements

	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	-	423,672	42,906	-	-	466,578
Transfer to ANCMV[2]	-	-	(95)	-	-	(95)
Amortization	(25,727)	(2,477)	(15,070)	(4,512)	-	(47,786)
Balances at 9.30.2021	**897,195**	**1,828,957**	**114,363**	**11,925**	**80,247**	**2,932,687**

(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.
(2) Non-current assets held for sale

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 13,203 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 should: (i) withdraw any 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.

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.

In July 2021, Federal Law 14,182 was enacted, which addresses the privatization of Eletrobras and the retroactive effects of the Generation Scaling Factor (GSF), expressly ruling that for the period prior to the start of the period for renegotiating hydrological risk, the entire physical guarantee of the plants will be considered as the portion of energy not renegotiated for the purposes of receiving reimbursement.

Notes to the Financial Statements

Ratification Resolutions 2,919/2021 and 2,932/2021 approved the deadline for extending the concession of plants, with the second resolution related to the plants that were affected by the new treatment of the period prior to the start of the period for renegotiating hydrological risk.

As a result of the revised calculations with to the publication of CCEE in March 2021 and Federal Law 14,182/2021, in 2021 the Company recognized R$ 407,054 and R$ 423,672 in the parent company and consolidated, respectively, related to extension rights. 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, note that the Company has not yet recognized the extension rights related to the Consortiums Itá, Machadinho and Estreito, since there was no approval, until the date of this ITR, by all consortium members, of the consent to the terms of renegotiation and the withdrawal of any lawsuits seeking exemption from or mitigation of hydrological risks, which are the conditions precedent to receive the compensation set forth in Federal Law 14,052. The approval by consortium members is expected by the end of 2021.

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

Plants	Intangible Assets	Concession extension (years)
Salto Santiago	550,406	2.1
Salto Osório	429,433	2.5
Cana Brava	152,001	2.4
Passo Fundo	96,472	2.5
São Salvador	76,572	3.1
Ponte de Pedra	69,851	2.4
Parent Company	**1,374,735**	
Jaguara	10,329	0.5
Miranda	6,289	0.5
Consolidated	**1,391,353**	

Notes to the Financial Statements

NOTE 15 – SUPPLIERS

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Suppliers of property, plant and equipment and intangible assets	15,798	5,176	442,324	368,359
Electricity purchased for resale	98,516	78,572	148,300	140,958
Trading operations	-	-	131,649	128,939
Transactions in the short-term market	114,226	-	118,779	12
Suppliers of materials and services	22,095	25,480	83,496	80,341
Charges for the use of the power grid	37,157	32,029	63,093	59,117
Fossil fuels and biomass	-	-	2,498	84,026
Current liabilities	**287,792**	**141,257**	**990,139**	**861,752**
Suppliers of property, plant and equipment and intangible assets	7,471	-	16,373	11,088
Suppliers of materials and services	-	-	6,342	6,240
Non-current liabilities [1]	**7,471**	**-**	**22,715**	**17,328**
	295,263	**141,257**	**1,012,854**	**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.

NOTE 16 – 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 nine-month period ended 9.30.2021, 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	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Unrealized gains from hedge operations				
Current assets				
Fair value hedge – loans and debentures	229,638	6,631	229,638	6,631
Cash flow hedge – loans	4,257	5,058	4,257	5,058
Cash flow hedge – obligations	-	-	14,006	-
Cash flow hedge - inventories	-	-	426	2,786
	233,895	**11,689**	**248,327**	**14,475**
Non-current assets				
Fair value hedge – loans and debentures	596,408	711,998	596,408	711,998
Cash flow hedge – loans	-	2,103	-	2,103
Cash flow hedge - obligations	-	-	31,228	5,279
	596,408	**714,101**	**627,636**	**719,380**
Long positions	**830,303**	**725,790**	**875,963**	**733,855**
Unrealized losses from hedge operations				
Current liabilities				
Fair value hedge – loans and debentures	(20,914)	(4,902)	(48,888)	(19,569)
Cash flow hedge – obligations	-	-	(87)	-
	(20,914)	**(4,902)**	**(48,975)**	**(19,569)**
Non-current liabilities				
Fair value hedge – loans and debentures	(140,731)	(111,396)	(168,661)	(132,311)
Cash flow hedge – obligations	-	-	-	(3,661)
	(140,731)	**(111,396)**	**(168,661)**	**(135,972)**
Short positions	**(161,645)**	**(116,298)**	**(217,636)**	**(155,541)**
Net positions	**668,658**	**609,492**	**658,327**	**578,314**
Fair value hedge – loans and debentures	664,401	602,331	608,497	566,749
Cash flow hedge – loans	4,257	7,161	4,257	7,161
	668,658	**609,492**	**612,754**	**573,910**
Cash flow hedge - obligations	**-**	**-**	**45,147**	**1,618**
Cash flow hedge - inventories	**-**	**-**	**426**	**2,786**
Net positions	**668,658**	**609,492**	**658,327**	**578,314**

a.1) Hedge operations on loans and debentures

At 9.30.2021, the Company held no relevant financial obligation denominated in foreign currencies whose exchange variation was not fully hedged against.

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

Notes to the Financial Statements

	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	(22,360)	(52,103)	(74,463)	(41,144)	(68,901)	(110,045)
Exchange variation	95,296	153,435	248,731	95,296	153,435	248,731
Fair value adjustment through profit or loss	(26,904)	(33,208)	(60,112)	(27,325)	(33,634)	(60,959)
Fair value adjustment through other comprehensive income	(6,611)	-	(6,611)	(6,611)	-	(6,611)
Transfers	215,152	(215,152)	-	204,943	(204,943)	-
Repayment of principal	(49,110)	-	(49,110)	(38,084)	-	(38,084)
Repayment of interest	731	-	731	5,812	-	5,812
Assets (Liabilities) at 9.30.2021, net	**212,981**	**455,677**	**668,658**	**185,007**	**427,747**	**612,754**

a.2) Cash flow hedge operations on obligations

The Company maintains on 9.30.2021 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 9.30.2021 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 9.30.2021, unrealized gains of NDF totaled a long position, net of R$ 45,147 (R$ 1,618 long position, net on 12.31.2020). The corresponding entry 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	
	9.30.2021	9..30.2020	9.30.2021	9.30.2020
Cash flow hedge – loans	(6,611)	(25)	(6,611)	(25)
Cash flow hedge – obligations	-	-	43,529	-
Cash flow hedge – inventories	-	-	(2,360)	531
Unrealized (losses) gains from cash flow hedge operations originated in the period	**(6,611)**	**(25)**	**34,558**	**506**

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 9.30.2021 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:	12 months Variation 9.30.2021	Probable Scenario 9.30.2022	Sensitivity		
			Probable	Δ + 25% (*)	Management
TJLP	4.9%	5.3%	0.4% p.p.	1.3% p.p.	0.0% p.p.
CDI	6.2%	8.3%	2.1% p.p.	2.1% p.p.	-1.7% p.p.
IPCA	10.3%	4.8%	-5.5% p.p.	1.2% p.p.	-0.3% p.p.
IGP-M	24.9%	4.9%	-20.0% p.p.	1.2% p.p.	12.5% 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 9.30.2021, and those expected for the next 12 months, ending on 9.30.2022, 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 9.30.2021	Sensitivity		
		Probable	Δ + 25%	Management
Risk of increase (liability)				
Loans and financing				
TJLP	1,775,844	(7,283)	(22,633)	(496)
U.S. dollar – with swap to CDI rate	2,308,855	(38,850)	(39,664)	30,468
U.S. dollar – with swap to IPCA rate	1,132,820	60,382	(13,463)	3,133
IPCA	6,557,096	360,584	(80,961)	18,738
Debentures				
IPCA	5,751,192	355,801	(71,399)	16,616
CDI – with swap to IPCA rate	347,885	(5,431)	(5,537)	4,254
Redeemable preferred shares				
CDI	498,733	(11,022)	(11,370)	8,724
Concessions payable[1]				
IGP-M	1,626,048	306,278	(18,756)	(191,458)
IPCA	3,077,273	173,017	(37,698)	9,398
Risk of decrease (asset)				
Concession financial asset				
IPCA	2,982,695	(161,451)	48,645	(8,806)

(1) The concession of Cana Brava Hydroelectric Power Plant started to be presented as IPCA, given the change in adjustment index, as informed in Note 36 – Subsequent events.

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					
	9.30.2021			12.31.2020		
	Assets	Liabilities	Net gain	Assets	Liabilities	Net gain
Classification in balance sheet						
Current	500,631	(493,734)	6,897	320,309	(321,654)	(1,345)
Non-current	218,925	(198,243)	20,682	54,385	(36,405)	17,980
	719,556	**(691,977)**	**27,579**	**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	32,432
Unrealized loss recognized for the period	(21,488)
Balances at 9.30.2021	**27,579**

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		
	9.30.2021	P25 Scenario	P75 Scenario
Unrealized gains (losses) on trading operations	27,579	(48)	116

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	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Debt[1]	7,774,404	8,199,973	19,136,255	16,672,233
(-)Deposits pegged to debt service	(7,981)	(161,052)	(323,904)	(346,853)
(-)Cash and cash equivalents	(1,846,192)	(1,924,589)	(4,639,451)	(4,538,946)
Net debt	**5,920,231**	**6,114,332**	**14,172,900**	**11,786,434**
Shareholders' equity	**7,882,896**	**7,739,529**	**7,886,266**	**7,741,998**
Total debt/Shareholders' equity	**0.8**	**0.8**	**1.8**	**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 9.30.2021. 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	287,792	7,471	-	-	295,263
Post-fixed interest rates:					
Loans and financing[1]	33,093	8,098	-	-	41,191
Debentures	276,515	1,033,372	2,044,295	981,254	4,335,436
Fixed interest rates:					
Loans and financing	1,369,831	2,314,238	1,198,979	-	4,883,048
Concessions payable	271,514	1,075,581	1,444,718	5,486,110	8,277,923
	2,238,745	**4,438,760**	**4,687,992**	**6,467,364**	**17,832,861**

	Consolidated				
	Up to 1 year	From 2 to 3 years	From 4 to 5 years	Over 5 years	Total
Suppliers	990,139	22,715	-	-	1,012,854
Post-fixed interest rates:					
Loans and financing[1]	534,407	1,487,014	1,560,014	8,549,092	12,130,527
Debentures[1]	731,028	1,878,394	2,822,984	2,436,242	7,868,648
Redeemable preferred shares	-	166,721	177,326	582,080	926,127
Fixed interest rates:					
Loans and financing	1,369,831	2,314,238	1,198,979	-	4,883,048
Concessions payable	278,647	1,089,934	1,459,071	5,567,442	8,395,094
	3,904,052	**6,959,016**	**7,218,374**	**17,134,856**	**35,216,298**

(1) Net of hedge effects.

Notes to the Financial Statements

f) Category of financial instruments

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Financial assets				
Fair value through profit or loss				
Financial investments	1,844,480	1,921,388	4,567,686	4,483,998
Marketable securities	-	339,219	-	-
Unrealized gains on fair value hedge operations	826,046	718,629	826,046	718,629
Unrealized gains on trading operations	-	-	719,556	374,694
Amortized cost				
Cash and bank deposits	1,712	3,201	71,765	54,948
Trade accounts receivable	474,226	695,003	1,301,029	1,739,267
Restricted deposits	30,414	161,860	400,741	409,867
Fuel reimbursable[1]	-	-	-	58,462
Concession financial asset	-	-	2,982,695	2,804,796
Fair value through other comprehensive income				
Unrealized gains on cash flow hedge operations	4,257	7,161	49,917	15,226
	3,181,135	**3,846,461**	**10,919,435**	**10,659,887**
Financial liabilities				
Fair value through profit or loss				
Foreign currency	4,816,117	4,126,373	4,816,117	4,126,373
Debentures	-	-	347,885	428,266
Unrealized losses on fair value hedge operations[2]	161,645	116,298	217,549	151,880
Unrealized losses on trading operations	-	-	691,977	358,059
Amortized cost				
Suppliers	295,263	141,257	1,012,854	879,080
Loans in local currency	42,445	110,744	8,335,082	6,028,600
Loans in foreign currency	-	1,046,535	-	1,046,535
Redeemable preferred shares	-	-	498,733	482,088
Debentures	3,584,500	3,525,813	5,751,192	5,134,281
Concessions payable	4,643,955	3,955,765	4,703,321	4,012,318
Liabilities linked to investment acquisition[2]	-	-	52,385	51,756
Fuel payable to CDE[2]	-	-	-	45,206
Reimbursement to distributors[2]	-	-	391,496	203,106
Fair value through other comprehensive income				
Unrealized losses on cash flow hedge operations[2]	-	-	87	3,661
	13,543,925	**13,022,785**	**26,818,678**	**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			
	9.30.2021		12.31.2020	
	Book	Market	Book	Market
Loans and financing in local currency	42,445	38,562	110,744	107,966
Loans in foreign currency	4,816,117	4,147,487	5,172,908	5,173,420
Debentures	3,584,500	3,610,073	3,525,813	3,842,068
Concessions payable	4,643,955	4,006,336	3,955,765	4,301,579
	13,087,017	**11,802,458**	**12,765,230**	**13,425,033**

	Consolidated			
	9.30.2021		12.31.2020	
	Book	Market	Book	Market
Assets				
Concession financial asset	2,982,695	2,953,958	2,804,796	2,778,272
	2,982,695	**2,953,958**	**2,804,796**	**2,778,272**
Liabilities				
Loans and financing in local currency	8,335,082	8,445,207	6,028,600	6,736,194
Loans in foreign currency	4,816,117	4,147,487	5,172,908	5,173,420
Redeemable preferred shares	498,733	521,489	482,088	504,784
Debentures	6,099,077	6,266,611	5,562,547	5,860,290
Concessions payable	4,703,321	4,058,279	4,012,318	4,365,227
	24,452,330	**23,439,073**	**21,258,461**	**22,639,915**

Notes to the Financial Statements

NOTE 17 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	9.30.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
Measured at amortized cost						
BNDES	-	-	-	16,633	30,493	47,126
BNDES onlendings (Banks)[1]	1,533	606	2,139	1,533	1,755	3,288
NIB[2]	32,001	8,018	40,019	29,873	29,890	59,763
Charges	287	-	287	567	-	567
	33,821	**8,624**	**42,445**	**48,606**	**62,138**	**110,744**
Foreign currency – with hedge						
Measured at amortized cost						
Scotiabank	-	-	-	519,373	-	519,373
MUFG[3]	-	-	-	519,617	-	519,617
Charges	-	-	-	7,545	-	7,545
	-	**-**	**-**	**1,046,535**	**-**	**1,046,535**
Measured at fair value						
Scotiabank	553,465	1,669,927	2,223,392	-	1,627,693	1,627,693
BNP Paribas	277,464	1,254,728	1,532,192	-	1,475,679	1,475,679
MUFG	-	488,562	488,562	-	465,102	465,102
HSBC	518,109	-	518,109	-	535,236	535,236
Charges	53,862	-	53,862	22,663	-	22,663
	1,402,900	**3,413,217**	**4,816,117**	**22,663**	**4,103,710**	**4,126,373**
Loans and financing	**1,436,721**	**3,421,841**	**4,858,562**	**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					
	9.30.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**1,436,721**	**3,421,841**	**4,858,562**	**1,117,804**	**4,165,848**	**5,283,652**
Fair value hedge (swap) effects						
Long position	(229,638)	(596,408)	(826,046)	(6,631)	(711,998)	(718,629)
Short position [1]	20,914	140,731	161,645	4,902	111,396	116,298
Cash flow hedge (swap) effects						
Long position	(4,257)	-	(4,257)	(5,058)	(2,103)	(7,161)
Loans and financing, net of hedge effects	**1,223,740**	**2,966,164**	**4,189,904**	**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					
	9.30.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
Measured at amortized cost						
BNDES	248,770	7,340,740	7,589,510	251,194	5,606,575	5,857,769
BNDES onlendings (Banks)	1,533	606	2,139	1,533	1,755	3,288
BASA[1]	-	588,410	588,410	-	-	-
BNB[2]	-	87,117	87,117	-	83,951	83,951
NIB	32,001	8,018	40,019	29,873	29,890	59,763
Charges	27,887	-	27,887	23,829	-	23,829
	310,191	**8,024,891**	**8,335,082**	**306,429**	**5,722,171**	**6,028,600**
Foreign currency – with hedge						
Measured at amortized cost						
Scotiabank	-	-	-	519,373	-	519,373
MUFG	-	-	-	519,617	-	519,617
Charges	-	-	-	7,545	-	7,545
	-	**-**	**-**	**1,046,535**	**-**	**1,046,535**
Measured at fair value						
Scotiabank	553,465	1,669,927	2,223,392	-	1,627,693	1,627,693
BNP Paribas	277,464	1,254,728	1,532,192	-	1,475,679	1,475,679
MUFG	-	488,562	488,562	-	465,102	465,102
HSBC	518,109	-	518,109	-	535,236	535,236
Charges	53,862	-	53,862	22,663	-	22,663
	1,402,900	**3,413,217**	**4,816,117**	**22,663**	**4,103,710**	**4,126,373**
Loans and financing	**1,713,091**	**11,438,108**	**13,151,199**	**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					
	9.30.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**1,713,091**	**11,438,108**	**13,151,199**	**1,375,627**	**9,825,881**	**11,201,508**
Fair value hedge (swap) effects						
Long position	(229,638)	(596,408)	(826,046)	(6,631)	(711,998)	(718,629)
Short position [1]	20,914	140,731	161,645	4,902	111,396	116,298
Cash flow hedge (swap) effects						
Long position	(4,257)	-	(4,257)	(5,058)	(2,103)	(7,161)
Loans and financing, net of hedge effects	**1,500,110**	**10,982,431**	**12,482,541**	**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	-	529,809	529,809	-	3,069,381	3,069,381
Interest	127,940	-	127,940	404,569	-	404,569
Inflation adjustments	2,149	1,278	3,427	(24,260)	333,618	309,358
Capitalized interest and inflation adjustments	-	-	-	69,401	-	69,401
Exchange variations	95,296	153,435	248,731	95,296	153,435	248,731
Fair value adjustment	(29,853)	(31,111)	(60,964)	(29,853)	(31,111)	(60,964)
Transfers	1,397,418	(1,397,418)	-	1,913,096	(1,913,096)	-
Payment of principal	(1,166,864)	-	(1,166,864)	(1,802,540)	-	(1,802,540)
Repayment of interest	(107,169)	-	(107,169)	(288,245)	-	(288,245)
Balances at 9.30.2021	**1,436,721**	**3,421,841**	**4,858,562**	**1,713,091**	**11,438,108**	**13,151,199**

c) Main transactions in 2021

c.1) Financing in domestic currency

- Release of financing

Until 9.30.2021, R$ 325,073 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.

Also during the nine-month period ended 9.30.2021, the first tranches of financing of the indirect subsidiary Novo Estado from Banco da Amazônia S.A. were released, which were contracted during 2020, but were not released that year, in the amount of R$ 588,419 (R$ 588,363 net of funding costs). Until 9.30.2021, R$ 840,459 of the indirect subsidiary Novo Estado from BNDES was also released. The funds were used to finance the construction of transmission lines.

Notes to the Financial Statements

Additionally, until 9.30.2021, a sum of R$ 800,000 (R$ 784,988 net of funding costs) was released, related to the financing from BNDES, by the indirect subsidiary Gralha Azul. The funds were allocated to the construction of the Project's transmission lines and substations.

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.

- Prepayment of loan

In July 2021, the Company prepaid the loan obtained from BNDES for the São Salvador Plant, in the total amount of R$ 37,659, of which R$ 37,423 was related to the principal and R$ 236 to interest and commissions. The original maturity was October 2023.

Also in July 2021, the indirect subsidiaries making up the Trairí Wind Power Complex prepaid the loan obtained from BNDES in the total amount of R$ 477,684, of which R$ 469,719 was related to the principal and R$ 7,965 to interest and commissions. The original maturities were May 2023 and July 2029.

c.2) Loans in foreign currency with hedge

- New loans in foreign currency

On 7.6.2021, the Company borrowed a loan from Scotiabank, an overseas financial institution, in the amount of US$ 102 million, equivalent to R$ 530,000 (R$ 528,855 net of funding costs), which was disbursed after the conditions were met. Concomitantly, on 7.23.2021, the Company signed a swap agreement with the Brazilian subsidiary of the same financial institution for hedging all future cash flows. The proceeds from this loan were used for the working capital needs of the Company, as well as for the prepayment of loans of the São Salvador Plant and the indirect subsidiaries making up the Trairí Wind Power Complex.

The main contracting conditions were:

			Conditions agreed	
Banks	**Interest**	**Covenants**	**Maturity**	**Principal and interest**
Scotiabank	2.002% p.a. with swap to CDI + 1.35% p.a.	Consolidated: Ebitda/financial expenses ≥ 2.0 Consolidated: Gross debt /Ebitda ≤ 4.5	7.2026	Principal: 7.2026 Interest: Half-yearly

Notes to the Financial Statements

d) Breakdown of borrowings and financing by index and currency

	Parent Company				Consolidated			
	9.30.2021	%	12.31.2020	%	9.30.2021	%	12.31.2020	%
Local currency								
TJLP	-	-	47,272	0.9	1,775,844	13.5	2,390,392	21.3
IPCA	40,303	0.8	60,180	1.1	6,557,096	49.9	3,634,916	32.5
Not indexed (fixed rate)	2,142	-	3,292	0.1	2,142	-	3,292	-
	42,445	**0.8**	**110,744**	**2.1**	**8,335,082**	**63.4**	**6,028,600**	**53.8**
Foreign currency – with hedge								
U.S. dollar – with swap for fixed rate	1,374,442	28.3	1,350,902	25.6	1,374,442	10.5	1,350,902	12.1
U.S. dollar – with swap for CDI	2,308,855	47.5	1,681,458	31.8	2,308,855	17.6	1,681,458	15.0
U.S. dollar – with swap for IPCA	1,132,820	23.4	1,094,013	20.7	1,132,820	8.5	1,094,013	9.8
U.S. dollar – with NDF[1] for fixed U.S. dollar rate	-	-	1,046,535	19.8	-	-	1,046,535	9.3
	4,816,117	**99.2**	**5,172,908**	**97.9**	**4,816,117**	**36.6**	**5,172,908**	**46.2**
Loans and financing	**4,858,562**	**100.0**	**5,283,652**	**100.0**	**13,151,199**	**100.0**	**11,201,508**	**100.0**

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

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

	Parent Company	Consolidated
October to December 2022	1,092,870	1,205,508
2023	522,269	901,531
2024	923,374	1,364,971
2025	327,960	742,305
2026	555,368	1,003,478
2027 to 2031	-	2,302,008
2032 to 2036	-	2,229,077
2037 to 2040	-	1,284,622
2041 to 2044	-	404,608
Loans and financing	**3,421,841**	**11,438,108**

f) 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.

Notes to the Financial Statements

NOTE 18 – DEBENTURES

a) Breakdown

	Parent Company					
	9.30.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Measured at amortized cost						
ENGIE – 5th issue	-	240,890	240,890	-	224,744	224,744
ENGIE – 6th issue	103,195	541,283	644,478	96,385	600,320	696,705
ENGIE – 7th issue	-	861,231	861,231	-	801,775	801,775
ENGIE – 9th issue	-	1,792,661	1,792,661	-	1,671,276	1,671,276
Charges	45,240	-	45,240	131,313	-	131,313
Debentures	**148,435**	**3,436,065**	**3,584,500**	**227,698**	**3,298,115**	**3,525,813**

	Consolidated					
	9.30.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Measured at amortized cost						
ENGIE – 5th issue	-	240,890	240,890	-	224,744	224,744
ENGIE – 6th issue	103,195	541,283	644,478	96,385	600,320	696,705
ENGIE – 7th issue	-	861,231	861,231	-	801,775	801,775
ENGIE – 9th issue	-	1,792,661	1,792,661	-	1,671,276	1,671,276
Jaguara – 1st issue	32,800	676,842	709,642	27,035	644,094	671,129
Miranda – 1st issue	10,935	429,314	440,249	6,061	405,629	411,690
Pampa Sul – 1st issue	5,881	365,716	371,597	-	-	-
Pampa Sul – 2nd issue	23,255	542,711	565,966	10,871	507,778	518,649
Charges	124,478	-	124,478	138,313	-	138,313
	300,544	**5,450,648**	**5,751,192**	**278,665**	**4,855,616**	**5,134,281**
Measured at fair value						
Jaguara – 1st issue	104,856	106,863	211,719	105,239	159,125	264,364
Miranda – 1st issue	64,854	66,117	130,971	65,091	98,430	163,521
Charges	5,195	-	5,195	381	-	381
	174,905	**172,980**	**347,885**	**170,711**	**257,555**	**428,266**
Debentures	**475,449**	**5,623,628**	**6,099,077**	**449,376**	**5,113,171**	**5,562,547**
Hedge (swap) effects						
Short position [1]	27,974	27,930	55,904	14,667	20,915	35,582
Debentures, net of hedge effects	**503,423**	**5,651,558**	**6,154,981**	**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."

Notes to the Financial Statements

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**
Issue of debentures	-	-	-	19,016	358,272	377,288
Interest	135,421	-	135,421	244,700	-	244,700
Inflation adjustments	15,434	233,477	248,911	24,777	357,053	381,830
Fair value adjustment	-	-	-	(532)	(635)	(1,167)
Transfers	95,527	(95,527)	-	204,233	(204,233)	-
Repayment of principal	(100,895)	-	(100,895)	(200,142)	-	(200,142)
Repayment of interest	(224,750)	-	(224,750)	(265,979)	-	(265,979)
Balances at 9.30.2021	**148,435**	**3,436,065**	**3,584,500**	**475,449**	**5,623,628**	**6,099,077**

c) Main transactions in 2021

c.1) 1st issue of debentures of Pampa Sul

The issue of debentures disclosed in the consolidated statement of changes refers to debentures of the direct subsidiary Pampa Sul traded by the parent company ENGIE in the secondary market, which were under the control of ENGIE. More information is presented in Note 6 – Marketable securities.

The main issue conditions were:

			Conditions			
	Remuneration	Covenants	Charges	Principal	Maturity	Guarantee
1st Issue - Series 1	IPCA + 6.25% p.a.	ICSD ≥ 1.1[1]	Half-yearly, starting 10.2021	Half-yearly, starting 10.2021	04.2028	Security interest
1st Issue - Series 2	IPCA + 7.50% p.a.	ICSD ≥ 1.1[1]	Half-yearly, starting 10.2021	Half-yearly, starting 10.2028	10.2036	Security interest

Debt Service Coverage Ratio. Greater than or equal to 1.1 for the purposes of early maturity and greater than or equal to 1.2 for the purposes of distributing any funds to shareholders, except the minimum mandatory dividends. Note that there are other obligations to be met concomitantly for the distribution of additional funds to shareholders, such as completion of the project.

d) Breakdown of debentures by index

	Parent Company				Consolidated			
	9.30.2021	%	12.31.2020	%	9.30.2021	%	12.31.2020	%
IPCA	3,584,500	100.0	3,525,813	100.0	5,751,192	94.3	5,134,281	92.3
CDI – with swap for IPCA	-	-	-	-	347,885	5.7	428,266	7.7
Debentures	**3,584,500**	**100.0**	**3,525,813**	**100.0**	**6,099,077**	**100.0**	**5,562,547**	**100.0**

Notes to the Financial Statements

e) Maturities of debentures recorded under non-current liabilities

	Parent Company	Consolidated
October to December 2022	78,794	210,983
2023	177,016	448,563
2024	523,314	823,096
2025	983,422	1,266,485
2026	774,590	1,073,617
2027 to 2031	895,158	1,320,365
2032 to 2036	3,771	480,519
Debentures	**3,436,065**	**5,623,628**

f) 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, except for the covenants in the main transactions conducted in 2021. The covenants are being fully met by the Company and its subsidiaries.

NOTE 19 - REDEEMABLE PREFERRED SHARES

a) Changes in redeemable preferred shares

	Consolidated – Non-current
Balance at 12.31.2020	**482,088**
Issue cost	(1,331)
Interest	17,976
Balance at 9.30.2021	**498,733**

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

	Consolidated
2023	61,259
2024	39,770
2025	39,770
2026	39,770
2027	39,770
2028 to 2032	198,852
2033 to 2034	79,542
Redeemable preferred shares	**498,733**

Notes to the Financial Statements

NOTE 20 – LEASE OPERATIONS

a) Right of use of leases

		Parent Company					
		9.30.2021			12.31.2020		
	Depreciation period	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Buildings							
Headquarters - ENGIE Brasil Energia	Until 2025	33,250	(13,432)	19,818	33,250	(9,715)	23,535
Other	-	60	(33)	27	60	(27)	33
		33,310	**(13,465)**	**19,845**	**33,310**	**(9,742)**	**23,568**

		Consolidated					
		9.30.2021			12.31.2020		
	Depreciation period	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Buildings							
Headquarters - ENGIE Brasil Energia	Until 2025	33,250	(13,432)	19,818	33,250	(9,715)	23,535
Headquarters - EGSD	Until 2025	1,759	(606)	1,153	1,759	(442)	1,317
Land							
Campo Largo Wind Power Complexes	Until 2063	53,169	(3,160)	50,009	53,169	(2,332)	50,837
Trairí Wind Power Complex	Until 2047	27,897	(3,880)	24,017	26,596	(2,821)	23,775
Santo Agostinho Wind Power Complex	Until 2040	5,144	(417)	4,727	5,144	(278)	4,866
Umburanas Wind Power Complex	Until 2057	38,524	(1,990)	36,534	38,524	(1,329)	37,195
Assú Photovoltaic Complex	Until 2043	5,393	(568)	4,825	5,393	(400)	4,993
Other	-	836	(378)	458	778	(294)	484
		165,972	**(24,431)**	**141,541**	**164,613**	**(17,611)**	**147,002**

The change in right of use is presented below:

	Parent Company	Consolidated
Balances at 12.31.2020	**23,568**	**147,002**
New rights	-	34
Remeasurement	-	1,325
Depreciation	(3,723)	(6,820)
Balances at 9.30.2021	**19,845**	**141,541**

Notes to the Financial Statements

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**
New leases	-	-	-	4	30	34
Remeasurement	-	-	-	146	1,179	1,325
Interest	1,552	-	1,552	10,347	-	10,347
Transfers	3,035	(3,035)	-	2,855	(2,855)	-
Advances	-	-	-	(20)	(96)	(116)
Amortizations	(4,593)	-	(4,593)	(14,501)	-	(14,501)
Balances at 9.30.2021	**5,870**	**5,382**	**11,252**	**17,975**	**103,086**	**121,061**

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
October to December 2022	376	(159)	217	1,899	(521)	1,378
2023	5,531	(366)	5,165	17,710	(3,150)	14,560
2024	-	-	-	20,795	(11,421)	9,374
2025	-	-	-	12,378	(3,951)	8,427
2026	-	-	-	8,923	(1,497)	7,426
2027 to 2031	-	-	-	64,614	(36,657)	27,957
2032 to 2036	-	-	-	59,043	(43,907)	15,136
After 2037	-	-	-	243,722	(224,894)	18,828
Leases payable	**5,907**	**(525)**	**5,382**	**429,084**	**(325,998)**	**103,086**

NOTE 21 – CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Cana Brava Hydroelectric Power Plant	2,422,641	1,947,523	2,422,641	1,947,523
Ponte de Pedra Hydroelectric Power Plant	1,626,048	1,441,006	1,626,048	1,441,006
São Salvador Hydroelectric Power Plant	595,266	567,236	595,266	567,236
Estreito Hydroelectric Power Plant	-	-	59,366	56,553
	4,643,955	**3,955,765**	**4,703,321**	**4,012,318**
Classification in the balance sheet				
Current liabilities	259,294	222,474	266,094	228,865
Non-current liabilities	4,384,661	3,733,291	4,437,227	3,783,453
	4,643,955	**3,955,765**	**4,703,321**	**4,012,318**

Notes to the Financial Statements

b) Changes in concessions payable

	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	-	297,414	297,414	-	301,566	301,566
Inflation adjustments	-	564,385	564,385	-	568,250	568,250
Transfers	210,429	(210,429)	-	216,042	(216,042)	-
Amortizations	(173,609)	-	(173,609)	(178,813)	-	(178,813)
Balances at 9.30.2021	**259,294**	**4,384,661**	**4,643,955**	**266,094**	**4,437,227**	**4,703,321**

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

	Parent Company	Consolidated
October to December 2022	63,326	64,938
2023	391,781	397,858
2024	560,597	566,121
2025	511,945	516,966
2026	467,548	472,113
2027 to 2031	1,795,721	1,813,023
2032 to 2036	586,747	597,487
2037 to 2038	6,996	8,721
Concessions payable	**4,384,661**	**4,437,227**

NOTE 22 – 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	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Civil				
Expropriations and administrative easement	45,358	46,962	52,542	52,900
Environmental	14,445	13,608	14,445	13,608
Retirement benefits	2,840	2,550	2,840	2,550
Sundry lawsuits	10,866	11,596	31,242	32,177
	73,509	**74,716**	**101,069**	**101,235**
Tax	**4,336**	**5,103**	**4,526**	**5,667**
Labor	**20,565**	**12,985**	**21,568**	**14,026**
Divestment of generation assets	**-**	**-**	**240,961**	**200,076**
	98,410	**92,804**	**368,124**	**321,004**
Classification in the balance sheet				
Current liabilities	10,341	3,293	22,175	15,159
Non-current liabilities	88,069	89,511	345,949	305,845
	98,410	**92,804**	**368,124**	**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	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Tax and social security	**670,128**	**674,021**	**670,880**	**674,761**
PIS/Cofins on fuel reimbursement	525,853	514,732	525,853	514,732
Voluntary confession	43,452	46,361	43,452	46,361
Compensation of tax loss carryforwards in the succession	29,097	28,925	29,097	28,925
Recovery of PIS and Cofins taxes	32,494	27,339	32,494	27,339
Use of the Income Tax Loss and the Negative Social Contribution Base	18,654	18,473	18,654	18,473
Other	20,578	38,191	21,330	38,931
Civil	**13,799**	**22,927**	**43,435**	**41,098**
Labor	**12,368**	**15,195**	**13,059**	**16,756**
	696,295	**712,143**	**727,374**	**732,615**

In the 3rd 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	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Tax and social security	363,924	367,666	366,910	478,700
Civil	125,749	95,003	126,131	95,153
Labor	126,738	144,950	134,267	153,536
	616,411	**607,619**	**627,308**	**727,389**

NOTE 23 – RETIREMENT BENEFITS OBLIGATIONS

a) Breakdown

	Consolidated					
	9.30.2021			12.31.2020		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	26,891	174,658	201,549	23,232	165,481	188,713
Current contributions and service costs	93	-	93	21	-	21
Uncontracted deficit	16,005	227,462	243,467	19,814	242,365	262,179
Recorded actuarial liability	**42,989**	**402,120**	**445,109**	**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.

On 4.13.2021, the Company signed an agreement with ELOS Foundation to pay the portion of deficit under its responsibility for fiscal year 2019. The amount contracted was R$ 13,761, which will be paid in 154 monthly installments, adjusted by the National Consumer Price Index (INPC) and interest of 6.04% p.a.

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

	Consolidated		
	ELOS	PREVIG	Total
October to December 2022	4,702	827	5,529
2023	20,167	3,449	23,616
2024	14,882	3,684	18,566
2025	15,459	3,933	19,392
2026	16,361	4,197	20,558
2027 to 2031	56,832	23,348	80,180
2032 to 2034	939	5,878	6,817
	129,342	**45,316**	**174,658**

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	-	29	-	(906)	(877)
Payment of contracted obligations	(22,448)	(3,176)	(280)	-	(25,904)
Interest on actuarial liabilities, net	20,442	1,137	16	174	21,769
Liabilities related to ANCMV[1]	-	(214)	-	(578)	(792)
Liabilities recorded at 9.30.2021	**422,754**	**19,812**	**185**	**2,358**	**445,109**

(1) Non-current assets held for sale

NOTE 24 – DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

a) Breakdown

	Parent Company				
	9.30.2021				12.31.2020
Description of credits	Calculation basis	IR	CSLL	Total	Total
Liabilities:					
Hydrological risk renegotiation	1,374,735	343,684	123,726	467,410	329,011
Accelerated depreciation	935,829	233,957	84,225	318,182	313,049
Unrealized gains on hedge operations	735,221	183,805	66,170	249,975	231,382
Property, plant and equipment deemed cost (fair value)	530,882	132,721	47,779	180,500	201,253
Unrealized sale at MAE (currently CCEE)	100,309	25,077	9,028	34,105	34,105
Capitalized financial charges	57,765	14,441	5,199	19,640	20,233
Other	50,006	12,502	4,501	17,003	14,622
		946,187	**340,628**	**1,286,815**	**1,143,655**
Assets:					
Provision for asset impairment	283,179	70,795	25,486	96,281	30,898
Retirement benefits obligations	243,412	60,853	21,907	82,760	88,853
Income tax and social contribution losses	189,544	47,386	12,466	59,852	-
Fair value adjustment in business combinations	132,988	33,247	11,969	45,216	41,832
Estimated losses with doubtful accounts	122,017	30,504	10,982	41,486	41,486
Unrealized losses on hedge operations	96,203	24,051	8,658	32,709	54,960
Civil, tax and labor provisions	90,535	22,634	8,148	30,782	29,535
Other	106,037	26,509	7,009	33,518	27,852
		315,979	**106,625**	**422,604**	**315,416**
Net total		**630,208**	**234,003**	**864,211**	**828,239**

Notes to the Financial Statements

Description of credits	Consolidated				
	9.30.2021				12.31.2020
	Calculation basis	IR	CSLL	Total	Total
Liabilities:					
Revenue from installation of transmission infrastructure	4,703,686	1,175,922	423,332	1,599,254	920,891
Interest on concession financial asset	2,277,109	569,277	204,940	774,217	465,963
Renegotiation of hydrological risk	1,391,353	347,838	125,222	473,060	329,011
Accelerated depreciation	1,573,786	393,447	141,641	535,088	483,594
Unrealized gains on hedge operations	773,294	193,324	69,596	262,920	233,938
Capitalized financial charges	739,624	184,906	66,566	251,472	268,367
Property, plant and equipment deemed cost (fair value)	530,882	132,721	47,779	180,500	201,253
Intangible asset on the bonus paid for grant	325,545	81,386	29,299	110,685	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	72,111	17,987	6,490	24,477	26,781
		3,180,890	**1,145,135**	**4,326,025**	**3,133,641**
Assets:					
Construction costs of transmission infrastructure	4,646,056	1,161,514	418,145	1,579,659	894,564
Revenue from Return of Grant Bonus (RBO)	1,096,503	274,126	98,685	372,811	297,148
Income tax and social contribution losses	879,828	219,957	74,592	294,549	76,206
Provision for asset impairment	283,179	70,795	25,486	96,281	50,593
Retirement benefits obligations	243,460	60,865	21,911	82,776	89,148
Unrealized losses on hedge operations	164,476	41,119	14,803	55,922	67,058
Estimated losses with doubtful accounts	137,176	34,294	12,346	46,640	46,640
Fair value adjustment in business combinations	132,988	33,247	11,969	45,216	41,832
Civil, tax and labor provisions	111,993	27,998	10,079	38,077	37,337
Other	216,105	54,026	17,047	71,073	57,535
		1,977,941	**705,063**	**2,683,004**	**1,658,061**
Net amount		**1,202,949**	**440,072**	**1,643,021**	**1,475,580**
Classification in the balance sheet					
Liabilities		1,224,690	448,023	1,672,713	1,523,222
Assets[1]		(21,741)	(7,951)	(29,692)	(47,642)
Total		**1,202,949**	**440,072**	**1,643,021**	**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	38,220	169,355
Taxes deferred in other comprehensive income	(2,248)	(2,815)
Transfer to ANCMV[1]	-	901
Balance at 9.30.2021	**864,211**	**1,643,021**

(1) Non-current assets held for sale

c) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
October to December 2021	190,513	28,335	216,262	53,270
2022	57,062	130,203	298,230	269,964
2023	17,741	58,112	237,518	198,811
2024	17,725	143,290	111,846	277,971
2025	17,304	161,120	107,709	291,049
2026 to 2028	46,849	188,599	302,388	563,629
2029 to 2031	44,997	369,215	281,106	732,252
2032 to 2034	16,379	169,970	237,853	515,735
After 2035	14,034	37,971	890,092	1,423,344
	422,604	**1,286,815**	**2,683,004**	**4,326,025**

Notes to the Financial Statements

NOTE 25 – OTHER LIABILITIES

	Parent Company		Consolidated	
	9.30.2021	12.31.2020	9.30.2021	12.31.2020
Reimbursement to distributors	-	-	391,496	203,106
Unrealized losses in hedge operations	161,645	116,298	217,636	155,541
Liabilities linked to acquisition of investments	-	-	52,385	51,756
Fuels –Aneel Resolution 801/2017	48,832	78,348	48,832	78,348
Advances from clients	1,935	4,175	23,429	32,663
Trade accounts payable	7,471	-	22,715	17,328
Labor obligations	11,966	-	11,966	-
Fuel payable to CDE[1]	-	-	-	45,206
Other accounts payable	42,770	56,306	97,779	135,324
	274,619	**255,127**	**866,238**	**719,272**
Classification in balance sheet				
Current liabilities	100,382	98,662	529,855	238,687
Non-current liabilities	174,237	156,465	336,383	480,585
	274,619	**255,127**	**866,238**	**719,272**

(1) Energy Development Account.

a) Reimbursement to distributors

The Company has liabilities 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 Power Complexes, Assú V and Pampa Sul. Of this amount, R$ 192,214 was recognized in the nine-month period of 2021 (R$ 46,184, recognized in the nine-month period of 2020) and R$ 157,163 registered in the 3rd quarter of 2021 (R$ 1,264 registered in the 3rd quarter of 2020, therefore, positive for the Company), 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 CDE.

Notes to the Financial Statements

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 nine months of 2021 are shown below:

	Consolidated
Balances at 12.31.2020	**45,206**
Payment	(36,224)
Inflation adjustment by IPCA	3,241
Coal price adjustment	6,779
Net asset presentation	11,568
Transfer to liabilities related to non-current assets held for sale	(30,570)
Balances at 9.30.2021	**-**

The reduction in this line is due to the reclassification of "Liabilities related to non-current assets held for sale" of Diamante's items due to the signing of the agreement to divest the company.

NOTE 26 – 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 9.30.2021 and 12.31.2020.

b) Subscribed and paid-in capital

At 9.30.2021 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.

The book value of the share in Reais, at 9.30.2021, is R$ 9.66 (R$ 9.49 for each share at 12.31.2020).

The Company's ownership structure at 9.30.2021 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 9.30.2021 and 12.31.2020, the Board of Directors, the Board of Executive Officers and the Audit Board held 78,488 and 53,870 shares issued by the Company, respectively.

Notes to the Financial Statements

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.

NOTE 27 – 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			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Gross operating income				
Electricity distributors	688,064	558,699	1,967,909	1,757,689
Electricity traders	376,632	318,518	1,124,183	907,339
Free consumers	100,800	97,786	299,609	282,048
Transactions in the short-term market	272	64,823	30,572	220,422
Other revenues	19,712	20,697	55,624	81,685
	1,185,480	**1,060,523**	**3,477,897**	**3,249,183**
Deductions from operating income				
PIS and Cofins	(104,423)	(94,100)	(307,278)	(289,294)
Research and development	(5,632)	(7,703)	(21,330)	(24,612)
ICMS	(2,407)	(5,031)	(9,049)	(14,717)
ISSQN	(956)	(824)	(2,772)	(2,552)
	(113,418)	**(107,658)**	**(340,429)**	**(331,175)**
Other				
Favorable outcome in lawsuit	-	148	-	50,341
Net operating revenue	**1,072,062**	**953,013**	**3,137,468**	**2,968,349**

Notes to the Financial Statements

	Consolidated			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Gross operating income				
Electricity distributors	917,870	980,462	2,951,431	2,920,161
Free consumers	878,782	912,120	2,624,619	2,606,972
Trading operations	324,558	288,523	875,351	846,820
Electricity traders	190,963	165,853	493,328	486,533
Transactions in the short-term market	256,769	152,320	451,427	437,499
Services rendered	44,651	40,386	126,774	121,279
Energy exports	-	30,759	-	30,759
Other revenues	8,940	23,391	47,936	90,131
	2,622,533	**2,593,814**	**7,570,866**	**7,540,154**
Deductions from operating income				
PIS and Cofins	(229,418)	(230,645)	(667,735)	(674,726)
Research and development	(12,031)	(13,173)	(39,282)	(39,902)
ICMS	(6,241)	(10,029)	(23,462)	(29,381)
ISSQN	(957)	(826)	(2,778)	(2,586)
IPI	-	(102)	-	(102)
	(248,647)	**(254,775)**	**(733,257)**	**(746,697)**
Other				
Transmission infrastructure construction revenue	671,431	748,950	1,995,182	1,318,481
Remuneration from contract asset	218,995	37,487	508,400	57,385
Interest on concession financial asset	150,481	100,904	398,228	236,098
Favorable outcome in lawsuit	-	148	-	80,022
Unrealized gains on trading operations	(25,947)	(17,712)	32,432	4,482
	1,014,960	**869,777**	**2,934,242**	**1,696,468**
Net operating revenue	**3,388,846**	**3,208,816**	**9,771,851**	**8,489,925**

Notes to the Financial Statements

NOTE 28 – DETAIL OF OPERATING EXPENSES BY NATURE

a) Energy purchase

	Parent Company			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Energy purchases				
Energy purchase for portfolio management	299,624	99,759	619,287	372,443
Transactions in the short-term energy market				
Purchases in the short-term market	216,824	10,071	254,410	47,809
	516,448	**109,830**	**873,697**	**420,252**

	Consolidated			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Energy purchases				
Trading operations	295,111	262,166	795,675	740,488
Energy purchase for portfolio management	248,783	402,343	632,663	1,082,660
Unrealized losses on trading operations	(27,026)	(23,665)	21,488	11,112
	516,868	**640,844**	**1,449,826**	**1,834,260**
Transactions in the short-term energy market				
Purchases in the short-term market	328,113	22,666	526,957	190,817
Trading operations	-	-	673	7,293
	328,113	**22,666**	**527,630**	**198,110**

b) Other operating costs and costs of services rendered:

	Parent Company			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Depreciation and amortization	76,637	70,166	229,909	210,496
Personnel	52,767	29,703	116,345	95,593
Royalties	28,000	28,784	55,900	41,175
Third party materials and services	14,890	15,415	43,654	38,847
Constitution (Reversal) of operating provision, net	892	2,639	(3,487)	(15,899)
Other	13,512	13,862	40,900	37,116
	186,698	**160,569**	**483,221**	**407,328**
Classification in profit or loss				
Operating costs	177,966	154,078	458,386	386,534
Costs of services	8,732	6,491	24,835	20,794
	186,698	**160,569**	**483,221**	**407,328**

Notes to the Financial Statements

	Consolidated			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Transmission line construction cost	739,738	731,089	2,037,237	1,287,085
Depreciation and amortization	230,706	217,914	686,787	676,062
Third party materials and services	102,475	88,135	305,975	247,023
Fuels	113,648	65,597	285,007	130,490
Personnel	92,590	45,793	232,444	206,067
Royalties	33,241	36,748	70,181	57,814
Constitution (Reversal) of operating provision, net	745	2,311	(3,694)	(17,688)
Other	40,228	48,351	126,672	124,149
	1,353,371	**1,235,938**	**3,740,609**	**2,711,002**
Classification in profit or loss				
Operating costs	1,344,639	1,229,397	3,715,774	2,690,135
Costs of services	8,732	6,541	24,835	20,867
	1,353,371	**1,235,938**	**3,740,609**	**2,711,002**

c) Selling, general and administrative expenses

	Parent Company			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Personnel and management	48,277	30,796	126,516	93,521
Third party materials and services	19,190	13,141	56,301	47,462
Depreciation and amortization	9,017	5,204	20,954	14,589
Pension funds	1,780	1,757	5,231	5,234
Contributions and donations	1,098	4,300	3,709	9,244
Other	1,303	(561)	5,777	1,785
	80,665	**54,637**	**218,488**	**171,835**
Classification in profit or loss				
Selling expenses	5,295	3,668	14,313	11,856
General and administrative expenses	75,370	50,969	204,175	159,979
	80,665	**54,637**	**218,488**	**171,835**

Notes to the Financial Statements

	Consolidated			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Personnel and management	49,094	31,882	129,862	97,080
Third party materials and services	26,326	17,123	67,020	56,423
Depreciation and amortization	9,294	5,478	21,795	15,472
Contributions and donations	2,391	5,373	7,574	12,781
Pension funds	1,780	1,757	5,231	5,234
Other	1,611	(106)	6,071	3,291
	90,496	**61,507**	**237,553**	**190,281**
Classification in profit or loss				
Selling expenses	7,250	6,771	20,527	18,271
General and administrative expenses	83,246	54,736	217,026	172,010
	90,496	**61,507**	**237,553**	**190,281**

Notes to the Financial Statements

NOTE 29 – FINANCIAL RESULT

	Parent Company			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Financial income				
Income from marketable securities	20,081	11,075	41,156	49,433
Income from restricted deposits	140	31	1,213	188
Interest and Inflation adjustment on				
Marketable securities	692	821	21,778	821
Accounts receivable	10,831	5,236	13,063	13,590
Court deposits	1,268	757	3,168	2,622
Favorable outcome in lawsuit	-	217	-	46,089
Fuels	-	29,173	-	29,173
Market value adjustment and marketable securities	(5,325)	30,940	47,419	30,940
Other financial income	4	20	(1,131)	910
	27,691	**78,270**	**126,666**	**173,766**
Financial expenses				
Interest and Inflation adjustment on:				
Concessions payable	151,315	360,703	861,799	599,087
Debentures	131,261	85,663	384,332	215,084
Loans and financing	39,998	54,533	131,367	160,907
Hedge on loans and debentures	33,484	(13,927)	74,463	(29,822)
Retirement benefit obligations	7,240	6,704	21,723	20,113
Provisions	3,332	1,198	8,650	4,680
Leases	471	518	1,475	1,703
Other	151	8,719	4,784	8,855
Exchange variation on:				
Loans	322,660	130,130	248,731	1,254,520
Fair value hedge on loans	(322,660)	(130,130)	(248,731)	(1,254,520)
Fair value adjustment	(1,062)	1,169	(852)	798
Other financial expenses	1,924	24,107	5,250	26,645
	368,114	**529,387**	**1,492,991**	**1,008,050**
Financial expenses, net	**340,423**	**451,117**	**1,366,325**	**834,284**

Notes to the Financial Statements

	Consolidated			
	3rd quarter		First 9 months	
	2021	2020	2021	2020
Financial income				
Income from marketable securities	50,556	23,284	98,605	83,071
Income from restricted deposits	4,751	984	9,363	6,823
Interest and Inflation adjustment on				
Accounts receivable	17,599	7,521	25,060	18,618
Court deposits	1,341	793	3,362	2,750
Fuels	653	29,173	3,290	29,183
Favorable outcome in lawsuit	-	341	-	73,289
Market value adjustment and marketable securities	7,541	-	30,931	-
Other financial income	401	1,229	463	4,756
	82,842	**63,325**	**171,074**	**218,490**
Financial expenses				
Interest and Inflation adjustment on:				
Concessions payable	154,274	362,563	869,816	604,013
Loans and financing	293,690	148,953	713,927	405,612
Debentures	226,146	121,910	626,530	314,139
Hedge on loans and debentures	42,812	(5,862)	110,045	(13,434)
Retirement benefit obligations	7,256	6,717	21,769	20,152
Redeemable preferred shares	8,121	1,241	17,976	1,241
Leases	2,930	3,404	9,525	10,219
Provisions	3,561	2,048	9,268	5,810
Other	8,080	12,194	31,978	15,756
Exchange variation on:				
Loans	322,660	130,130	248,731	1,254,520
Fair value hedge on loans	(322,660)	(130,130)	(248,731)	(1,254,520)
Fair value adjustment	(1,002)	1,778	(1,172)	596
Other financial expenses	6,972	7,300	19,520	14,101
	752,840	**662,246**	**2,429,182**	**1,378,205**
Financial expenses, net	**669,998**	**598,921**	**2,258,108**	**1,159,715**

Notes to the Financial Statements

NOTE 30 – INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent Company							
	3rd quarter				First 9 months			
	2021		2020		2021		2020	
	IR	CS	IR	CS	IR	CS	IR	CS
Income before taxes	**705,341**	**705,341**	**506,631**	**506,631**	**1,528,768**	**1,528,768**	**2,051,733**	**2,051,733**
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	**(176,335)**	**(63,481)**	**(126,658)**	**(45,597)**	**(382,192)**	**(137,589)**	**(512,933)**	**(184,656)**
Permanent differences								
Equity in net income of subsidiaries	128,521	46,268	103,909	37,408	346,866	124,872	293,169	105,541
Tax incentives	-	-	15,337	-	6,390	-	15,503	-
Other	(1,529)	(85)	(1,178)	(145)	(253)	(573)	(974)	(408)
	(49,343)	**(17,298)**	**(8,590)**	**(8,334)**	**(29,189)**	**(13,290)**	**(205,235)**	**(79,523)**
Breakdown of taxes in the income statement								
Current	46,664	21,711	15,286	-	(4,259)	-	15,451	-
Deferred	(96,007)	(39,009)	(23,876)	(8,334)	(24,930)	(13,290)	(220,686)	(79,523)
	(49,343)	**(17,298)**	**(8,590)**	**(8,334)**	**(29,189)**	**(13,290)**	**(205,235)**	**(79,523)**
Effective rate	**7.0%**	**2.5%**	**1.7%**	**1.6%**	**1.9%**	**0.9%**	**10.0%**	**3.9%**

	Consolidated							
	3rd quarter				First 9 months			
	2021		2020		2021		2020	
	IR	CS	IR	CS	IR	CS	IR	CS
Income before taxes	**839,256**	**839,256**	**610,337**	**610,337**	**1,890,098**	**1,890,098**	**2,344,888**	**2,344,888**
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	**(209,814)**	**(75,533)**	**(152,584)**	**(54,930)**	**(472,525)**	**(170,109)**	**(586,222)**	**(211,040)**
Permanent differences								
Equity income	37,894	13,642	25,579	9,209	118,381	42,617	91,684	33,006
Tax incentives	21,976	-	27,645	-	51,356	-	43,526	-
Variation between the calculation base of taxable and presumptive profit tax regimes	7,806	1,771	18,374	6,435	20,885	4,452	40,912	13,731
Other	1,152	886	(94)	40	1,835	200	(1,772)	(922)
	(140,986)	**(59,234)**	**(81,080)**	**(39,246)**	**(280,068)**	**(122,840)**	**(411,872)**	**(165,225)**
Breakdown of taxes in the income statement								
Current	(7,831)	(6,849)	(40,778)	(25,006)	(158,695)	(74,858)	(150,407)	(71,047)
Deferred	(133,155)	(52,385)	(40,302)	(14,240)	(121,373)	(47,982)	(261,465)	(94,178)
	(140,986)	**(59,234)**	**(81,080)**	**(39,246)**	**(280,068)**	**(122,840)**	**(411,872)**	**(165,225)**
Effective rate	**16.8%**	**7.1%**	**13.3%**	**6.4%**	**14.8%**	**6.5%**	**17.6%**	**7.0%**

Notes to the Financial Statements

NOTE 31 – 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; and

- Sureties.

There was no significant change in the transactions with related parties in the nine-month period ended 9.30.2021.

a) Amounts recognized in balance sheet accounts – Parent Company

	ASSETS				LIABILITIES		
	Accounts receivable		Marketable securities	Dividends	Supplier		IOE[1] /
	Energy	Services and other		Energy	Other	Outros	dividends
9.30.2021							
EBC	139,974	-	-	-	3,096	-	-
Jaguara	19,500	320	-	140,833	31,131	-	-
Lages	15,000	-	-	4,996	-	-	-
Miranda	7,500	-	-	56,343	13,728	-	-
Pampa Sul	3,475	-	-	-	-	-	-
ENGIE Participações	-	3,943	-	-	-	100	542,494
Itasa	-	2,184	-	-	47,296	-	-
CEE	-	2,125	-	-	-	-	-
ECP and subsidiaries	-	339	-	-	-	-	-
Diamante	-	334	-	-	-	-	-
ETP II	-	-	-	16,402	-	-	-
Other	-	6,806	-	-	1,498	727	-
Total	**185,449**	**16,051**	**-**	**218,574**	**96,749**	**827**	**542,494**
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
3rd quarter of 2021						
EBC	337,589	-	113	-	5,143	-
Jaguara	55,811	-	110	-	88,325	-
Miranda	21,326	-	110	-	39,210	-
Pampa Sul	10,652	-	113	724	-	-
Lages	9,268	-	66	-	-	-
Diamante	908	-	2,621	-	-	-
Itasa	-	6,683	-	-	32,915	-
Ceste	-	5,910	-	-	-	-
ECP e controladas	-	-	1,840	-	-	-
ENGIE Trading	-	-	113	-	5,966	-
ESBR[1]	-	-	-	-	4,092	-
Outras	4,206	-	150	-	143,385	1,375
Total	**439,760**	**12,593**	**5,236**	**724**	**319,036**	**1,375**
3rd quarter of 2020	**310,171**	**10,600**	**4,619**	**861**	**95,013**	**1,335**

(1) Energia Sustentável do Brasil.

	Revenue			Financial income	Cost	Cost and Expense
	Sale of energy	O&M Services	Administrative services		Energy purchase	Third-party services
First 9 months of 2021						
EBC	1,012,919	-	338	-	13,441	-
Jaguara	66,701	-	319	-	171,941	-
Miranda	24,956	-	319	-	82,358	-
Pampa Sul	54,712	-	338	22,839	-	-
Lages	30,099	-	197	-	11,756	-
Diamante	47,931	-	7,558	-	83,323	-
Itasa	-	18,990	-	-	97,671	-
Ceste	-	17,188	-	-	-	-
ECP and subsidiaries	-	-	5,513	-	-	-
ENGIE Trading	3,072	-	338	-	14,658	-
ESBR	-	-	-	-	11,889	-
Outras	4,206	-	450	-	143,385	4,075
Total	**1,244,596**	**36,178**	**15,370**	**22,839**	**630,422**	**4,075**
First 9 months of 2020	**947,368**	**31,408**	**15,441**	**861**	**358,759**	**5,785**

Notes to the Financial Statements

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, Audit Committee established by the Bylaws 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:

	3rd quarter		First 9 months	
	2021	2020	2021	2020
Fixed compensation	3,667	6,272	10,706	8,895
Variable compensation	2,130	(367)	9,265	1,071
Payroll charges	1,250	1,498	3,442	2,164
Other	297	918	1,337	1,204
	7,344	**8,321**	**24,750**	**13,334**

In the 3rd quarter of 2020, the Company reversed the provisions for Management bonus at amounts higher than those realized in the period.

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

NOTE 32 – INFORMATION BY SEGMENT

The information by segment refers to the quarters ended 9.30.2021 and 9.30.2020 and is presented in a consolidated manner in the tables below:

	3rd quarter of 2021					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
NET OPERATING INCOME	**2,227,553**	**890,430**	**268,591**	**2,272**	**-**	**3,388,846**
Operating costs	(978,929)	(739,770)	(268,086)	(4,681)	-	(1,991,466)
GROSS PROFIT (LOSS)	**1,248,624**	**150,660**	**505**	**(2,409)**	**-**	**1,397,380**
Operating income (expenses)						
Selling, general and administrative expenses	(83,200)	(5,693)	(920)	(683)	-	(90,496)
Reversal of provision for impairment of assets, net	50,697	-	-	-	-	50,697
Other operating income (expenses), net	13	85	-	(1)	-	97
	(32,490)	**(5,608)**	**(920)**	**(684)**	**-**	**(39,702)**
Equity income	**-**	**-**	**-**	**-**	**151,576**	**151,576**
PROFIT (LOSS) BEFORE FINANCIAL AND TAX RESULTS	**1,216,134**	**145,052**	**(415)**	**(3,093)**	**151,576**	**1,509,254**

Notes to the Financial Statements

	3rd quarter of 2020					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
NET OPERATING INCOME	**2,163,092**	**786,438**	**244,122**	**15,164**	**-**	**3,208,816**
Operating costs	(1,053,114)	(731,173)	(238,501)	(17,573)	-	(2,040,361)
GROSS PROFIT (LOSS)	**1,109,978**	**55,265**	**5,621**	**(2,409)**	**-**	**1,168,455**
Operating expenses						
Selling, general and administrative expenses	(59,146)	(429)	(783)	(1,149)	-	(61,507)
Other operating income, net	(7)	-	-	-	-	(7)
	(59,153)	**(429)**	**(783)**	**(1,149)**	**-**	**(61,514)**
Equity income	**-**	**-**	**-**	**-**	**102,317**	**102,317**
PROFIT (LOSS) BEFORE FINANCIAL AND TAX RESULTS	**1,050,825**	**54,836**	**4,838**	**(3,558)**	**102,317**	**1,209,258**

	9-month period ended 9.30.2021					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
NET OPERATING INCOME	**6,421,820**	**2,503,584**	**826,814**	**19,633**	**-**	**9,771,851**
Operating costs	(2,866,806)	(2,037,334)	(817,837)	(25,473)	-	(5,747,450)
GROSS PROFIT	**3,555,014**	**466,250**	**8,977**	**(5,840)**	**-**	**4,024,401**
Operating income (expenses)						
Selling, general and administrative expenses	(226,442)	(5,905)	(2,916)	(2,290)	-	(237,553)
Reversal of provision for impairment of assets, net	(112,112)	-	-	-	-	(112,112)
Other operating (expenses) income, net	(179)	85	-	41	-	(53)
	(338,733)	**(5,820)**	**(2,916)**	**(2,249)**	**-**	**(349,718)**
Equity income	**-**	**-**	**-**	**-**	**473,523**	**473,523**
PROFIT BEFORE FINANCIAL AND TAX RESULTS	**3,216,281**	**460,430**	**6,061**	**(8,089)**	**473,523**	**4,148,206**

Notes to the Financial Statements

	9-month period ended 9.30.2021					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
NET OPERATING INCOME	**6,304,800**	**1,375,866**	**772,971**	**36,288**	**-**	**8,489,925**
Operating costs	(3,071,807)	(1,287,169)	(758,892)	(43,833)	-	(5,161,701)
GROSS PROFIT (LOSS)	**3,232,993**	**88,697**	**14,079**	**(7,545)**	**-**	**3,328,224**
Operating expenses						
Selling, general and administrative expenses	(183,208)	(616)	(2,290)	(4,167)	-	(190,281)
Other operating expenses, net	(76)	-	-	-	-	(76)
	(183,284)	**(616)**	**(2,290)**	**(4,167)**	**-**	**(190,357)**
Equity income	**-**	**-**	**-**	**-**	**366,736**	**366,736**
PROFIT BEFORE FINANCIAL AND TAX RESULTS	**3,049,709**	**88,081**	**11,789**	**(11,712)**	**366,736**	**3,504,603**

NOTE 33 – 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 5.31.2022 and the risk coverage amount is R$ 13,567,654 in the parent company and R$ 31,901,283 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	3,320,815	14,773,163	3,848,438
Thermal power plants	-	-	5,051,842	1,818,975
Complementary plants (wind, solar, biomass and SHPP)	49,291	731	5,358,200	1,050,665
	10,246,108	**3,321,546**	**25,183,205**	**6,718,078**

The maximum combined limit of indemnification for pecuniary damages and loss of profits is R$ 3,747,120 per event.

In 2021, due to the operational startup of the complexes, an exclusive operating risk insurance policy was contracted for the Campo Largo II Wind Power Complex, covering pecuniary damages and loss of profits in the amounts of R$ 1,393,181 and R$ 397,012, respectively, totaling R$ 1,790,193. The validity of the policy ends on 3.19.2022.

During the 3rd quarter of 2021, due to the request for approval from Aneel for the operational startup of operations of Gralha Azul Transmission System, an exclusive operating risk insurance policy was contracted for Gralha Azul substations, covering pecuniary damages and loss of profits, in the amounts of R$ 26,511 and R$ 13,286, respectively, totaling R$ 39,797. The policy expires on 8.21.2022.

Due to the closing of the operation for selling Diamante on 10.18.2021, the Company will request the insurance company to exclude Diamante from the PDBI insurance policy starting from that date.

b) Engineering risks

The Company has insurance policies for Santo Agostinho II Wind Power Complex and Gralha Azul and Novo Estado Transmission Systems, whose caps for pecuniary damages are R$ 350,000, 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.

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 concluded the negotiations during 2021 and all amounts due were received by the direct subsidiary Jaguara. 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 34 – 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;

- 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.

Notes to the Financial Statements

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 9.30.2021 was R$ 2,039 million and the conclusion is expected in the first half of 2023.

Due to the closing of the sale of Diamante on 10.18.2021, the agreement for purchase of coal from Diamante will no longer be a long-term commitment for the Company from that date.

Except for the events described above, there was no significant change in the long-term commitments in the nine-month period ended 9.30.2021.

NOTE 35 – ADDITIONAL CASH FLOW INFORMATION

The following complementary cash flow transactions were as follows:

	Parent Company		Consolidated	
	9.30.2021	9.30.2020	9.30.2021	9.30.2020
Interim dividends credited	789,518	677,688	789,518	677,688
Additional dividends for 2020 credited	609,594	-	609,594	-
Transfer of interest due to corporate restructuring (Note 12)	598,442	-	-	-
Dividends from subsidiaries	587,516	410,267	357,500	321,750
Suppliers of property, plant and equipment and intangible assets	18,093	(901)	79,250	27,491
Dividends and interest on equity not claimed	10,177	3,978	10,177	3,978
Income tax and social contribution credit	(9,959)	(39,640)	(13,006)	(34,435)
Capital increase in investees through share transfer	-	167,219	-	167,219
Net assets of subsidiary transferred to ANCMV (Note 10)	-	-	407,153	-
Capitalized interest, inflation adjustment and depreciation	-	-	70,002	30,787
Provisions for divestment with no cash effect on investments in property, plant and equipment and intangible assets	-	-	25,085	-
Provisions for expropriations without cash effect in transmission construction	-	-	355	-
Fair value of project rights acquired	-	-	-	236,021
Goodwill	-	-	-	80,247
PIS and Cofins credit on property, plant and equipment	-	-	-	(29,413)

Notes to the Financial Statements

NOTE 36 – SUBSEQUENT EVENTS

a) 10th issue of debentures

On 10.18.2021, the Company settled the 10th issue of non-convertible unsecured debentures, in a single series in accordance with CVM Instruction 476/2009. A total of 400,000 debentures with nominal unit value of R$ 1,000 were issued, totaling R$ 400 million (R$ 385 million, net of funding costs). With maturity on 9.15.2046 and IPCA rate + 5.7158% p.a., interest will be paid annually starting from 9.15.2022 and amortization will be annual starting from 9.15.2023.

b) Change in adjustment index of concession agreement of Cana Brava Hydroelectric Power Plant

On 10.29.2021, the amendment to concession agreement of Cana Brava Hydroelectric Power Plant was signed. Hence, starting from October 2021, the amount of Use of Public Assets (UBP) will be adjusted by the IPCA instead of IGP-M.

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 9.30.2021 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 Third quarter of 2021

Estimate for the years 2021, 2022 and 2023, announced in the 2nd quarter of 2021:

Description \ Projection period	2021	2022	2023
Financed with debt	3,271	935	397
Financed with own capital	401	636	364
Total	3,672	1,571	761

Estimate for the years 2021, 2022 and 2023, announced in the 3rd quarter of 2021:

Description \ Projection period	2021	2022	2023
Financed with debt	3,271	935	397
Financed with own capital	275	1,010	445
Total	3,546	1,945	842

Changes in the estimates informed for the years 2021, 2022 and 2023 between the 3rd and 2nd quarters of 2021:

Description \ Projection period	2021	2022	2023
Financed with debt	-	-	-
Financed with own capital	(126)	374	81
Total	(126)	374	81

Analysis of material changes:

Changes in relation to the last reporting period were largely due to the change in the financial and physical calendar of the Novo Estado and Gralha Azul Transmission Systems, the modernization project of Salto Osório, the Santo Agostinho Wind Power Complex project, the acquisition of the Assú Sol Photovoltaic Complex project and the maintenance of the generation complex.

The updated forecasts mainly refer to:

- 2021: the changes in the financial and physical calendar of Novo Estado and Gralha Azul Transmission Systems, the development of Santo Agostinho Wind Power Complex project, the conclusion of Campo Largo II Wind Power Complex, the Assú Sol Photovoltaic Complex project, and the maintenance of the Company's generation facilities;
- 2022: the changes in the financial and physical calendar of Novo Estado Transmission System, the modernization of Salto Osório Hydroelectric Power Plant, the Assú Sol Photovoltaic Complex project and the maintenance of the Company's generation facilities.
- 2023: the development of Santo Agostinho Wind Power Complex project and the maintenance of the Company's generation facilities.

Comments on Business Projections

Investments made until the 3rd quarter of 2021:

The total investments of ENGIE Brasil Energia in the 3rd quarter of 2021 amounted to R$ 2,759 million, of which (i) R$ 2,540 million was invested in the construction of new projects: R$ 1,231 million in Novo Estado Transmission System, R$ 647 million in Gralha Azul Transmission System, R$ 428 million in Campo Largo II Wind Power Complex and R$ 234 million in the Santo Agostinho Wind Power Plant; (ii) R$ 199 million was allocated to maintenance and renovation projects of the generation park; and (iii) R$ 20 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 September 30, 2021, which comprise the balance sheet as of September 30, 2021 and the related statements of income, comprehensive income for the three- and nine-month periods then ended, changes in shareholders' equity and cash flows for the nine-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 technical pronouncement CPC 21 (R1) applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the 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 (R1) and international standard IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the 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 nine-month period ended September 30, 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 technical pronouncement and consistent with the parent company and consolidated interim financial information taken as a whole.

Joinville, November 4, 2021.

DELOITTE TOUCHE TOHMATSU

Independent Auditors Ltda.

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, November 4, 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, November 4, 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, November 4, 2021.