ENGIE Brasil Energia S.A.

Management Proposal

for the Annual General Meeting of

April 28, 2022

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PROPOSAL FROM THE BOARD OF DIRECTORS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON APRIL 28, 2022, PURSUANT TO INTRUCTION 481 OF THE BRAZILIAN SECURITIES AND EXCHANGE COMISSION (CVM), OF DECEMBER 17, 2009 (ICVM 481/09), ITS SUBSEQUENT AMENDMENTS

Pursuant to article 9 of the ICVM 481/09, the Company must supply the following documents and information at least 1 (one) month prior to the date of the Annual General Meeting (AGM):

- **Management Report and Financial Statements (article 9, sections I and II, of CVM Instruction 481/09)**

The Complete Annual Financial Statements, including the Management Report, were filed with the CVM and B3 on February 14, 2022 and published in the newspapers Diário Oficial do Estado de Santa Catarina and Notícias do Dia, online version. Additionally, a summarized printed version was published in the Notícias do Dia, pursuant to CVM Guidance CVM 39/21 and amendments in Article 289, I and II, Law 6.404 of December 15, 1976, introduced by Law 13.818, of April 24, 2019, effective from January 1, 2022 on March 28, 2022. These documents are also available in the following websites: the Company's (www.engie.com.br/investors/financial-information/), CVM's (www.cvm.gov.br) and B3's (www.b3.com.br).

- **Management comments on the Company's financial position in accordance with item 10 of the Reference Form (article 9, section III, of CVM Instruction 481/09)**

Information concerning the comment of the directors on the Company's financial situation is available in Attachment I of this document.

- **Report (opinion) by the Independent Auditors (article 9, section IV, of CVM 481/09)**

The Report (opinion) by the Independent Auditors is contemplated in the Company's Annual Complete Accounting Statements.

- **Fiscal Council Report, including dissenting votes, if any (article 9, section V, of ICVM 481/09)**

The Fiscal Council Report is contemplated in the Company's Annual Financial Statements, noting that there were no dissenting votes.

- **Standard Financial Statements Form - DFP (article 9, section I, sole paragraph, of ICVM 481/09)**

The Standard Financial Statements form (DFP) was published by the Company on February 14, 2022, on the same date of the submission of the Management Report and the Complete Annual Financial Statements. This document can be accessed from the websites of the Company (www.engie.com.br/investors/financial-information/), CVM (www.cvm.gov.br) and B3 (www.b3.com.br).

- **Proposed allocation of net profit for the year containing at least the information indicated in Attachment 9-1-II, ICVM 481/09 (article 9, section II, sole paragraph, of ICVM 481/09)**

Information relating to Attachment 9-1-II of ICVM 481/09 is available in Attachment II of this document.

- **Statement by the Audit Committee, if any (article 9, section III, sole paragraph, of ICVM 481/09)**

The Opinion of the Statutory Audit Committee is included in the Company's Complete Annual Account Statements.

Whenever the General Meeting is convened to elect the members of Management or Fiscal Council, the Company shall provide (Article 10 of ICVM 481/09):

- **At least the information shown in items 12.5-12.10 of the Reference Form with respect to the candidates nominated or supported by the management or by the controlling shareholders (article 10, subsection I of ICVM 481/09)**

The aforementioned data is shown in Annex III of this document. This Meeting shall elect members of the Board of Directors, information on which can be found under items 12.5 to 12.10.

The Company's Corporate Bylaws in Article 30 provide that the Fiscal Council shall not be permanent functional, being installed only at the request of the shareholders in accordance with the legislation. When installed, the Fiscal Council shall be comprised of up to 3 (three) effective members and an equal number of alternates, with a 1 (one) year term of office. For the General Meeting that shall decide the installation of the Fiscal Council, it shall be incumbent to set the respective remuneration in compliance with the legal minimum amount.

Consequently, at this Meeting, a decision shall be taken as to the installation or otherwise of this Council and, if installed, it shall have as its members nominated by the Management, those shown in Attachment IV of this document.

Whenever a General Shareholders' Meeting is convened to set the compensation of the members of the management, the Company shall provide at least the following documents and information (Article 12 of ICVM 481/09):

- **Information concerning the compensation of directors based on item 13 of said Reference Form (article 12, sections I and II, of ICVM 481/09)**

This information is presented in attachment IV hereto.

- **Information concerning proposed employee profit sharing in fiscal year 2021**

The proposal can be found in attachment V hereto.

- **Remote voting list, to which Article 21-F (Article 9, section VI, of ICVM 481/09) refers and should the events pursuant to Article 21-A (Article 10, section II of ICVM 481/09) arise**

Pursuant to ICVM 481/09 and its subsequent amendments, the Company is to adopt the remote voting system as from fiscal year 2017.

The Company published the remote voting list on March 28, 2022, on the same date of the submission of the Management Proposal. This document can be accessed through the websites of the Company (www.engie.com.br/investors/shareholders-and-board-meetings/remote-voting), the CVM (www.cvm.gov.br) and B3 (www.b3.com.br).

- **To approve the suspension of publications in the Diário Oficial do Estado de Santa Catarina pursuant to Law 6,404/76 and its amendments.**

Pursuant to amendments in Article 289, I and II to Law 6,404 of December 15, 1976, introduced by Law 13,818 of April 24, 2019, effective from January 1, 2022, the Company's Management

proposes the approval of the suspension of the legal publications in the Diário Oficial do Estado de Santa Catarina. Should the proposal be approved, the documents shall be published in the newspaper Notícias do Dia only.

Article 9, section III, of ICVM 481/09 – Management's comments on the Company's financial position, in accordance with item 10 of the reference form

10.1 General financial and equity conditions

The financial information provided in items 10.1 to 10.9 of the present Management Proposal reflects the Company's financial statements for the fiscal years ending December 31, 2021, 2020 and 2019, prepared pursuant to the International Financial Reporting Standards (IFRS) and Brazilian accounting practices.

a. General financial and equity conditions

Based on the liquidity and debt indicators, Management understands that the Company's financial and equity conditions are appropriate to the execution of its capital and investment expansion plans, as well as to meet its liquidity requirements and meet its short- and long-term obligations.

Consolidated information on the fiscal year ending December 31, 2021

The year 2021 was characterized by the effects of the continuing Covid-19 pandemic and the hydrological crisis in Brazil, confirming the importance of the Company's business diversification strategy and the expansion of other renewables sources, more especially wind and solar. During the year, the Company delivered growth in transmission and wind generation, made further progress in decarbonization as well as mitigating the impact on sales volume during a year when the hydroelectric energy deficit was about 27%.

In 2021, the Company undertook investments aligned to its diversification strategy, most notably being in projects involving the Novo Estado and Gralha Azul Transmission Systems, the Campo Largo II and Santo Agostinho – Phase I wind complexes, the modernization of the Salto Osório Hydropower Plant, as well as the acquisition of a stake in the Assú Sol Photovoltaic Complex. And in early 2022, the Company acquired the Paracatu and Floresta Photovoltaic Complexes.

Again, in line with the Company's decarbonization strategy, the Company sold the Diamante Geração de Energia Ltda. ("Diamante") subsidiary, responsible for the ownership of the entire Jorge Lacerda Thermoelectric Complex. An impairment was constituted for the Usina Termelétrica Pampa Sul S.A. subsidiary in the light of efforts taken to sell the asset in 2022.

In addition to the factors above, the effects of laws 14,052/2020 and 14,182/2021 in 2021 allowed the claw-back and booking of costs relative to the renegotiation of hydrological risk worth R$ 1,591 million.

In this context, adjusted Ebitda reached R$ 7,217 million, an increase of 12.3% in relation to the preceding year while the adjusted Ebitda margin reported an increase of 4.7 p.p., from 52.8% in 2020 to 57.6% in 2021, despite the challenging hydrological scenario. On the other hand, net income recorded a reduction of 44.0%, totaling, in 2021, R$ 1,565 million, largely due to the asset impairment value and the impact of accelerated inflation, which impacted monetary restatement of concessions payable, loans and other financial expenses. With respect to the effects of inflation, we would point out that the indexation of energy sales contracts increased the average price of energy sales by 4.9%, net of charges. The tendency therefore will be for inflationary effects on

results over the medium term to be neutralized. Excluding the non-recurring effects net of taxes, adjusted net income in 2021 would have been R$ 2,369 million, a decrease of 11.8% in adjusted net income for 2020.

Reconciliation of adjusted Ebitda:

Amounts in R$ million	**12.31.2021**	**12.31.2020**	**12.31.2019**
Net Income	1,565	2,797	2,311
(+) Income Tax and social contribution	255	890	777
(+) Financial Result	3,079	1,882	1,207
(+) Depreciation and Amortization	1,042	915	863
Ebitda	**5,941**	**6,484**	**5,158**
Non-recurring effects			
(+) Impairment	1,076	99	5
(+) Disposal of a subsidiary	200	-	-
(+) Gain of a lawsuit	-	(84)	-
(+) Extemporaneous Tax Incentive Credits	-	(72)	-
(+) Revenue from Breach of Contract	-	-	(321)
Adjusted Ebitda	**7,217**	**6,427**	**4,842**

In addition to the foregoing items, the following factors are also important in sustaining the equity and financial conditions of the Company:

- Hydrological risk renegotiation – at the end of 2020, the Company's Management approved the adherence of the hydropower concessionaires to the renegotiation of the hydrological risk pursuant to Law 14,052/2020, regulated by Aneel normative resolutions 895/2020 and 930/2021, which provide for compensation to the holders of the hydropower plants, participants in the Energy Reallocation Mechanism (MRE) for the effects caused by generating operations denominated structural (large size generators) due to the anticipation of physical guarantees and restrictions on the entry into operation of the transmission installations necessary for the offtake of energy and, retroactively, by generation outside the order of merit and importation. In addition, in July 2021, Law 14,182 was published covering among other themes, the retroactivity of the effects of the Assured Energy Adjustment Factor (GSF) of the losses caused between 2012 and 2014 to hydroelectric plants contracted in the regulated environment. As compensation, the generators have the right to extend the concession term, limited to 7 years. In this context, in 2020 and 2021, intangible assets were recognized corresponding to concession extension rights offset against the item "Hydrological risk renegotiation" in the income statement in the amounts of R$ 968 million and R$ 1,591 million. respectively.
- Reduced default level – Result of the rigorous process of credit analysis and diversification of the Company's client portfolio.
- Installed capacity – on December 31, 2021, the Company had an installed capacity of 8,218.7 MW and operated a generator complex of 9,939.4 MW, made up of 68 plants operated by the Company, 11 hydropower, 49 wind, three biomass, two photovoltaic solar, two small hydroelectric plants (SHPs) and a conventional thermoelectric plant. Of these generator parks, 64 pertain fully to the Company and four (the Itá, Machadinho and Estreito hydroelectric plants and the Ibitiúva Bioenergética biomass cogeneration plant) are commercially operated through partnerships with other companies. At the end of 2021, the Company had 95.8% of its

installed capacity from renewable sources. Compared with the preceding year, the increase is a result of the process currently being implanted of decarbonization of ENGIE's portfolio in Brazil. In October 2021, the Company concluded the sale of Diamante, owner of the Jorge Lacerda Thermoelectric Complex. In parallel, the Company continues to evaluate proposals for the sale of the Pampa Sul Thermoelectric Plant in the state of Rio Grande do Sul, with a view to the Company becoming generation becoming 100% from renewables by the end of 2022.

- Implementation of wind projects – during 2021, Aneel authorized the startup in operations of the Campo Largo II Wind Complex, made up of 11 wind farms, with an installed capacity and total physical guarantee of 361.2 average MW and 192.5 average MW respectively with the relative energy directed totally to the free market. In addition, in this same year, the Company began construction work on the Santo Agostinho Wind Complex – Phase I, to have an installed capacity of 434.0 MW. The estimated investment is of approximately R$ 2 billion and commercial operations are expected to begin in March 2023.
- In the infrastructure area, in August 2021 the Company energized the first lines and substations of the Gralha Azul Transmission System, anticipating by 16 months the deadline for delivery set by Aneel. By the end of 2021, implementation of this System was 98.7% complete overall. In the case of Novo Estado, by the end of 2021, the overall work was 91.5% complete, the first substation being energized in December 2021.
- The year 2021 continued to be marked by the Covid-19 pandemic, a sickness caused by the new coronavirus. Just as in 2020, in 2021, the Company experienced no significant impacts on its results due to the pandemic.

Consolidated information for the fiscal year ending December 31, 2020

The year 2020 was characterized by a scenario of uncertainty arising from the new coronavirus pandemic. The Company sought to understand the risks, predict impacts and adopt its activities concentrating its efforts on ensuring the supply of energy – essential to society. At the same time, it also focused on protecting people and supporting the communities in which it operates. In 2020, the company has not experienced any significant impacts arising from the pandemic, its activities being authorized to operate by the federal authorities given its condition as essential to the country's activities.

With financial resources assured in the market, in 2020 the Company invested in three large projects, the Campo Largo II Wind Complex and the transmission systems Novo Estado and Gralha Azul.

As to economic and financial performance, in 2020, the Company reported a net consolidated income of R$ 2,797 million, 21.0% greater than profits reported in 2019, of R$ 2,311 million. The Company's Ebitda, adjusted for non-recurring effects in 2020 reached R$ 6,427 million, an increase of 32.7% or R$ 1,585 million compared with fiscal year 2019. This increase is substantially motivated by the following effects: (i) increased in the electric energy generation and sales segment of the Company's portfolio; (ii) increased results from the transmission segment; and (iii) higher result from the corporate stake in the jointly controlled – TAG, given an addition acquisition of 3.25% of the total of 10% that Petrobras still held in the company. The positive impacts were attenuated by the negative effects in the trading segment. In addition there were

the following non-recurring effects in 2020: the claw-back of taxes from a successful lawsuit in 2020; growth in the value of asset impairment between the years under comparison; and in the jointly controlled company, TAG, a nonrecurring effect due to the booking of an Extemporaneous Tax Incentive Credits.

Consolidated information for the fiscal year ending December 31, 2019

The year 2019 was marked by a more favorable environment for business development in Brazil because of the enactment of structural measures key to resuming economic growth, such as Social Security reform. Some of the fiscal year's highlights include entry into the natural gas value chain with the acquisition of Transportadora Associada de Gás (TAG) in partnership with a controlled entity of ENGIE S.A. and *Caisse de Dépôt et Placement du* Québec (CDPQ), and the completion of construction works for the Umburanas Wind Complex – Phase I and the Pampa Sul Thermal Power Plant, which added 705 MWa and 536.8 MWa to the company's installed capacity and physical guarantee, respectively.

As for its economic and financial performance, in fiscal year 2019 the Company had consolidated net earnings of R$ 2,311 million, down slightly from 2018's R$ 2,315 million (0.2%). The Company's Adjusted Ebitda as at December 31, 2019 was R$ 4,842 million, up 10.9% or R$ 475 million YoY. This increase was largely driven by the following effects: (i) an increase in the volume and price of sales in the generation segment (ii) booking in 3Q19 of other operating revenues from the receipt of indemnity for noncompliance with obligations under contract from the supplier responsible for construction of the Pampa Sul Thermal Power Plant, due mainly to late completion of construction works, leading to frustrated income for Company and (iii) the positive result from the stake in TAG/Aliança.

b. Capital structure

The Company manages its capital in such a manner as to maximize investor returns by optimizing the balance of debt and equity, pursing a capital structure and keeping indebtedness and debt coverage ratios capable of providing a return on investors' capital.

The Company's business features high operational cash generation, due mainly to its high margins arising from the electric energy generation activity's capital-intensive nature and the strict control that the Company's Management exerts over costs and expenses.

The main components of the Company's capital structure as follows:

Amounts in million R$	12.31.2021	12.31.2020	12.31.2019
Gross debt[1]	20,587	16,672	14,437
(-) Cash and cash equivalent and restricted deposits	5,975	4,886	4,245
Net debt	14,612	11,786	10,192
Long-term debt[2] (% of gross debt)	83.0%	89.0%	81.0%
Equity	7,933	7,741	6,999
Leverage[3]	64.8%	60.4%	59.3%
Capital structure composition:			
- Own capital (Net worth / Total liabilities)	20.8%	22.0%	23.2%
- Third parties' capital (current and non-current liabilities / total liabilities)	79.2%	78.0%	76.8%

(1) Includes loans and financings, debentures and promissory notes (current and non-current) – net of hedging effects.
(2) Gross non-current debt includes loans and financings, debentures and promissory notes, all non-current – net of hedging effects.
(3) Net debt / (Net debt + Equity).

On December 31, 2021, total consolidated gross debt represented in the main by loans, financing, debentures and redeemable preferred shares, net of the effects of hedge operations, totaled R$ 20,587 million — an increase of 23.5% (R$ 3,915 million) compared to the position on December 31, 2021. The average debt tenor at the end of 2021 was 6.9 years.

The change in the Company's indebtedness is related with a combination of the following events had in 2021: (i) drawdowns from the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and onlending banks, in the amount of R$ 2,794 million, allocated principally to construction of the Novo Estado and Gralha Azul Transmission Systems and the Campo Largo II Wind Complex; (ii) loan in the amount of R$ 530 million for formation of Company's working capital and for the pre-payment of the financing for the São Salvador Hydroelectric Plant and the indirectly controlled companies comprising the Trairí Wind Complex; and (iii) R$ 762 million of the 2nd debenture issue of the Pampa Sul TPP and ENGIE Brasil Energia. In addition to the foregoing, the Company incurred R$ 2,244 million of charges and monetary restatement; and amortizations of loans, financing and debentures of R$ 2,415 million.

c. Payment capacity relative to financial obligations

Give the Company's debt profile and liquidity position, Management believes that, assuming regular market conditions, it will be fully able to honor existing current and long-term liabilities and to continue expanding investments.

Management further understands that, under regular market conditions, solid cash generation affords the Company comfortable margin honoring all of its existing long-term liabilities.

The table next lists the main debt-repayment capacity indicators used by the Company.

Amounts in R$ million	12.31.2021	12.31.2020	12.31.2019
Adjusted Ebitda	7,217	6,427	4,842
Financial expense	3,360	2,137	1,353
Financial result	3,079	1,882	1,206
Gross debt	20,587	16,672	14,437
Net debt	14,612	11,786	10,192
Net debt / Adjusted Ebitda	2.0	1.8	2.1
Gross debt / Adjusted Ebitda	2.9	2.6	3.0
Adjusted Ebitda / Financial expense	2.1	3.0	3.6
Operational cash flow	1,990	1,342	3,621

Over the past three fiscal years, the Company has honored its obligations to third parties such as suppliers, dividends, debts and grants payable, among others.

The Company's net debt stood at R$ 14,612 million as at 12.31.2021 corresponding to 2.0 times the Ebitda adjusted for the non-recurring effects, booked in 2021 of R$ 7,217 million. Additionally, the Company posted a positive operational cash flow of R$ 1,990 million in 2021. Based on the results registered and on the business plan, the Officers of the Company are reinforcing the payment capacity in relation to the financial commitments taken on.

Fitch Ratings has assigned to the Company the Domestic Long-Term Rating 'AAA (bra)', with stable outlook, and the global rating 'BB (bra)', with negative outlook, one level above the sovereign rating. Ratings are directly related with the capture of attractive credit facilities, increasing the Company's competitiveness developing new projects.

d. Sources of financing for working capital and investment in non-current assets

The Company uses lines of credit from top-ranking financial institutions to cover any short- and medium-term cash needs.

As concerns the Company's investment projects, in addition to using some of its cash generation, the main source of financing is the Brazilian Development Bank (BNDES), either directly or through Banks that lend-on BNDES lines. These institutions normally offer interest rates and terms of payment compatible with the return on energy generation projects.

If the investment project is not eligible for BNDES financing or due to financing-cost issues, the Company may use other sources of incentivized funding such as the Constitutional Financing Fund for the Northeast (FNE), the Constitutional Financing for the Center-West (FCO), the capital markets through the issuance of promissory notes and/or debentures or other sources of funding, in order to maintain an adequate capital structure and liquidity. The Company constantly evaluates operations financing alternatives.

In 2019, the Company used as one of its principal sources of finance funds raised from the issue of debentures, resources from the BNDES and currency denominated loans, foreign exchange variation of which protected by swap operations. In 2020, the Company used as its principal source of financing BNDES resources and foreign currency loans protected by swaps, resources from the issue of debentures and redeemable preferred shares. In 2021, the Company used as its main source of financing, BNDES resources and currency loans, the exchange variation of which protected by swap operations and resources raised through the issue of debentures.

e. Sources of financing for working capital and for investments in non-current assets to be used to cover liquidity shortfalls

Notwithstanding the fact that Management does not foresee any liquidity deficiency, the Company holds standby credit lines (working capital, long-term financing and bank guarantees) from first class financial institutions.

In the event that it should need to draw on financing for working capital, the Company intends to use credit lines available in the market from first class credit institutions. In the case of financing of non-current assets, the Company intends as a priority to use long-term financing resources directly from the BNDES or its Lend-On Banks.

In addition, because of the high rating assigned by ratings agency Fitch Ratings, the Company has ready access to the capital markets should it need to obtain additional funding.

f. Indebtedness levels and debt characteristics, further describing:

The principal information on debt taken from Financial Institutions is described as follows:

(i) material loans and financing agreements

Main Debt Conditions

		Payment Conditions		Amounts in R$ million		
Companies / Banks	**Interest**	**Matur.**	**Principal and interest**	**12.31.2021**	**12.31.2020**	**12.31.2019**
Controlling Shareholder:						
Domestic currency:						
NIB	IPCA + 3.55% p.a.	10.2022	Principal: Monthly Interest: Quarterly	33	60	87
BNDES Lend-on (Banks)	3.68% p.a.	11.2024	Monthly	2	3	5
BNDES – São Salvador HPP	TJLP + 2.7% p.a.[a]	10.2023	Monthly	-	47	64
BNDES – Modernization	TJLP + 2.26% p.a.[a]	07.2020	Monthly	-	-	44
Foreign currency (US Dollars):						
HSBC	7.3706% p.a. with swap for 3.3900% p.a.	05.2022	Principal: 05.2022 Interest: Semi-annual	524	540	514
Scotiabank III	3.3600% p.a. with NDF in dollars at a fixed rate of R$ 5.8580	05.2022	Principal: 05.2022 Interest: Semi-annual	560	541	414
BNP Paribas II	3.5476% p.a. with NDF in dollars at a fixed rate of R$ 5.8550	05.2022	Principal: 05.2022 Interest: Semi-annual	280	270	207
Scotiabank I	3.3710% p.a. with NDF in dollars at a fixed rate of R$ 5.8358 (05.2022) and R$ 6.1535 (11.2022)	11.2022	Principal: 11.2022 Interest: Semi-annual	1,122	1,095	831
BNP Paribas IV	2.73% p.a. with swap for CDI + 1.33% p.a.	04.2023	Principal: 04.2023 Interest: Semi-annual	566	533	-
BNP Paribas III	2.54% p.a. with swap for CDI + 1.70% p.a.	03.2024	Principal: 03.2024 Interest: Semi-annual	719	681	-
MUFG V	1.8914% p.a. up to 10.2021 & 2.0057% p.a. up to 10.2025 both with swap for CDI + 1.32% p.a.	10.2025	Principal: 50% at 10.2024 and 50% at 10.2025 Interest: Semi-annual	501	467	-
Scotiabank IV	2.002% p.a. with swap for CDI + 1.35% p.a.	07.2026	Principal: 07.2026 Interest: Semi-annual	567	-	-
MUFG III	3.998% p.a. with NDF in dollars at a fixed rate of R$ R$ 5.1775	04.2021	Principal: 04.2021 Interest: Semi-annual	-	524	414
Scotiabank II	3.798% p.a. with NDF in dollars at a fixed rate of R$ 5.2850	04.2021	Principal: 04.2021 Interest: Semi-annual	-	523	411
HSBC VI	8.459% p.a. with swap for 103% of CDI	10.2020	Principal: 10.2020 Interest: Semi-annual	-	-	342
MUFG IV	3.712% p.a. with swap for 101% of CDI	04.2020	Principal: 04.2020 Interest: Semi-annual	-	-	407
BNP Paribas I	3.684% p.a. with swap for 102% of CDI	04.2020	Principal: 04.2020 Interest: Semi-annual	-	-	406

		Payment Conditions		Amounts in R$ million		
Companies / Banks	**Interest**	**Maturity**	**Principal and interest**	**12.31.2021**	**12.31.2020**	**12.31.2019**
Controlled Entities:						
Domestic Currency:						
Companhia Energética Estreito						
BNDES	TJLP + 1.89% p.a.[a]	09.2029	Monthly	-	-	540
BNDES Lend-on (Banks) [b]	TJLP + 2.95% p.a.[a]	09.2029	Monthly	-	-	367
Ferrari						
BNDES Expansion	TJLP + 1.76% p.a.[a]	07.2032	Monthly	50	54	59
BNDES	TJLP + 1.91% p.a.[a]	06.2021	Monthly	-	-	7
BNDES Lend-on (Banks) [b]	TJLP + 3.40% p.a.[a]	06.2021	Monthly	-	-	3
Trairí Wind Complex [c]						
BNDES – Social Credit	TJLP	07.2029	Monthly	-	1	1
BNDES	TJLP + 2.51% p.a.[a]	07.2029	Monthly	-	206	229
BNDES	TJLP + 2.18% p.a.[a]	05.2033	Monthly	-	284	284
Assú V						
Banco do Nordeste do Brasil	IPCA + 1.7624% p.a.	07.2038	Principal: Monthly from 08.2023 Interest: Quarterly up to 07.2023 and then monthly	90	87	85
Campo Largo Wind Complex						
BNDES	TJLP + 2.52% p.a. [a]	06.2035	Monthly	423	455	486
BNDES	TJLP + 1.82% p.a. [a]	06.2035	Monthly	493	529	566
Pampa Sul						
BNDES	TJLP + 3.09% p.a. [a]	01.2036	Monthly	785	814	794
Umburanas Wind Complex						
BNDES	IPCA + 3.91% p.a.	12.2038	Monthly	1,275	1,216	1,231
Gralha Azul						
BNDES	IPCA + 3.83% p.a.	03.2044	Monthly, from October 2023	1,569	611	-
Campo Largo II Wind Complex						
BNDES	IPCA + 4.23% p.a.	12.2039	Monthly, from September 2021	1,382	884	-
Novo Estado						
BNDES	IPCA + 4.67% p.a.	05.2044	Monthly, from November 2022	1,924	776	-
BASA	IPCA + 1.4452% p.a.	08.2044	Principal: monthly, from November 2022 Interest: monthly, from April 2021	734	-	-

[a] The amount corresponding to the TJLP installment that exceeds 6% p.a. is incorporated into the principal amount.
[b] The banks are the following ones: Itaú Unibanco, Itaú BBA, Bradesco, Santander and Votorantim.
[c] Trairí Wind Complex financing composed of the following companies: Trairí, Mundaú, Guajiru, Fleixeiras I, Santa Mônica, Cacimbas, Estrela e Ouro Verde.

Additional information on the more relevant loan and financing agreements of the Company and its controlled entities

Balances as of December 31, 2021, 2020 and 2019 of the loans listed below can be found in the table provided with foregoing item f(i).

The loan from NIB was intended to increase the Company's working capital and the BNDES financing of the São Salvador Hydroelectric Power Plant and the BNDES pass-on through its Pass-On Banks – Itaú Unibanco, Bradesco, Santander and Votorantim – were used in the construction of the São Salvador Hydroelectric Power Plant. Additionally contracting of "BNDES Modernization" finance was used for the modernization of the Salto Santiago and Passo Fundo hydropower plants.

Financing secured by controlled entities that have been consolidated into the Company are under the Project Finance mode. To this end, Special Purpose Entities (SPEs) were formed to implement the respective projects.

- Foreign currency-denominated loans

In 2021, 2020 and 2019, the Company took foreign currency-denominated loans from HSBC, MUFG (formerly called Bank of Tokyo), Scotiabank and BNP Paribas.

The funds were raised with the main purpose of financing the construction and modernization of the Company's electricity generating complex and manage its cash flow to ensure continued implementation of its business plan.

The Company has swap operations contracts with Brazilian subsidiaries of the same financial institutions from which it contracted loans in dollars, in order to protect future payment flows of principal and interest against exchange rate fluctuation. These operations were designated as hedge instruments, converting the loans in dollars to Reais and the fixed for a floating rate (CDI).

Maturity of the principal and amortization of interest of the loans and hedges will occur exactly on the same dates. Important to point out that the Company's Derivatives and Investment Policy establishes that the use of fixed financial derivative instruments is restricted to protecting risks (hedge) and should maintain a close correlation to the profile of debt, volumes and terms.

The main conditions of the loans, swaps operations and NDF taken were as follows:

	Amount		Loans, long swap position and NDF	Short swap position and NDF	
Banks	US$ million	R$ million	Δ US$ + Interest (p.a.)	Condition	Maturity
HSBC	135	534	7.3706%	3.3900% p.a.	05.2022
Scotiabank III	100	596	3.3600%	Fixed rate in dollars of R$ 5.8580	05.2022
BNP Paribas II	50	298	3.5476%	Fixed rate in dollars of R$ 5.8551	05.2022
Scotiabank I	200	1,272	3.3710%	Fixed rate in dollars of R$ 5.8358 (05.2022) and R$ 6.1535 (11.2022)	11.2022
BNP Paribas IV	100	518	2.73%	CDI + 1.33% p.a.	04.2023
BNP Paribas III	125	632	2.54%	CDI + 1.70% p.a.	03.2024
MUFG V	95	500	1.8914% p.a. up to 10.2021 & 2.0057% p.a. up to 10.2025	CDI + 1.32% p.a.	10.2025
Scotiabank IV	102	530	2.002% p.a.	CDI + 1.35% p.a.	07.2026
MUFG III	100	518	3.998%	Fixed rate in dollars of R$ 5.1775	04.2021
Scotiabank II	100	518	3.798%	Fixed rate in dollars of R$ 5.2850	04.2021
HSBC VI	100	325	8.459%	103.0% of CDI	10.2020
MUFG IV	100	341	3.712%	101.0% of CDI	04.2020
BNP Paribas I	100	339	3.684%	102.0% of CDI	04.2020

Loan and financing guarantee

The Company maintains a guarantee for the loan and financing agreements described next. The Company provides no guarantees in connection with the other loans.

BNDES, BNDES onlending banks and BASA

- **Financing of thermoelectric operations:** (a) chattel mortgage of rights arising from the permit; (b) chattel mortgage of credit rights arising from electric energy sale contracts; (c) pledge of the entirety of the shares; (d) pledge of machinery and equipment associated with the project; (e) mortgage on urban land owned and intended for the project's implementation; (f) reserve account in an amount equivalent to three months' debt service; and (g) reserve account in an amount equivalent to three months' operation and maintenance expenses under the contract.

- **Financing of Wind Projects**: (a) lien on goods and equipment relative to the projects; (b) lien of all the shares representing the capital stock of the controlled companies; (c) receivables and reserve accounts; (d) assignment of the emerging rights of authorization; and (e) corporate guarantee of ENGIE Brasil Energia or ECP.

- **Financing of transmission operations:** (a) lien on all the shares representing the capital stock of the controlled companies; (b) receivables and reserve accounts; (c) assignment of the emerging rights of the concession; and (d) corporate guarantee of ENGIE Brasil Energia or bank guarantee.

Banco do Nordeste do Brasil (BNB)

- **Financing of photovoltaic operations:** (a) bank guarantee; e (b) reserve account in an amount equal to a minimum of 4.09% of the project's balance owed.

Nordic Investment Bank (NIB)

The Company has arranged a guarantee in dollars equivalent to R$ 32,478 maturing in 2022. This obligation to deliver a guarantee began in February 2018, when Fitch Rating downgraded Brazil's sovereign rating, thus impacting the Company's long-term rating in foreign currency. This loan from NIB was contracted in December 2012 for executing the construction of the Trairí Wind Complex.

(ii) other long-term relations with financial institutions

(a) Debentures

Represented by the debentures issued by the Company and by controlled entities Jaguara, Miranda and Pampa Sul. On December 31, 2021, 2020 and 2019, the Company had the following outstanding issues:

				Payment Conditions		Amounts in R$ million		
	Quantity	Compensation	Guarantee	Interest / Monetary Restatement	Principal	12.31.2021	12.31.2020	12.31.2019
Controlling Shareholder:								
5th Issue - Single series	165,000	IPCA + 6.3% p.a.	No guarantee	Annually in December	3 Annual installments from 12.2022	250	225	216
6th Issue - Serie 1	246,600	IPCA + 6.2621% p.a.	No guarantee	Annually in July	3 Annual installments from 07.2021	218	295	282
6th Issue - Serie 2	353,400	IPCA + 6.2515% p.a.	No guarantee	Annually in July	3 Annual installments from 07.2024	468	422	403
7th Issue - Serie 1	515,353	IPCA + 5.6579% p.a.	No guarantee	Annually in July	2 Annual installments from 07.2024	632	568	542
7th Issue - Serie 2	231,257	IPCA + 5.9033% p.a.	No guarantee	Annually in July	3 Annual installments from 07.2026	283	255	243
8th Issue - Single series	2,500,000	102.1% of CDI	No guarantee	11.2020	11.2020	-	-	977
9th Issue - Serie 1	576,095	IPCA + 3.7000% p.a.	No guarantee	Annually from 07.2021	2 Annual installments from 07.2025	679	634	584
9th Issue - Serie 2	539,678	IPCA + 3.9000% p.a.	No guarantee	Annually from 07.2021	3 Annual installments from 07.2027	636	595	547
9th Issue - Serie 3	378,827	IPCA + 3.6000% p.a.	No guarantee	Semi-annually from 07.2021	2 Annual installments from 07.2025	446	416	384
9th Issue - Serie 4	105,400	IPCA + 3.7000% p.a.	No guarantee	Semi-annually from 07.2021	3 Annual installments from 07.2027	124	116	107
10th Issue - Single series	400,000	IPCA + 5.7158% p.a.	No guarantee	Annually from 09.2022	24 Annual installments from 09.2023	400	-	-
Controlled Entities:								
Jaguara								
1st Issue - Serie 1	483,000	107% p.a. on Δ DI Rate with swap for IPCA + 4.47% p.a.	Real guarantee	Semi- annually from 12.2018	9 semi-annual installments from 06.2019	159	264	371
1st Issue - Serie 2	634,000	IPCA + 6.4962% p.a.	Real guarantee	Semi-annually from 12.2018	15 semi-annual installments from 06.2020	716	673	657
Miranda								
1st Issue - Serie 1	299,000	107% p.a. on Δ DI Rate with swap for IPCA + 4.47% p.a.	Real guarantee	Semi-annually from 12.2018	9 semi-annual installments from 06.2019	99	164	230
1st Issue - Serie 2	386,000	IPCA + 6.4962% p.a.	Real guarantee	Semi-annually from 12.2018	15 semi-annual installments from 06.2020	451	413	400
Pampa Sul								
1st Issue - Serie 1	102,000	IPCA + 6.25% p.a.	Real guarantee	Semi-annually from 10.2021	14 semi-annual installments from 10.2021	114	-	-
1st Issue - Serie 2	238,000	IPCA + 7.50% p.a.	Real guarantee	Semi-annually from 10.2021	17 semi-annual installments from 10.2028	273	-	-
2nd Issue - Serie 1	150,000	IPCA + 4.50% p.a.	Real guarantee	Semi-annually from 10.2021	14 semi-annual installments from 10.2021	157	142	-
2nd Issue - Serie 2	432,000	IPCA + 5.75% p.a.	Real guarantee	Semi- annually from 10.2021	17 semi-annual installments from 10.2028	434	380	-

Additional information on debentures

- Fifth debenture issue - Single series

In December 2014, the Company issued 165,000 simple debentures, non-convertible, single series of the unsecured type, with a nominal value of R$ 1 thousand making the total amount of R$ 165 million on the date of issue. These debentures are adjusted by the IPCA and yield interest corresponding to 6.3% p.a., calculated on the Restated Unit Face Value. Payment of this compensation is annual, the first disbursement taking place on December 15, 2015. The principal will be repaid in three annual installments on 12.15.2022, 12.15.2023 and 12.15.2024. The public debentures offering was liquidated on 12.23.2014 and the proceeds were used to modernize the Salto Santiago and Passo Fundo Hydroelectric Power Plant.

- Sixth debenture issue - Series 1 and 2

In July 2016, the Company issued 600,000 simple, non-convertible, unsecured debentures in two series with a nominal value of R$ 1 thousand, amounting to a total of R$ 600 million, or R$ 586 million, net of funding costs. The debentures are restated at the IPCA and carry an interest rate corresponding to 6.2621% p.a. and 6.2515% p.a. for Series 1 and 2, respectively, payable on the Restated Nominal Unit Value. Remuneration is paid annually and payments of principal take place in three annual installments, the first in July 2021 and the remainder in July 2023 and 2024 for Series 1 and 2, respectively. The funds raised have been allocated for the installation of the Pampa Sul Thermal Power Plant.

- Seventh debenture issue - Series 1 and 2

In July 2018, the Company issued 746,610 simple, non-convertible, unsecured debentures in two series pursuant to CVM Instruction 400/2003, with a nominal value of R$ 1 thousand, for a total amount of R$ 747 million (R$ 728 million, net of fundraising costs). These debentures are restated at the IPCA and yield interest at 5.6579% p.a. and 5.9033% p.a. for Series 1 and 2, respectively, payable on the Restated Nominal Unit Value. Payment is made annually, and the principal of Series 1 will be repaid in 2 annual installments due on 07.15.2024 and 07.15.2025, and the principal of Series 2 will be repaid in 3 annual installments due on 07.15.2026, 07.15.2027 and 07.15.2028. The offering was liquidated on 07.25.2018 and the proceeds were allocated to installation of the Campo Largo Wind Complex and the refinancing of a portion of the Jaguara and Miranda promissory notes.

- Eighth debentures issue – Single series

In May 2019, the Company issued 2,500,000 simple, non-convertible, unsecured debentures (8th issue) in a single series, pursuant to CVM Instruction 476/2009, with a nominal value of R$ 1 thousand, for a total R$ 2,500 million (R$ 2,487 million, net of fundraising costs). Financial settlement took place on May 25, 2019. On Aug 9, 2019, the Company effected early settlement of a portion of the debentures in the amount of R$ 1,571 million, of which R$ 1,535 million were for principal payment. The funds raised were allocated to building up working capital to finance implementation of the Company's business plan.

- Ninth debentures issue – Series 1, 2, 3 and 4

On Jul 15, 2019 the Company issued 1,600,000 simple, non-convertible, unsecured debentures (9th issue) for public distribution, pursuant to CVM Instruction 400, of Dec.29.2003, with a nominal value of R$ 1 thousand, for a total R$ 1,600 million (R$ 1,578 million, net of fundraising costs). Payment of remuneration began in July 2021 and will take place on an annual basis for Series 1

and 2 and semi-annually for Series 3 and 4. Amortization for Series 1 and 3 will take place in 2 installments in July 2025 and 2026 and for Series 2 and 4 in 3 annual installments in July 2026 and 2027. Financial settlement took place on Aug.07.2019 and the funds raised were allocated to implementing Assú V PVP, Umburanas, Jaguara and Miranda HPP.

- Tenth debenture issue – Single series

In October 2021, the Company issued 400,000 simple debentures (10th issue), non-convertible, of the unsecured type, in a single series, pursuant to CVM Instruction 476/2009, with a nominal unit value of R$ 1 thousand, amounting to a total of R$ 400 million (R$ 385 million net of funding costs). These debentures are restated at the IPCA and yield interest corresponding to 5.7158% p.a., on the Restated Unit Nominal Value. Payment of this remuneration is annual, beginning September 2022. Principal will be amortized in 24 annual installments beginning 2023, ending September 2046. The settlement of the public offering of the debentures took place on October 18, 2021 and the resources raised were allocated to the Campo Largo II Wind Complex and the Gralha Azul Transmission System.

- First debenture issue - Series 1 and 2 – Jaguara and Miranda

In June 2018, directly controlled entities Jaguara and Miranda issued 1,117,000 and 685,000 debentures, respectively, in two series, restricted effort, in the nominal value of R$ 1 thousand, for a total of R$ 1,117 million and R$ 685 million, respectively. These debentures yield 107% of the CDI rate and IPCA + 6.4962% p.a. for Series 1 and 2, respectively. Payments are made twice annually. Repayment of the principal of Series 1 will take place in 9 twice annually installments from 06.2019, and repayment of Series 2 will take place in 15 twice annually installments from 06.2020. The funds raised have been allocated to early repayment of a portion of the amount raised by means of promissory notes.

To fully hedge future principal and interest payment flows against changes in the DI rate, swaps were entered into with Banco Itaú BBA on 12.19.2018 at the IPCA rate + 4.47% p.a.

Because of the financial instrument's characteristics, the Company applied fair-value hedge accounting rules for the purposes of their booking. Therefore, the hedged debentures and the hedge instrument (swap) itself are measure at fair value, protecting the Company from the financial effects of CDI changes on the debentures.

- Second debenture issue – Series 1 and 2 – Pampa Sul

In November 2020, the directly controlled entity Pampa Sul issued 582,000 non-convertible debentures in two series, pursuant to CVM Instruction 400/2003 with a nominal value of R$ 1 thousand, making a total of R$ 582 million (R$ 511 million, net of funding costs). These debentures are remunerated at IPCA + 4.50% p.a. and IPCA + 5.75% p.a. for Series 1 and 2, respectively. Payment of remuneration will be semi-annual as from 10.2021. Amortization of principal relative to Series 1 will be made in 14 semi-annual installments as from October 2021 and Series 2 in 17 semiannual annual installments as from October 2028. The debentures were issued for optimizing the capital structure of Pampa Sul.

- First debenture issue – Series 1 and 2 – Pampa Sul

During the course of 2021, pursuant to CVM Instruction 476/2009, the Company traded all its directly controlled Pampa Sul subsidiary's 340,000 debentures in the secondary market. The amount involved totaled R$ 411 million, R$ 379 million relating to the principal and interest and R$ 32 million (R$ 31 million net of PIS and Cofins) to gains from the sale of the debentures. These

debentures are remunerated at the IPCA + 6.25% p.a. and IPCA + 7.50% p.a. for the Series 1 and 2, respectively. Payment of remuneration is made semi-annually and began in October 2021. The amortization of the principal for Series 1 is in 14 semi-annual installments the first being made in October 2021 and Series 2 in 17 semi-annual installments the first to be in October 2028.

(b) Redeemable preferred shares

The Company's Board of Directors, at a meeting on August 21, 2020, approved the issue of redeemable preferred shares of the indirectly controlled entity Novo Estado Participações ("NEP"), all book entry, with no par value, without voting rights, with the right of receiving fixed dividends in the total amount of R$ 500 million (R$ 477 million, net of issuance costs). The issue took place on September 1, 2020. The shares give the right to participate in dividends declared and distributed by NEP on a priority and cumulative basis. As from the six months immediately following the entry into operations of the Transmission System, dividends will be allocated on a six-monthly basis, NEP not being obliged to distribute dividends prior to this event.

The number of redeemable preferred shares totals 95,446,379, subdivided into 12 classes, with different redemption terms, the redemption term of the last class being on October 31,2034. The issue and redemption per share are shown below:

	Value of issue per share	Capitalized value per share	Capital reserve value per share
Novo Estado Participações S.A.	5.2385	2.6192	2.6192

For corporate purposes, in the indirect controlled entity NEP, the total value of the issue was allocated partly as paid-in capital stock in the amount of R$ 250 million and part as capital reserve, in the 20 amount of R$ 250 million. For booking effects in accordance with accounting practices adopted in Brazil, this transaction was considered a financial instrument and therefore the total amount of the issue was registered as a non-current liability. There are no differentiated rights between preferred and common shares other than the priority of receiving payment of any earnings and distributions by NEP.

(iii) debt subordination degree

The debt subordination degree is as follows: (i) financing with collateral; (ii) unsecured loans and (iii) unsecured debt issues.

The debts with collateral guarantees are deemed to be all those that require collateral, comprising bank warrants, pledges and other forms of collateral.

Unsecured debts are those with no guarantee, or with guarantor, to include warrants and pledges, among other forms of guarantor security.

Furthermore, in the event of court-assisted composition with creditors, the Company will abide by the contents of Law No. 11,101/05, as amended, to determine the order of preferred payment of all creditors.

(iv) any constraints on the Company, especially in relation to debt limits and the engagement of new debt, distribution of dividends, sale of assets, issue of new securities and the sale of corporate control, as well as the Company's record of compliance with such constraints

(a) Loans and financing

On 12.31.2021, the Company was subject to the following covenants – financial ratios and limits – pursuant to its loan and financing contracts:

Debt	Covenants
Controlling Shareholder:	
NIB	Controlling Shareholder and Consolidated: Total debt/Ebitda ≤ 4.5 Controlling Shareholder and Consolidated: Ebitda/financial expenses ≥ 2.0
HSBC, Scotiabank, MUFG and BNP Paribas	Consolidated: Ebitda/financial expenses ≥ 2.0 Consolidated: Gross debt/Ebitda ≤ 4.5
BNDES Expansion Ferrari (Obligation of co-signor)	Net debt/Ebitda ≤ 3.5
Controlled Entities:	
BNDES, BNB and BASA	Debt service coverage ratio[1] ≥ 1.1 or ≥ 1.2 or ≥1.3 or ≥1.43, depending on the entity

Financing contracts with BNDES are formalized by entry into financing agreements through the opening of a line of credit, subject to the provisions applicable to BNDES agreements.

Under these provisions, in addition to the financial covenants described in the table presented above, obligors may not, without the prior authorization of BNDES: (i) give preference to other credits; (ii) amortize shares; (iii) issue debentures; (iv) issue beneficiary parties; (v) take on new debt, except as explicitly provided in the BNDES agreements; (vi) sell or encumber fixed assets; and (vii) distribute dividends higher than the mandatory minimum in certain controlled companies.

Furthermore, BNDES may declare early maturity of the agreement and demand immediate repayment in the event of default on obligations before it accepted by the beneficiary of the credit, its subsidiaries, intervening parties, or a member entity of the Conglomerate to which the company belongs. Another early-maturity case occurs in the event of changes to effective direct or indirect control of the beneficiary of the credit without the bank's prior consent. In addition, other events affecting the project's operating capacity, or the guarantees provided to the bank are ordinarily regarded as early-maturity cases.

Moreover, more comprehensive items such as unappeasable sentencing in a case involving child labor, slave labor or crimes against the environment also imply early maturity of financial instruments of this type.

The Company and its subsidiaries are compliant with the covenants as provided in its loan and financing agreements, with the exception of the Campo Largo Wind Complex and Pampa Sul subsidiaries. By the end of 2021, these had still not reached their respective minimum levels of debt servicing coverage ratios established in their agreements signed with the BNDES. However,

[1] Debt service coverage ratio: Cash generation from activities / Debt service.

during year, the BNDES confirmed that this non-compliance would not trigger early maturity. The commitments are verified on an annual basis as established in these agreements.

(b) Debentures

	Debt	Covenants
Controlling Shareholder	5th, 6th, 7th and 9th issues	(i) Consolidated: Ebitda/financial expenses ≥ 2.0 (ii) Consolidated: Gross debt/Ebitda ≤ 4.5
Jaguara and Miranda	1st issue	Debt service coverage ratio ≥ 1.10
Pampa Sul	2nd issue	Debt service coverage ratio ≥ 1.10[1]

(1) Greater or equal to a ratio of 1.1 for the purposes of early maturity and greater or equal to a ratio of 1.2 for the purposes of distribution of any resources to shareholders, except statutory minimum dividends.

In addition to the financial commitments described in the table, as per the debentures indenture, the Company must not allow any of the following to occur, under penalty of early maturity. The list contemplates the most restrictive items for the Company's outstanding debentures issues: (i) more than 2 working day's late payment of monies as provided in the debentures indenture; (ii) noncompliance with a non-monetary obligation standing for over 10 business days, or, in the event of notice given by the Fiduciary Agent, after 5 business days from such notice as provided in the debenture deed; (iii) non-payment of any obligations which, individually or together, are equal to or greater than R$ 100 million for the 5th and 6th issues, R$ 120 million for the 7th and 9th issues, R$ 250 million for the 10th and R$ 50 million for controlled entities; (iv) early maturity of any debts whose individual or joint amount exceeds R$ 100 million for the 5th and 6th issues, R$ 120 million for the 7th, 8th and 9th issues, R$ 250 million for the 10th and R$ 50 million for controlled entities; (v) protest of the securities of the Company or any of its controlled entities in an individual or joint amount in excess of R$ 100 million for the 5th and 6th issues, R$ 120 million for the 7th and 9th issues, R$ 250 million for the 10th and R$ 50 million for controlled entities, that the Company fails to clear within 5 business days from receipt of the protest notice; (vi) liquidation, dissolution, termination or any manner of corporate reorganization of the Company's controlled entities and the Company itself, except where the succeeding entity or entities are also under the direct or indirect control of a member company of the Company's conglomerate and the assets remain within the Company's conglomerate, and, furthermore, this does not imply a downgrade of the Company's risk rating below AA, local scale, according to Standard & Poor´s or Fitch, or a similar rating according to Moody's; (vii) in- or out-of court voluntary or involuntary bankruptcy, or any similar proceeding characterizing the insolvency of the Company or its controlled entities; (viii) application for or declaration of bankruptcy of the Company or its controlled entities, except where such a filing is challenged and proof is provided of the timely required court deposit, where applicable; (ix) spin-off, merger, or any manner of corporate reorganization of the Company, except where: (ix.i) the change has been approved at a General Debenture Holders' Meeting; (ix.ii) the right of early redemption is assured to debenture holders who fail to agree with the reorganization; or (ix.iii) the successor entity is directly or indirectly controlled by a member company of the Company's conglomerate and its assets remain within the Company's conglomerate and, concomitantly, this does not ensue downgrade of the Company's risk rating below AA, local scale, according to Standard & Poor´s or Fitch, or a similar rating from Moody's; (x) change in direct or indirect share control of the Company, except were such a change does not lead to a downgrading of the Company's risk ratings; (xi) divestment, inoperativeness or prolonged stoppage or any other form of disposal, on the part of the Company, of fixed assets representing, individually or collectively, 25% of the Company's electric energy generation capacity in a way that provenly affects the Company's economic and financial capacity; (xii) intervention or loss of a concession/permit representing more than 25% of the installed capacity

in such a manner that provenly affects the Company's economic and financial capacity in connection with issues of the controlling company, and loss of the Concession Contract, except where, within a period of fifteen (15) working days from gaining awareness of any such facts, the Issuer provides evidence of a finding in favor of the cancellation reversal, suspension, recall, takeover, expiration or extinction or secures judiciary relief ensuring service continuity and as long as such an injunction is not revoked for its controlled entities; (xiii) corporate-type change of the Company; (xiv) reduction of the Company's equity capital, except if approved by the General Debenture Holders' Meeting; (xv) payment of dividends, interest on equity capital or any other form of profits payout as prescribed in the Bylaws, except for payment of the minimum mandatory dividends pursuant to the Corporations Law, if the Company is in default on any financial obligation in connection with the debentures; (xvi) assignment, pledge of assignment, or any manner of transfer to third parties of the rights and obligations arising from the debentures issued, in the absence of the debenture holders' prior consent; (xvii) non-renewal, cancellation, recall or suspension of the permits, concessions, grants, or licenses needed for execution of the Company's operations implying the interruption or suspension of 25% of the Company's electricity generating capacity and causing significant effects in connection with the Company's ability to honor the obligations stemming from the debentures indenture; (xviii) failure to comply with any court or administrative finding or court sentence that cannot be appealed or unappealable arbitration finding, in an individual or global amount equal to or greater then R$ 100 million for the 5th and 6th issues, R$ 120 million for the 7th, 8th and 9th issues, R$ 250 million for the 10th and R$ 50 million for controlled entities; (xix) failure to maintain a corporate risk rating of at least AA, local scale, from Standard & Poor's or Fitch, or a similar rating from Moody's; and (xx) failure to use the proceeds from the debentures issue as provided in the respective debenture indenture.

The Company and its subsidiaries are in compliance with their financial commitments established in the loan and financing agreements with the exception of the Campo Largo Wind Complex and Pampa Sul subsidiaries. As of December 31, 2021, these had still not reached their respective minimum levels of debt servicing coverage ratios established in their agreements signed with the BNDES. However, during year, the BNDES confirmed that this non-compliance would not trigger early maturity.

g. Contracted financing limits and percentage usage

In March 2020, the indirectly controlled Gralha Azul, engaged financing with the BNDES worth R$ 1,481 million. In 2020, R$ 602 million and in 2021 R$ 800 million were drawn down, a total of R$ 1,402 million – 94.7%. The funds were allocated to the financing of the construction of the project's transmission system.

In April 2020, the indirectly controlled companies that make up the Campo Largo II Wind Complex, contracted financing with the BNDES for R$ 1,243 million. In 2020 R$ 862 million was drawn and in 2021 R$ 369 million, totaling R$ 1,231 million – 99.0%. The resources were allocated to financing the construction of wind farms of the Campo Largo II Wind Complex.

In June 2020, the indirectly controlled company Novo Estado contracted financing from the BNDES in the amount of R$ 1,710 million. In 2020 R$ 755 million and in 2021 R$ 910 million, totaling R$ 1,665 million – 97.4% had been drawn. Additionally, in August 2020, the indirectly controlled entity Novo Estado contracted financing from Banco da Amazônia S.A. (BASA) for R$ 800 million, in substitution of the tranche (in the same amount) of the credit line contracted with

the BNDES. In 2021, the financing worth R$ 730 million – equivalent to 91.2% was drawn down. The resources were allocated to the financing of the construction of the transmission system.

In November 2021, through its indirectly controlled subsidiaries comprising the Santo Agostinho Wind Complex – Phase I, financing was agreed with the BNDES worth a total of R$ 1,473 million maturing November 2045 at a rate of IPCA + 6.16% p.a., although as of December 31, 2021 no drawdowns had taken place. The resources are to be allocated to financing the construction of the wind farms making up the complex with drawdown expected by December 2022.

h. Material changes in financial statement items

h.1) Comparative analysis between the results for the fiscal years ending December 31, 2021 and 2020 prepared pursuant to the IFRS and the CPC:

Amounts in R$ million	2021	% of revenue	2020	% of revenue	2021 versus 2020 (%)
NET OPERATING REVENUES	**12,541**	**100.0**	**12,259**	**100.0**	**2.3**
Operational costs					
Energy purchased	(2,099)	(16.7)	(2,583)	(21.1)	(18.7)
Transactions in the short-term energy market	(629)	(5.0)	(311)	(2.5)	102.3
Charges for use of the electric energy network and connection	(606)	(4.8)	(560)	(4.6)	8.2
Other operational costs	(4,851)	(38.7)	(4,280)	(34.9)	13.3
Renegotiation of the hydrological risk	1,591	12.7	968	7.9	64.4
Cost of services provided	(35)	(0.3)	(30)	(0.2)	16.7
	(6,629)	**(52.9)**	**(6,796)**	**(55.3)**	**(2.5)**
GROSS PROFIT	**5,912**	**47.1**	**5,463**	**44.7**	**8.2**
Operating revenues (expenses)					
Sales expenses	(29)	(0.2)	(25)	(0.2)	16.0
General and administrative expenses	(301)	(2.4)	(252)	(2.1)	19.4
Impairment	(1,076)	(8.6)	(99)	(0.8)	986.9
Divestment of a subsidiary	(200)	(1.6)	-	-	-
Other net operating expenses	(9)	(0.1)	(5)	-	80.0
	(1,615)	**(12.9)**	**(381)**	**(3.1)**	**323.9**
Equity income result					
Equity income	602	4.8	487	4.0	**23.6**
EARNINGS BEFORE FINANCIAL RESULTS AND TAXES	**4,899**	**39.0**	**5,569**	**45.6**	**(12.0)**
Financial Result					
Financial expenses	(3,360)	(26.8)	(2,137)	(17.4)	57.2
Financial revenues	281	2.2	255	2.1	10.2
	(3,079)	**(24.6)**	**(1,882)**	**(15.4)**	**63.6**
EARNINGS BEFORE TAXES	**1,820**	**14.4**	**3,687**	**30.2**	**(50.6)**
Income tax and social contribution	(255)	(2.0)	(890)	(7.3)	(71.3)
NET EARNINGS	**1,565**	**12.4**	**2,797**	**22.9**	**(44.0)**
EARNINGS PER SHARE – BASIC AND DILUTED - IN REAIS	**1.92**		**3.43**		

Net operating revenue

The net operating revenue increased from R$ 12,259 million in 2020 to R$ 12,541 million in 2021, that is a rise of R$ 282 million (2.3%). This variation reflects mainly the following factors: (i) generation and sales of energy from the portfolio presented an increase of R$ 22 million (0.3%), essentially driven by the following positive effects: (i.i) R$ 174 million in the remuneration of concession financial assets relative to the portion of the payment for the grant of the Jaguara and Miranda hydropower plant concessions with respect to the energy destined to the Regulated Contracting Environment (ACR); and (i.ii) R$ 30 million from transactions executed in the short-term market, principally on the CCEE. These effects were partially attenuated by decreases of (i.iii) a non-recurring R$ 84 million from a tax claw-back in 2020; (i.iv) R$ 46 million in revenue from energy sales agreements in the regulated and free markets due to a combination of the variations in energy volumes sold and average selling price; (i.v) R$ 34 million with respect to supplier indemnifications due to claims and collection of contractual fines for downtime, received in the previous year; and (i.vi) R$ 30 million arising from the export of energy in 2020. Additionally, there was (ii) an increase of R$ 281 million (11.0%) in the transmission segment; (iii) an increase of R$ 29 million (2.7%) arising principally from the positive result in 2021 from marking to market future sales and higher revenues from transactions in the short-term market, partially attenuated by the decrease in operations realized; and (iv) a decrease of R$ 50 million (61.7%) in the sale and installation of solar panels.

Generation and sales of energy from the portfolio

- Net average selling price

The average energy selling price, net of charges on revenue, reached R$ 202.94/MWh in 2021, 4.9% higher than in 2020, when this same price was R$ 193.43/MWh. The increase is due to monetary restatement, partially attenuated by the appreciation of the reimbursements enshrined in the regulated environment agreements of the wind farms, since these reimbursements are calibrated at the annual Differences Settlement Price (PLD).

- Sales volume

The energy volume sold via contracts reached 35,801 GWh (4,087 average MW) in 2021, against 37,957 GWh (4,321 average MW) recorded in 2020, a decrease of 2,156 GWh (234 average MW) or 5.4%.

The reduction was driven largely by a reduced availability of energy due to the hydrological scenario, by reduced purchase volumes and scheduled shutdowns at the Pampa Sul Thermoelectric Plant.

Operational Costs

In 2021, the operational costs reached R$ 6,629 million, a reduction of R$ 167 million (2.5%) in relation to 2020 of R$ 6,796 million. This variation was a reflection of the following factors: (i) a decrease of R$ 409 million (12.3%) in the energy generation and sale segment of the portfolio; (ii) a reduction of R$ 31 million (37.8%) in the costs of solar panel sales and installation; (iii) a reduction of R$ 17 million (1.5%) in the costs of energy trading operations; and (iv) a growth of R$ 290 million (12.8%) in the costs of the transmission segment.

Of the variation in item (i), worthy of note is the impact from the recovery of past energy costs as a result of the renegotiation of the hydrological risk subsequent to the enactment of laws 14,052/2020 and 14,182/2021. Recoveries reported an increase of R$ 623 million between the

compared years. In addition, a portion of the amount booked for 2021 relates to hydroelectric plant concessions, the ownership of which is exercised by companies in consortium and therefore subject to agreement of the conditions of renegotiation by all consortium members as per Aneel Normative Resolution 895/2020. This agreement was obtained for plants operated in consortium in November 2021.

These variations arise essentially due to the following principal components:

	Costs per Segment on December 31, 2021				
Amounts in R$ million	**Generation**	**Trading**	**Transmission**	**Solar panels**	**Consolidated**
Construction costs	-	-	2,564	-	2,564
Energy purchases	1,005	1,087	-	-	2,092
Depreciation and amortization	1,012	-	-	-	1,012
Transactions in the short-term energy market	628	1	-	-	629
Charges for the use of the electric network and connection	606	-	-	-	606
Materials and third-party services	396	-	-	12	408
Fuels for generation	335	-	-	-	335
Personnel	302	-	-	4	306
Royalties	95	-	-	-	95
Insurance	74	-	-	-	74
Unrealized losses on trading operations	-	7	-	-	7
Renegotiation of hydrological risk	(1,591)	-	-	-	(1,591)
Other net operating costs	57	-	-	35	92
Operational costs	**2,919**	**1,095**	**2,564**	**51**	**6,629**

	Costs per Segment on December 31, 2020				
Amounts in R$ million	**Generation**	**Trading**	**Transmission**	**Solar panels**	**Consolidated**
Construction costs	-	-	2,274	-	2,274
Energy purchases	1,479	1,068	-	-	2,547
Depreciation and amortization	894	-	-	-	894
Transactions in the short-term energy market	303	8	-	-	311
Charges for the use of the electric network and connection	560	-	-	-	560
Materials and third-party services	340	-	-	18	358
Fuels for generation	204	-	-	-	204
Personnel	273	-	-	8	281
Royalties	84	-	-	-	84
Insurance	89	-	-	-	89
Unrealized losses on trading operations	-	36	-	-	36
Renegotiation of hydrological risk	(968)	-	-	-	(968)
Other net operating costs	70	-	-	56	126
Operational costs	**3,328**	**1,112**	**2,274**	**82**	**6,796**

	Costs per Segment - 2021 versus 2020				
Amounts in R$ million	**Generation**	**Trading**	**Transmission**	**Solar panels**	**Consolidated**
Construction costs	-	-	290	-	290
Energy purchases	(474)	19	-	-	(455)
Depreciation and amortization	118	-	-	-	118
Transactions in the short-term energy market	325	(7)	-	-	318
Charges for the use of the electric network and connection	46	-	-	-	46
Materials and third-party services	56	-	-	(6)	50
Fuels for generation	131	-	-	-	131
Personnel	29	-	-	(4)	25
Royalties	11	-	-	-	11
Insurance	(15)	-	-	-	(15)
Unrealized losses on trading operations	-	(29)	-	-	(29)
Renegotiation of hydrological risk	(623)	-	-	-	(623)
Other net operating costs	(13)	-	-	(21)	(34)
Operational costs	**(409)**	**(17)**	**290**	**(31)**	**(167)**

Energy generation and sale segment of the Company's portfolio

- Energy purchases: decrease of R$ 474 million, mainly driven by the following events: (i) R$ 533 million — a decrease of 2,959 GWh (338 average MW) in volumes purchased; and (ii) R$ 59 million — an increase of 6.3% in net average energy purchasing prices.

The variation in net average energy purchasing price were largely caused by the oscillation in Differences Settlement Prices (PLD). As a consequence, there was a decrease in volumes due to limited purchasing opportunities at attractive prices. This was attenuated to a degree by purchases of energy on account of the divestment process of the Diamante Geração de Energia Ltda. ("Diamante") subsidiary.

- Depreciation and amortization: increase of R$ 118 million (13.2%) between the years under analysis due largely to the amortization of the values arising from the renegotiation of hydrological risk.

- Transactions in the short-term energy market: on an annual comparison, costs were up by R$ 325 million. More details are described below under the specific item.

- Charges for use of electric energy network and connections: increase of R$ 46 million (8.2%) between the compared years. This increase is consequently largely due to the annual readjustment in transmission and distribution tariffs as well as the entry into commercial operations of the Campo Largo II Wind Complex during the course of 2021.

- Material and third-party services: an increase of R$ 56 million (16.5%) when the comparison is an annual one. The main factors were: (i) R$ 40 million – an increase in operation and maintenance agreements of the generator complex; (ii) R$ 7 million – an increase in costs with replacement and consumption costs; and (iii) R$ 5 million – higher costs with general IT services.

- Fuels for generation: there was an increase of R$ 131 million (64.2%) mainly reflecting the increase in consumption of proprietary coal resources and due to the annual readjustment of average prices. The growth in proprietary coal consumption is a reflection of the hydrology crisis during 2021.

- Personnel: an increase of R$ 29 million (10.6%) on a 2020 x 2021 comparison, resulting largely from the annual readjustment in payroll and the booking of expenses involving those employees signing up to the voluntary redundancy program.

- Financial compensation for the use of water resources (royalties): increase of R$ 11 million (13.1%) due to greater hydropower generation from the Company's plants in 2021.

- Insurance: a reduction of R$ 15 million (16.9%) on an annual comparative basis, substantially due to lower expenditures with franchises and the sale of the Diamante subsidiary.

- Hydrological risk renegotiation: on December 15, 2020, the Company's management authorized approval by the hydropower plant concessionaires for the renegotiation of hydrological risk under the umbrella of Law 14,052/2020, regulated by Aneel normative resolutions 895/2020 and 930/2021. The legislation provides for compensation to the concessionaires, members of the Energy Reallocation Mechanism (MRE), for effects caused by the generation plants denominated structural or large-scale operations. These effects relate to the anticipation of physical guarantee and the restrictions on the entry into operation of transmission installations necessary for energy offtake and, retroactively, for generation outside the order of merit and importation. In addition, in July 2021, Law 14,182 was published covering among other themes, the retroactive effects of the GSF (Generation Scaling Factor) on losses accrued between 2012 and 2015 by the hydropower plants contracted in the regulated market. As compensation under this legislation, generators enjoy the right to extend the concession period of generation grants up to an additional seven Years.

In the light of this, the Company booked as intangible assets, corresponding to the right of extension of the concessions against an offsetting item "Hydrological risk renegotiation" in the financial statements with amounts for the years 2021 and 2020, R$ 1,591 million and R$ 968 million, respectively were booked to the accounts. Booking was conducted proportional to the Company's stake in the assets. In addition, some of the amounts booked in 2021 relate to hydro concessions whose ownership is exercised by companies in a consortium and where agreement is conditional on adherence of all members of the consortium as per Aneel Normative Resolution 895/2020. This adherence took place in November 2021.

Solar Panels

On an annual comparative basis, there was a decrease of R$ 31 million (37.8%), driven mainly by reductions in expenditures for installing panels and materials together with third party services. The reduction is a result of a shift in strategy with the focus now on the development of industrial projects for large consumers and a corresponding deceleration of commercial activities

Operational Result from the Energy Transmission Segment

The Company has primary responsibility for the construction and installation of infrastructure pertaining to the Gralha Azul and Novo Estado transmission systems 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 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. In 2021, there was a partial entry into commercial operations of both Gralha Azul and Novo Estado, representing about 4% of their total capacity.

Gross result from the transmission segment fell by R$ 9 million (3.2%) when compared annually, these results are largely a combination of the following factors: (i) booking of losses in 2021 in counterbalance to gains recorded in 2020, due largely to the increase in CAPEX forecasted for the implementation of the transmission systems, as well as the postponement of entry into commercial operations of each stage of the projects; and (ii) an increase in revenues on remuneration of concession assets given the increase in the balance of these assets between the compared periods and the increase in inflation rates on an annual comparative basis.

Resultado Operacional do Segmento de Trading de Energia

The Company operates in the physical energy trading market in order to generate results through price variations, within preestablished limits of risk. Energy trading operations are transacted in an active market and for accounting purposes, are defined as financial instruments according to their fair value. This is principally due to the fact that there is no commitment to match purchase and sale operations, flexibility being permitted to manage the contracts and obtain results through price variations in the market.

On an annual basis, the gross result registered an increase of R$ 46 million (164.3%) from a loss of R$ 28 million in 2020 to a profit of R$ 18 million in 2021, in large part due to the positive effects of marking-to-market of R$ 57 million, and transactions in the short-term energy market of R$ 19 million. These effects were partially reduced by the negative impact of realized transactions of R$ 30 million.

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.

For the calendar-month year of 2021, a reflection of short-term transactions, net result was negative at R$ 35 million, a decrease of R$ 276 million in relation to the positive result of R$ 241 million in 2020, R$ 295 million of which the reduction in the result for transactions in the generation and sales of energy from the Company's portfolio segment and R$ 19 million from an increase of transactions in energy trading.

This reduction is a reflection largely of the combination of the following events: (i) an increase in the negative impact of the Adjustment Factor of the MRE (GSF) — already net of the effects of the renegotiation of hydrological risk for 2021; and (ii) decrease in the result from thermoelectric generation due to the divestment of the Diamante subsidiary. These events were partially offset by the following factors: (iii) an increase in the financial impact of short-term operations and the long position on the CCEE, reflecting the larger volume of free energy and by the higher PLD in 2021; and (iv) an increase in MRE, given greater hydropower generation in 2021.

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

Average PLD in R$/MWh	2021	2020	Chg. (%)
South	280.37	184.42	52.0%
Southeast/Center-West	279.61	177.00	58.0%
Northeast	269.58	134.42	100.6%

Operational revenues (expenses)

- Sales, General and Administrative Expenses: selling, general and administrative expenses reported an increase of R$ 53 million (19.1%) between 2020 and 2021 from R$ 277 million in 2020 to R$ 330 million in 2021. This increase was driven by an increase of R$ 46 million (17.2%) in the generation and sales of energy from the Company's portfolio segment, largely a reflection by the combination of the following effects: (i) R$ 41 million in payroll expenses, principally due to the booking of expenses as result of adherence to the voluntary redundancy program, provision for the PLR and bonus and the annual adjustment in payroll; and (ii) R$ 9 million with depreciation and amortization due to an increased amortization of software. These effects were partially attenuated by a reduction in contributions and donations following the most critical period of the COVID-19 pandemic in 2020. In addition, there was an increase of R$ 7 million in the other segments in which the Company operates, principally due to the greater outlay with third party services

- Impairment: on an 2020 x 2021 comparison, impairment, net of reversals increased by R$ 977 million from R$ 99 million in 2020 to R$ 1,076 million in 2021. This non-recurring effect was driven essentially by (i) the booking of impairment given the now firm intention of selling the Pampa Sul TPP and EGSD subsidiaries, the preliminary sale values of which being lower than their book values. The sale values are in line with the Company's guidelines; and (ii) the booking of impairment values in 2Q21 and 3Q21 of the Diamante subsidiary in the light of developments in the selling process.

- Sale of a subsidiary: in the light of the Company's decarbonization strategy, on October 18, 2021, the divestment of the Diamante subsidiary was concluded. As of this date, the company ceased to be controlled by the Company, also no longer being consolidated. The result of the asset sale, net of selling costs, was a negative R$ 200 million.

Equity Income – Gas Transportation

On July 20, 2020, the Company acquired an additional shareholding stake of 3.25% in TAG out of the total 10% which Petrobras still held, corporate stake in TAG increasing from 29.25% to 32.5%.

TAG is a jointly controlled entity of ENGIE Brasil Energia and for this reason not consolidated in the Company's account statements, its effects being recognized by the equity income method.

The equity income result for TAG for the years under analysis is made up of the following items:

	2021		2020			
Income Statement - in R$ million	**12M21**	**Participation of EBE**	**12M20**	**01/01 to 07/19/2020 (29.25%)**	**07/20 to 12/31/2020 (32.5%)**	**Participation of EBE**
Net operational revenue	7,071	2,298	6,004	3,094	2,910	1,851
Costs of services provided	(2,471)	(803)	(2,244)	(1,212)	(1,032)	(690)
Gross profit	**4,600**	**1,495**	**3,760**	**1,882**	**1,878**	**1,161**
General and administrative expenses	(169)	(55)	(140)	(80)	(60)	(43)
Profit before financial result and tax	**4,431**	**1,440**	**3,620**	**1,802**	**1,818**	**1,118**
Financial result	(1,620)	(526)	(1,445)	(715)	(730)	(446)
Pre-tax profit	**2,811**	**914**	**2,175**	**1,087**	**1,088**	**672**
Income tax and social contribution	(959)	(312)	(581)	(129)	(451)	(185)
Net income of TAG	**1,852**	**602**	**1,594**	**958**	**637**	**487**
Equity income on the result from TAG	**602**		**487**			

To reconcile TAG's net income with Ebitda, we show the following table:

	2021	2020	01.01 to 07.19.2020	07.20 to 12.31.2020
Ebitda – in R$ million	**100%**	**100%**	**29.25%**	**32.5%**
Profit (loss) before financial result and taxes	**4,431**	**3,620**	**1,802**	**1,818**
Depreciation and amortization	669	628	342	286
Amortization of the mais-valia	916	907	496	411
Ebitda	**6,016**	**5,155**	**2,640**	**2,515**

Between the years in comparison, the equity income result increased by R$ 115 million (23.6%) from R$ 487 million in 2020 to R$ 602 million in 2021.

The variation was a consequence of the combination of the following effects: (i) R$ 365 million increase in Ebitda principally due to the restatement of transportation tariffs and FX variation for one of the transportation agreements, partially attenuated by readjustment in operational and maintenance contracts; (ii) R$ 127 million increase in Income Tax and Social Contribution, mainly due to the increase in 2020 x 2021 pre-tax profits; booking of tax credits clawed back from past fiscal years and the non-recurring effect of the booking of extemporary tax incentive credits on profits generated in the Sudene development area (R$ 72 million) in 2020; (iii) an increase in net financial expenses of R$ 80 million, largely driven by the increase in the US Dollar exchange rate on currency denominated loans, which are protected by a hedge – the effects of the exchange variation are compensated by the increase of Ebitda and CDI between the consecutive years covered by this report; and (iv) an increase of R$ 43 million in depreciation and amortization expenses, due to the incorporation of new fixed assets.

Balance Sheet

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

Balance Sheet	12.31.2021	12.31.2020
ASSETS		
Current assets	**2,079**	**2,220**
Cash and cash equivalents	439	437
Accounts receivables from clients	1,439	1,556
Restricted deposits	5	1
Unrealized gains on hedging transactions	-	19
Other current assets	196	207
Non-current assets	**31,154**	**32,304**
Accounts receivables from clients	540	49
Restricted deposits	115	203
Unrealized gains on hedging transactions	-	29
Other non-current assets	5	119
Property, plant and equipment	27,742	29,185
Intangible	2,752	2,719
Total	**33,233**	**34,524**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**3,707**	**3,874**
Loans, financing and debentures	3,377	3,250
Unrealized losses on hedging transactions	11	298
Other current liabilities	319	326
Non-current liabilities	**22,778**	**23,723**
Loans, financing and debentures	19,632	21,609
Unrealized losses on hedging transactions	412	910
Deferred income taxes and social contribution	2,075	1,073
Other non-current liabilities	659	131
Shareholders' equity	**6,748**	**6,927**
Total	**33,233**	**34,524**

Financial result

Financial expenses: on an annual comparative basis, expenses increased from R$ 2,137 million in 2020 to R$ 3,360 million in 2021, that is, R$ 1,223 million (57.2%), a result of the combination, mainly of the following effects: (i) increase of R$ 1,079 million on debt between the years analyzed, of which: (i.i) R$ 802 million in monetary restatement due to the variation in inflation; and (i.ii) R$ 277 million of interest and adjustment to fair value, principally due to the issue of debentures and the contracting of loans and financing; and (ii) increase of R$ 120 million on concessions payable 2020 x 2021, of which: (ii.i) R$ 62 million in monetary restatement by virtue largely of the increase in inflation rates; and (ii.ii) R$ 58 million of increased interest.

Financial income: on a 2021 x 2020 comparative basis, financial revenues increased by R$ 26 million (10.2%) from R$ 255 million in 2020 to R$ 281 million in 2021. This variation is essentially explained by the following factors: (i) an increase of R$ 95 million in revenue from financial investments, a function of higher amounts invested and by the variation in interest rates between the compared years; (ii) a gain from the sale of bonds and securities booked in 2021 of R$ 31 million; (iii) booking of non-recurring of interest on taxes and social contributions for R$ 73 million, with respect to the financial restatement on the recovery of taxes arising from a successful legal action in 2020 ruled in favor of the Company; and (iv) booking in 2020 of R$ 29 million, due to the regulator's conclusion as to the effects of the Aneel resolution, which reduces the

reimbursement from the Energy Development account (CDE) on coal purchases in the light of the energy efficiency of the generator unit.

Income Tax and Social Contribution on Net

These expenses fell R$ 635 million (71.3%) from R$ 890 million in 2020 to R$ 255 million in 2021. This was largely due to the tax effect on non-recurring items booked in 2020 and 2021 and due to non-recurring effect of the claw-back of tax credits for R$ 31 million, relative to the absence of Income Tax and Social Contribution on income accruing at the Selic rate in 2021. Excluding these effects, there was a decrease of R$ 144 million (16.5%), due to: (i) a reduction in profit pre-Income Tax and Social Contribution between the two consecutive years and (ii) greater use of tax incentives in 2021 compared with 2020. These effects were partially attenuated by the reduction of the interest on shareholders' equity.

h.2) Comparative analysis between the results for the fiscal years ending December 31, 2020 and 2019 prepared pursuant to the IFRS and the CPC:

Amounts in R$ million	2020	% of revenues	2019	% of revenues	2020 versus 2019 (%)
NET OPERATING REVENUES	**12,259**	**100**	**9,804**	**100**	**25.0**
Operational costs					
Energy purchased	(2,583)	(21.1)	(2,666)	(27.2)	(3.1)
Transactions in the short-term energy market	(311)	(2.5)	(428)	(4.4)	(27.3)
Charges for the use of the electric network and connection	(560)	(4.6)	(514)	(5.2)	8.9
Other operational costs	(4,280)	(34.9)	(2,016)	(20.6)	112.3
Renegotiation of the hydrological risk	968	7.9	-	-	-
Cost of services provided	(30)	(0.2)	(29)	(0.3)	3.4
	(6,796)	**(55.4)**	**(5,653)**	**(57.6)**	**20.2**
GROSS PROFIT	**5,463**	**44.6**	**4,151**	**42.4**	**31.6**
Operating revenues (expenses)					
Sales expenses	(25)	(0.2)	(27)	(0.3)	(7.4)
General and administrative expenses	(252)	(2.1)	(226)	(2.3)	11.5
Impairment	(99)	(0.8)	(5)	(0.1)	1,880.0
Other net operating revenues (expenses)	(5)	-	320	3.3	(101.6)
	(381)	**(3.1)**	**62**	**0.6**	**(714.5)**
Equity income result					
Equity income	487	4.0	81	0.8	501.2
PROFIT BEFORE FINANCIAL RESULT AND TAXES	**5,569**	**45.4**	**4,294**	**43.8**	**29.7**
Financial Result					
Financial expenses	(2,137)	(17.4)	(1,353)	(13.8)	57.9
Financial revenues	255	2.1	147	1.5	73.5
	(1,882)	**(15.3)**	**(1,206)**	**(12.3)**	**56.1**
EARNINGS BEFORE TAXES	**3,687**	**30.2**	**3,088**	**31.5**	**19.4**
Income tax and social contribution	(890)	(7.3)	(777)	(7.9)	14.5
NET EARNINGS	**2,797**	**22.9**	**2,311**	**23.6**	**21.0**
EARNINGS PER SHARE – BASIC AND DILUTED - IN REAIS	**3.43**		**2.83**		

Net operating revenue

Comparing the years, net operating revenue increased from 9,804 million in 2019 to R$ 12,259 million in 2020, an increase of R$ 2,455 million (25.0%). This variation reflects the following effects: (i) R$ 2,386 million increase relating to the transmission segment, largely the consequence of progress made in execution of work on the Gralha Azul and Novo Estado transmission systems; (ii) R$ 111 million growth in the electric energy generation and sale segment of the Company's portfolio due substantially to the following positive effects: (ii.i) R$ 127 million of increase in revenue with energy sales agreements in the free and regulated environments, the result of a combination of the variations in the quantity of energy sold and net average selling price; (ii.ii) a non-recurring R$ 84 million from the recovery of taxes; (ii.iii) R$ 31 million due to the export of energy realized in the third quarter of 2020; and (ii.iv) R$ 29 million relative to indemnification for interruption of business, arising from a claim and contractual fine for downtime These effects were partially attenuated by the (ii.v) decrease of R$ 164 million in transactions executed in the short-term market principally across the CCEE; (iii) a reduction of R$ 25 million in the energy trading segment, due largely to the negative result from marking-to-market of future sales and lower revenues from executed operations but partially offset by the increase in transactions in the short-term market; and (iv) a decrease of R$ 17 million in the sale and installation of solar panels due to the retraction in this market principally in the light of the Covid-19 pandemic

Energy generation and sales segment of the Company's portfolio

- Net average selling price

The average selling price, net of charges on revenue, reached R$ 193.78/MWh in 2020, 2.3% higher than practiced for the preceding year, which was R$ 189.45/MWh.

The increase in price was driven largely by monetary restatement of prevailing contracts, the agreement for exporting electricity in the third quarter and by the entry into commercial operations of Pampa Sul in June 2019, the average price of which is higher than the average for existing contracts. These effects were partially attenuated by new transactions with trading companies and free consumers at prices lower than the average for matured contracts due largely to the economic downturn following the onset of Covid-19.

- Sales volume

In 2020, energy sales volume was 37,889 GWh (4.313 average MW), against 37,925 GWh (4,329 average MW) reported in 2019, a decrease of 36 GWh (16 average MW) or 0.4%.

The decrease in sales volume is the result largely of a reduction in client demand due to the weaker economy following the outbreak of the Covid-19 pandemic, to maturing contracts in 2019 within the scope of the Electric Energy Commercializing Agreement in the Regulated Contracting Environment (CCEAR) and to movement in the Surplus and Deficit Compensation Mechanism (MCSD). These effects were partially attenuated by the reduced impacts of reimbursements set forth in the contracts in the regulated environment and on an annual comparative basis by the entry into operations of Pampa Sul at the end of June 2019.

Operational costs

In 2020, operational costs were R$ 6,796 million, exceeding by R$ 1,143 million (20.2%) costs in 2019, of R$ 5,653 million. This variation was a reflection of the following factors: (i) an increase of R$ 2,123 million of costs in the transmission segment; (ii) a decrease of R$ 966 million in the energy

generation 26 and sales segment of the portfolio; and (iii) a reduction of R$ 14 million in the costs of sale and installation of solar panels.

With respect to the variation in (ii), of particular note was the recovery in past energy costs in the amount of R$ 968 million following the renegotiation of the hydrological risk under Law 14,052/2020, regulated by Aneel Normative Resolution 895/2020.

These variations stem essentially from the movement in the principal components as follows:

	Costs per Segment on December 31, 2020				
Amounts in R$ million	**Generation**	**Trading**	**Transmission**	**Solar panels**	**Consolidated**
Energy purchases	1,479	1,068	-	-	2,547
Construction costs	-	-	2,274	-	2,274
Depreciation and amortization	894	-	-	-	894
Charges for the use of the electric network and connection	560	-	-	-	560
Materials and third-party services	339	-	-	18	358
Transactions in the short-term energy market	304	7	-	-	311
Personnel	274	-	-	8	281
Fuels for generation	204	-	-	-	204
Insurance	89	-	-	-	89
Royalties	85	-	-	-	85
Cost of solar panels	-	-	-	55	55
Unrealized losses on trading operations	-	36	-	-	36
Renegotiation of hydrological risk	(968)	-	-	-	(968)
Other net operating costs	69	-	-	1	70
Operational costs	**3,329**	**1,111**	**2,274**	**82**	**6,796**

	Costs per Segment on December 31, 2019				
Amounts in R$ million	**Generation**	**Trading**	**Transmission**	**Solar panels**	**Consolidated**
Energy purchases	1,562	1,090	-	-	2,652
Construction costs	-	-	151	-	151
Depreciation and amortization	844	-	-	-	844
Charges for the use of the electric network and connection	514	-	-	-	514
Materials and third-party services	278	-	-	16	293
Transactions in the short-term energy market	421	7	-	-	428
Personnel	255	-	-	10	265
Fuels for generation	173	-	-	-	173
Insurance	66	-	-	-	66
Royalties	132	-	-	-	132
Cost of solar panels	-	-	-	71	71
Unrealized losses on trading operations	-	14	-	-	14
Other net operating costs	51	-	-	(1)	50
Operational costs	**4,296**	**1,111**	**151**	**96**	**5,653**

	Cost per Segment - 2020 versus 2019				
Amounts in R$ million	**Generation**	**Trading**	**Transmission**	**Solar panels**	**Consolidated**
Energy purchased	(83)	(22)	-	-	(105)
Construction costs	-	-	2,123	-	2,123
Depreciation and amortization	50	-	-	-	50
Charges for use of the electric system and connection	46	-	-	-	46
Materials and third-party services	61	-	-	2	65
Transactions in the short-term market	(117)	-	-	-	(117)
Personnel	19	-	-	(2)	16
Fuels for generation	31	-	-	-	31
Insurance	23	-	-	-	23
Royalties	(47)	-	-	-	(47)
Cost of sales of solar panels	-	-	-	(16)	(16)
Unrealized losses on trading operations	-	22	-	-	22
Renegotiation of hydrological risk	(968)	-	-	-	(968)
Other net operating costs	18	-	-	2	20
Operational costs	**(967)**	**-**	**2,123**	**(14)**	**1,143**

Energy generation and sale segment of the Company's portfolio

Energy purchases: reduction of R$ 83 million in these operations, substantially due to the following events: (i) R$ 119 million — decrease of 7.6% in the net average energy purchase price; and (ii) R$ 36 million — an increase of 212 GWh (24 average MW) in volumes purchased.

The decrease observed in the average purchase price was driven principally by the reduction in the Differences Settlement Price (PLD) – used as a parameter for establishing the short-term price – and the effects of the economic downturn following the onset of the Covid-19 pandemic, as discussed above (in the Sales Volume section).

The increase in purchase volume is a result mainly of the strategic allocation of the Company's resources for optimizing the allocation of energy as well as hydrological shortfalls in the period.

- Depreciation and amortization: increase of R$ 50 million, of which R$ 66 million derived from the entry into commercial operations of Pampa Sul and Umburanas – Phase I, attenuated by the termination of the useful life of programmed revisions at the Jorge Lacerda Thermoelectric Plant and the postponement of the next revision, initially set for the second half of 2020.

- Charges for the use of the electric network and connection: an increase of R$ 46 million, the consequence largely of the annual readjustment in transmission and distribution tariffs and the entry into commercial operations of Pampa Sul and Umburanas – Phase I, responsible for R$ 19.0 million of the total variation.

- **Material and third-party services:** an increase of R$ 61 million on an annual comparative basis, resulting mainly from increases in operational and maintenance contracts at the generator complex (R$ 12 million in 2020, if compared to 2019). Additionally, maintenance costs due to new contracts as a result of entry into operation of Pampa Sul and Umburanas – Phase I, were R$ 48 million. Finally, there was an increase in materials for replacement of parts and consumption, principally related to preventive activities following the Covid-19 outbreak (R$ 6 million in 2020).

- Transactions in the short-term energy market: On an annual comparison basis, costs were lower by R$ 117 million. More details are given below under a specific item.

- Personnel: an increase of R$ 19 million when comparing 2020 with 2019, largely due to new hiring more especially in the case of the Pampa Sul and Umburanas – Phase I plants and the annual salary readjustment for employees. In addition, the volume of provisions for participation in results and bonuses was higher than 2019. These effects were partially attenuated by reduction in expenses from medical accreditation, reimbursement of medical expenses and expenses with health insurance plans.

- Fuels for generation: there was an increase of R$ 31 million between 2019 and 2020, mainly due to higher consumption of proprietary coal in the amount of R$ 75 million, partially attenuated by the positive effect of Aneel's recalculation of amounts of coal previously counted in excess for preceding years. Growth in the consumption of proprietary coal was due to the greater energy output from the Company's thermoelectric plants between comparable periods.

- Insurance: growth of R$ 23 million on an annual comparison due mainly to a higher premium on the renewal of the operational risks policy in June 2020 and the increased insurance premium at the Jorge Lacerda Thermoelectric Plant, based on the reevaluation of risks of this plant. In addition, there was a further amount of R$ 13 million following the entry into commercial operations of Pampa Sul and Umburanas – Phase I.

- Financial Compensation for use of hydric resources (Royalties): On an annual comparison basis, there was a reduction of R$ 47 million due largely to lower generation from the hydroelectric plants, between periods but to a degree attenuated by the annual readjustment in royalties.

- Renegotiation of hydrological risk: on December 15, 2020, Management approved the adherence of the plants, the holders of electric energy generation concessions, to the renegotiation of the hydrological risk covered by Law 14,052/2020, regulated by Aneel Normative Resolution 895/2020. The legislation provides for compensation to the participating hydroelectric, plants part of the Risk Reallocation Mechanism (MRE), for the effects caused by generation operations denominated structural or large scale, relating to the anticipation of the physical guarantee and the restrictions on the entry into operations of the transmission installations necessary for the transportation of the energy offtake and, retroactively, for generation outside the order of merit and importation. As compensation, the generators have the right to an extended concession term for up to seven years. Given this, an intangible asset was booked to the accounts, corresponding to the concession extension rights, offset against the item "Recovery of energy costs – Renegotiation of hydrological risk" in the income statement for R$ 968 million. Additionally, the Company clarifies that it has not booked the effect of the right to extension of the concession for the Itá and Machadinho consortia since approval had not been given by all the consortia members at the close of 2020 as called for in the legislation.

Solar panels

On an annual comparative basis there was a decrease of R$ 14 million mainly due to the deceleration in commercial activities following the onset of the Covid-19 pandemic.

Operational Result from the Energy Transmission Segment

Gross operational profit from the transmission segment reported an increase of R$ 263 million on an annual comparison due to the start on construction of Novo Estado and the advances made in the execution of work on the construction of the Gralha Azul Transmission System. Additionally, the revenue from remuneration of transmission line infrastructure is also impacted by the variation in IPCA.

In 2020, the Company recognized a net gain of R$ 35 million in the accounts from improved efficiency in the implementation of transmission infrastructure.

Operational Result from the Energy Trading Segment

On an annual basis, the gross result registered a reduction of R$ 25 million from a loss of R$ 3 million in 2019 to loss of R$ 28 million in 2020 due mainly to the negative effect of marketing-to-market of R$ 45 million. This effect was partially attenuated by: (i) R$ 11 million from a positive effect in transactions realized; and (ii) a R$ 9 million positive result from transactions in the short-term energy market.

Detailing of short-term operations

Short-term operations are defined as energy purchase or sale operations whose main purpose is management of the Company's exposure on the CCEE. The price of these operations is therefore characterized by the linkage with the Differences Settlement Price (PLD). This item also includes the transactions conducted through the CCEE, given the volatile and seasonal - and, therefore, short-term - nature of the results originating from accounting movement in the CCEE. Additionally, long and short positions are settled at the PLD, similarly 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 CCEE 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. 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 said billings. Such fluctuations complicate the direct comparison of the elements comprising each billing for the periods at hand - the reason for including this specific topic. The strategy allows analyzing 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) from dispatch triggered 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 2020, the net result, generated from short-term transactions, was positive at R$ 241 million, a decrease of R$ 37 million in relation to the similarly positive R$ 278 million for 2019, a R$ 46 million reduction in the result of transactions in the generation and sales segment of the portfolio and a partially offsetting increase of R$ 9 million in the result of energy trading transactions.

This reduction is mainly a reflection of the combination of the following events: (i) an increase in the negative impact of the Adjustment Factor of the MRE (GSF) — already deducted for the effects of

renegotiation of the hydrological risk due to lower hydroelectric generation in 2020, partially attenuated by the variation curve of the PLD 2019 x 2020, presenting higher volatility in 2020; (ii) expense in the MRE, given the lower generation of hydroelectricity in 2020; and (iii) the negative effect of the price differential between the North/Northeast and Southeast/Center-West submarkets. These events were attenuated by the following factors: (iv) an increase in the financial impact of short-term operations and the oversold position in the CCEE; and (v) greater dispatch from the Jorge Lacerda Thermoelectric Plant between the periods under analysis due to lower hydroelectric generation.

In December 2019, Aneel stipulated maximum and minimum PLD limits for 2020 at R$ 559.75/MWh and R$ 39.68/MWh, respectively. The following table shows the average PLD amounts for those submarkets in which the Company operates (in MWh).

Average PLD in R$/MWh	2020	2019	Chg. (%)
South	184.42	227.10	(18.8%)
Southeast/Center-West	177.00	227.10	(22.1%)
Northeast	134.42	166.73	(19.4%)

Operational Revenues (expenses)

- Sales, general and administrative expenses: the expenses with sales, general and administrative expenses increased R$ 24 million between 2019 and 2020, from R$ 253 million in 2019 to R$ 277 million in 2020. The increase was driven by a combination of the following items: (i) an increase of R$ 25 million from the energy generation and sales segment of the portfolio, substantially impacted by the following effects: (i.i) R$ 29 million in payroll expenses; and (i.ii) R$ 9 million in expenses with materials and third party services, of which the highlight was the acquisition of general information services in line with the Company's policy of digitalization as well as consumption materials earmarked for preventive actions in relation to the Covid-19 pandemic. These effects were partially attenuated by the reduction arising from the recognition of R$ 10 million in provisions for civil contingencies in 2019.

- Impairment: On an annual comparison basis there was a growth of R$94 million in impairment due substantially to the following effects: (i) the possible deactivation of generator units 1 and 2 of the Jorge Lacerda Thermoelectric Plant, scheduled for December 2021, and in line with the Company's decarbonization strategy; and (ii) the amounts of the "Mais valia on the acquisition of investments" and the "Premium on the expectation of a future return", originating from the acquisition of EGSD, for the possible failure to recover these amounts. Worthy of mention is that the JLPlant's 1 and 2 generator units have a net physical guarantee of 32 MWm and a Unit Variable Cost (UVC) of R$ 270.48, reason for which it is dispatched sporadically and for short periods. Consequently, its eventual decommissioning will not have any material impact either at present or in the future for the Company.

- Other net operating revenues (expenses): other net operating revenues (expenses) posted a negative R$ 325 million between 2019 and 2020. In 2020, the Company booked other net operating revenues of R$ 5 million, while in 2019, R$ 320 million was booked to the same account. This variation largely reflects the booking in 2019 of indemnities received for contractual non-compliance incurred by the contractor responsible for the construction of Pampa Sul, principally related to delays in the conclusion of the work, in the amount of R$ 321 million. The value received is stipulated in contract and was calculated on the basis of the product of the number of days delay in delivering

the work times a fixed daily amount. This amount was calculated to compensate the Company for the loss of earnings due to the delay in delivering the work.

Equity Income – Gas Transportation

On June 13, 2019, the controlled entity Aliança Transportadora de Gás S.A. (Aliança) acquired a 90% equity stake in Transportadora Associada de Gás S.A. – TAG. The Company had a 32.5% direct equity stake in the jointly held controlled entity, Aliança, and, therefore, a 29.25% indirect stake in TAG. On September 2, 2019, TAG performed a reverse takeover of Aliança. From that date, the Company has held a 29.25% direct stake in TAG.

On July 20, 2020, the Company acquired an additional shareholding of 3.25% in TAG out of a total of 10%, Petrobras' remaining stake. As a result, the Company increased its direct holding in TAG to 32.5%.

TAG is a jointly controlled entity of EBE and for this reason not consolidated in the Company's account statements, its effects being recognized by the equity income method.

The equity income result for TAG for the years de 2020 and 2019 is made up of the following items:

	2020				2019		
Income Statement – in R$ million	**2020**	**01.01 to 07.19 (29.25%)**	**07.20 to 12.31 (32.5%)**	**Holding of EBE**	**2019**	**06.13 to 12.31 (29.25%)**	**Holding of EBE**
Aliança (32.5%)							
General and administrative expenses	-	-	-	-	(326)	-	(106)
Amortization mais valia of assets	-	-	-	-	(179)	-	(58)
Expenses with the acquisition project of TAG	-	-	-	-	(138)	-	(45)
Others	-	-	-	-	(9)	-	(3)
Loss before financial result and taxes	**-**	**-**	**-**	**-**	**(326)**	**-**	**(106)**
Financial result	-	-	-	-	(326)	-	(106)
Pre-tax loss	**-**	**-**	**-**	**-**	**(652)**	**-**	**(212)**
Income tax and social contribution	-	-	-	-	63	-	20
Net loss of Aliança	**-**	**-**	**-**	**-**	**(589)**	**-**	**(192)**
TAG							
Net operational revenue	6,004	3,094	2,910	1,851	5,195	2,916	853
Costs of services provided	(2,244)	(1,212)	(1,032)	(690)	(1,507)	(1,002)	(293)
Gross profit	**3,760**	**1,882**	**1,878**	**1,161**	**3,688**	**1,914**	**560**
General and administrative expenses	(140)	(80)	(60)	(43)	(206)	(134)	(39)
Profit before financial result and tax	**3,620**	**1,802**	**1,818**	**1,118**	**3,482**	**1,780**	**521**
Financial result	(1,445)	(715)	(730)	(446)	(598)	(547)	(160)
Pre-tax profit	**2,175**	**1,087**	**1,088**	**672**	**2,884**	**1,233**	**361**
Income tax and social contribution	(581)	(129)	(452)	(185)	(773)	(302)	(88)
Net income of TAG	**1,594**	**958**	**636**	**487**	**2,111**	**931**	**273**
Impact on ENGIE Brasil Energia's equity				**487**			**81**

A comparison between the effects that impacted the equity results between 2019 and 2020 is innocuous since the equity income result for 2019 covers just 6 months of results from TAG. In addition, during a large part of the 2nd half of 2020, the Company's stake in TAG was 32.5%, an increase over the 29.25% for the periods preceding the additional acquisition.

To reconcile TAG's net income with Ebitda, we show the following table:

	2020	2019	
	TAG	Aliança	TAG
Ebitda – in R$ million	100%	100%	100%
Profit (loss) before financial result and taxes	**3,620**	**(325)**	**3,482**
Depreciation and amortization	628	-	665
Amortization of the mais-valia	907	179	295
Ebitda	**5,155**	**(146)**	**4,442**

Balance Sheet

TAG's principal asset and liability groups on December 31, 2020 and December 31, 2019 were as follows:

Balance Sheet TAG	12.31.2020	12.31.2019
ASSETS		
Current Assets	**2,220**	**1,833**
Cash and cash equivalents	437	341
Accounts receivable from clients	1,556	1,259
Unrealized gains with hedge operations	19	-
Other current assets	208	233
Non-current assets	**32,305**	**33,513**
Restricted deposits	203	-
Unrealized gains with hedge operations	29	-
Other unrealized long-term assets	169	398
Plant, property and equipment	29,185	30,617
Intangible	2,719	2,498
Total	**34,525**	**35,346**
LIABILITIES AND NET EQUITY		
Current liabilities	**3,874**	**2,797**
Loans, financing and debentures	3,250	2,342
Unrealized losses with hedge operations	298	427
Other current liabilities	326	28
Non-current liabilities	**23,724**	**22,721**
Loans, financing and debentures	21,609	21,251
Unrealized losses with hedge operations	910	-
Deferred income tax and social contribution	1,073	1,362
Other long-term liabilities	132	108
Net equity	**6,927**	**9,828**
Total	**34,525**	**35,346**

Financial result

Financial expenses: on an annual basis, expenses increased from R$ 1,353 million in 2019 to R$ 2,137 million in 2020, that is, R$ 784 million, the result of a combination of (i) increases of R$ 464 million in interest, monetary restatement on concessions payable; and (ii) the increase of R$ 293 million in interest, monetary restatement and the adjustment in fair value on debt.

Financial revenues: In the comparison between fiscal years, financial revenues increased by R$ 108 million from R$ 147 million in 2019 to R$ 255 million in 2020. This variation is explained essentially as follows: (i) an increase, non-recurrent, in interest on income tax and social contribution of R$ 76 million, relating to the financial restatement on reimbursed taxes following a successful court action; (ii) growth of R$ 40 million in monetary restatement mainly due to, (ii.i) R$ 29 million, with the conclusion on the part of the regulator of the effects of the application of the Aneel resolution which reduced the reimbursement on coal acquired with Energy Development Account (CDE) resources in the light of the energy efficiency of the generator unit and (ii.ii) R$ 10 million, due to the impacts arising from monetary restatement resulting from the recovery of past coal purchasing costs; and (iii) a reduction of R$ 6 million in revenue from financial investments due to the decline in interest rates between the years under comparison.

Income Tax (IR) and Social Contribution (CS) on Net Income (CSLL)

In 2020, these expenses increased R$ 113 million from R$ 777 million in 2019 to R$ 890 million in 2020, due largely to the tax effects on non-recurring items booked in 2020, relating to the hydrological risk agreement, successful court action and impairment, previously mentioned and the booking in 2019 of the indemnities received for non-compliance with contractual conditions by the supplier responsible for the construction of the Pampa Sul Thermoelectric Power Plant, principally related to the delay in concluding the work and for impairment. The effective IR and CSLL tax rate in 2020 was 24.1%, 1.1 p.a. less than when compared to the tax rate in 2019, of 25.2%.

Excluding these effects, there was a decrease of R$ 129 million, due to: (i) a reduction in pre-tax profit between periods; and (ii) greater benefits from tax incentives in 2020.

h.3) Comparison of the balance sheets of December 31, 2021, 2020 and 2019, prepared pursuant to the IFRS and CPC

	ASSETS							
Amounts in R$ million	**12.31.2021**	**%**	**12.31.2020**	**%**	**12.31.2019**	**%**	**12.31.2021 versus 12.31.2020 (%)**	**12.31.2020 versus 12.31.2019 (%)**
CURRENT ASSETS								
Cash and cash equivalents	5,156	13.5	4,539	12.9	3,870	12.8	13.6	17.3
Client accounts receivable	1,114	2.9	1,723	4.9	1,451	4.8	(35.3)	18.7
Income Tax and social contribution credit	248	0.7	141	0.4	167	0.6	75.9	(15.6)
Dividends receivable	-	-	33	0.1	-	-	(100.0)	-
Inventories	151	0.4	189	0.5	221	0.7	(20.1)	(14.5)
Unrealized gains from hedges	43	0.1	14	-	115	0.4	207.1	(87.8)
Unrealized gains from trading operations	207	0.5	320	0.9	289	1.0	(35.3)	10.7
Restricted deposits	639	1.7	174	0.5	5	-	267.2	3,380.0
Hydrological risk to appropriate	15	-	15	-	15	-	-	-
Concession financial asset	334	0.9	306	0.9	296	1.0	9.2	3.4
Contractual assets	387	1.0	-	-	-	-	-	-
Other current assets	219	0.6	274	0.8	312	1.1	(20.1)	(12.2)
	8,513	**22.3**	**7,728**	**21.9**	**6,741**	**22.4**	**10.2**	**14.6**
Non-current assets held for sale	5	-	5	-	5	-	-	-
	8,518	**22.3**	**7,733**	**21.9**	**6,746**	**22.4**	**10.2**	**14.6**
NON-CURRENT ASSETS								
Long-term assets								
Unrealized gains from hedge operations	184	0.5	719	2.0	312	1.0	(74.4)	130.4
Unrealized gains from trading operations	101	0.3	54	0.2	43	0.1	87.0	25.6
Restricted deposits	265	0.7	236	0.7	381	1.3	12.3	(38.1)
Court deposits	79	0.2	83	0.2	103	0.3	(4.8)	(19.4)
Renegotiation of hydrological risk to appropriate	86	0.2	101	0.3	115	0.4	(14.9)	(12.2)
Concession financial asset	2,729	7.2	2,499	7.1	2,412	8.0	9.2	3.6
Contract asset	4,936	12.9	2,961	8.4	218	0.7	66.7	1,258.3
Other non-current assets	289	0.8	176	0.5	68	0.2	64.2	158.8
	8,669	**22.8**	**6,829**	**19.4**	**3,652**	**12.0**	**26.9**	**87.0**
Investments	**2,367**	**6.2**	**2,425**	**6.9**	**2,949**	**9.8**	**(2.4)**	**(17.8)**
Plant, property and equipment	**14,379**	**37.7**	**15,538**	**44.3**	**15,330**	**51.0**	**(7.5)**	**1.4**
Intangible	**4,038**	**10.6**	**2,514**	**7.1**	**1,297**	**4.3**	**60.6**	**93.8**
Right of use of leasing	**145**	**0.4**	**147**	**0.4**	**162**	**0.5**	**(1.4)**	**(9.3)**
	29,598	**77.7**	**27,453**	**78.1**	**23,390**	**77.6**	**7.8**	**17.4**
TOTAL	**38,116**	**100.0**	**35,186**	**100.0**	**30,136**	**100.0**	**8.3**	**16.8**

	LIABILITIES AND SHAREHOLDERS' EQUITY							
Amounts in R$ million	12.31.2021	%	12.31.2020	%	12.31.2019	%	12.31.2021 versus 12.31.2020 (%)	12.31.2020 versus 12.31.2019 (%)
CURRENT LIABILITIES								
Suppliers	650	1.7	862	2.4	765	2.5	(24.6)	12.7
Dividends and interest on shareholders' equity	57	0.1	1,385	3.9	1,198	4.0	(95.9)	15.6
Loans and financing	2,848	7.5	1,376	3.9	1,638	5.4	107.0	(16.0)
Debentures	543	1.4	449	1.3	1,204	4.0	20.9	(62.7)
Leases payable	20	0.1	19	0.1	20	0.1	5.3	(5.0)
Income tax and social contribution payable	82	0.2	199	0.6	176	0.6	(58.8)	13.1
Other tax and regulatory obligations	107	0.3	114	0.3	105	0.3	(6.1)	8.6
Payroll liabilities	171	0.4	130	0.4	106	0.4	31.5	22.6
Unrealized losses from trading operations	190	0.5	322	0.9	258	0.9	(41.0)	24.8
Concessions payable	274	0.7	229	0.7	145	0.5	19.7	57.9
Provisions	22	0.1	15	-	9	-	46.7	66.7
Retirement benefit liabilities	42	0.1	43	0.1	43	0.1	(2.3)	-
Other current liabilities	769	2.0	239	0.7	313	1.0	221.8	(23.6)
	5,775	**15.1**	**5,382**	**15.3**	**5,980**	**19.8**	**7.3**	**(10.0)**
NON-CURRENT LIABILITIES								
Loans and financing	10,749	28.2	9,826	27.9	7,181	23.8	9.4	36.8
Debentures	5,995	15.7	5,113	14.5	4,740	15.7	17.3	7.9
Redeemable preferred shares	510	1.3	482	1.4	-	-	5.8	-
Leases payable	107	0.3	105	0.3	114	0.4	1.9	(7.9)
Unrealized losses from trading operations	80	0.2	36	0.1	21	0.1	122.2	71.4
Concessions payable	4,545	11.9	3,783	10.8	3,091	10.3	20.1	22.4
Provisions	371	1.0	306	0.9	288	1.0	21.2	6.3
Retirement benefit liabilities	422	1.1	408	1.2	364	1.2	3.4	12.1
Deferred income tax and social contribution	1,505	3.9	1,523	4.3	941	3.1	(1.2)	61.8
Other non-current liabilities	124	0.4	481	1.3	417	1.3	(74.2)	15.3
	24,408	**64.0**	**22,063**	**62.7**	**17,157**	**56.9**	**10.6**	**28.6**
SHAREHOLDERS EQUITY								
Equity capital	4,903	12.9	4,903	13.9	4,903	16.3	-	-
Profit reserve	3,011	7.9	2,936	8.3	1,173	3.9	2.6	150.3
Proposed capital increase and dividends	550	1.4	610	1.7	950	3.2	(9.8)	(35.8)
Adjustment to equity valuation	(535)	(1.4)	(710)	(2.0)	(31)	(0.1)	(24.6)	2.190.3
	7,929		**7,739**		**6,995**		**2.5**	**10.6**
Non-controlling shareholder stake	4	-	2	-	4	-	100.0	(50.0)
	7,933	**20.8**	**7,741**	**21.9**	**6,999**	**23.3**	**2.5**	**10.6**
TOTAL	**38,116**	**99.9**	**35,186**	**99.9**	**30,136**	**100.0**	**8.3**	**16.8**

Comments on significant variations between the balance sheets of 12.31.2021 and 12.31.2020

Asset

Cash and cash equivalents

The increase of R$ 617 million was largely a combination of the following factors: (i) R$ 4,087 million – funding of loans and financing and issue of debentures; (ii) R$ 3,195 million – relating to the cash generated from the Company's operations; (iii) R$ 715 million – payout from a jointly held subsidiary (TAG); (iv) R$ 155 million net – relating to the disposal of a subsidiary; and (v) R$ 32 million –the sale of securities. These positive effects were partially attenuated by the following impacts: (i) R$ 2,793 million – payment of dividends and interest on shareholders' equity, including retained income tax; (ii) R$ 2,415 million – payment of loans, financing, debentures and debt servicing; (iii) R$ 1,230 million – investments in fixed and intangible assets; (iv) R$ 457 million – restricted deposits for debt servicing; (v) R$ 397 million – payment of income tax and social contribution; and (vi) R$ 243 million – concessions' payment.

Client accounts receivable

The reduction of R$ 609 million resulted principally from the following effects: (i) R$ 477 million – transactions executed across the short-term market in the light of the partial solution to delinquency on the CCEE with the sanctioning of laws 14.052/2020 and 14.182/2021 covering the renegotiation of hydrological risk; (ii) R$ 70 million – accounts receivable pertaining to the EGSD subsidiary due to the partial realization of the values and impairment due to the expected disposal of the subsidiary; and (iii) R$ 53 million – free consumers impacted by the disposal of the Diamante subsidiary.

Income tax and social contribution credit

The variation in the item is described under the item "Income tax and social contribution payable" in the "Liabilities".

Unrealized gains from hedge operations

This item covers unrealized gains from hedge operations at fair value and from cash flow hedges including: (i) swaps contracted concomitantly with Brazilian subsidiaries of the same financial institutions with which the Company contracted loans in US Dollars, in order to protect future flows of principal and interest payments against exchange rate fluctuation, converting the loan in US Dollars to Reais and from fixed to floating rate (CDI); (ii) derivative instruments contracted from first class banks, converting to fixed rate part of the swap positions previously held in CDI; (iii) NDFs contracted to protect total future payments in currency relating to international loans, the earmarked swaps of which were settled; (iv) swaps contracted by the controlled entities, Jaguara and Miranda, to protect the entirety of future payment flows of principal and interest of debentures against the DI rate variation; and (v) NDFs contracted for the protection of long-term commitments.

The reduction of R$ 506 million in current and non-current assets is due principally to the effects of the settlement of hedges, variation in the US Dollar and the fair value of the operations.

Unrealized gains from trading operations

The decrease of R$ 66 million in current and non-current assets relates to unrealized gains on open positions of trading operations due to variation in energy market values and in the volumes pertaining to open positions between compared periods.

Restricted Deposits

The increase of R$ 494 million, in current and non-current assets was principally due to deposits earmarked to guarantees of financing shown in current assets and related to positive results generated from the settlement of swap operations. With the aim of protecting the totality of future currency payments as a result of international loans, the earmarked swaps of which were settled, the Company contracted Non-Deliverable Forwards (NDF) and deposited the amount of the result generated from settlement in guarantee.

Financial concession asset

The variation of R$ 258 million in current and non-current assets, is explained mainly by the following events: (i) booking of interest and monetary restatement of R$ 557 million; and (ii) receivables of R$ 299 million.

Contract asset

The increase in the balance of R$ 2,362 million is largely due to the following effects: (i) the booking of infrastructure implementation cost and margin in the amount of R$ 2,154 million; and (ii) booking of interest and monetary restatement of R$ 681 million. These effects were partially offset by the booking of losses due to the increase in estimated investments and by the delay in the transmission projects' full entry into commercial operations, in the amount of R$ 469 million.

Other assets

The increase of R$ 58 million, in the current and non-current assets, is largely a reflection of the following items: (i) R$ 114 million – the balance in receivables for the divestment of the Diamante subsidiary; (ii) R$ 30 million – recognition of recoverable income tax and social contribution, particularly stemming from the claw-back of amounts pertaining to the Selic rate received due to a repeated tax overpayment; and (iii) R$ 13 million – increase in the outstanding differed tax asset. These effects were partly attenuated by the reduction of (i) R$ 58 million in the fuels to be reimbursed item with the sale of the Diamante subsidiary; and (ii) R$ 55 million in tax credits recoverable given that recovery took place in fiscal year 2021.

Investments

The decrease of R$ 58 million in the balance of investments reflects the position at the jointly controlled company, TAG, the effects of which are described as follows: (i) booking of dividends receivable of R$ 683 million; (ii) positive equity income result of R$ 601 million; and (iii) positive impact of other comprehensive income in the amount of R$ 22 million.

Fixed Assets

The reduction of R$ 1,159 million is due principally to the following effects: (i) booking of impairment, net of R$ 1,008 million; (ii) depreciation of R$ 863 million; and (iii) writing down of R$ 402 million on the disposal of the Diamante subsidiary. These effects were partially attenuated by the following items: (i) acquisitions of assets of R$ 1,004 million; and (ii) capitalization of R$ 80 million of interest and monetary restatement on loans, financing, debentures and capitalization of lease interest and the depreciation of right of use of leases; (iii) and R$ 34 million of additional provision for divestment.

Intangible Assets

The increase of R$ 1,524 million is due largely to the booking in 2021 of the right to an extended concession period due to the renegotiation of hydrological risk and the acquisition of project rights and right of use of assets. These effects were partially attenuated by the amortization of intangible assets.

Liabilities

Suppliers

The reduction of R$ 212 million is explained largely by (i) R$ 164 million of fixed and intangible asset suppliers; (ii) R$ 74 million fossil and biomass fuel suppliers; and (iii) R$ 69 million in trading operations. These amounts were attenuated by an increase of (i) R$ 47 million in suppliers' electric energy purchased for resale; and (ii) R$ 39 million of transactions in the short-term market.

Dividends and interest on shareholders' equity

The decrease of R$ 1,328 million is due substantially to payments of dividends and interest on shareholders' equity worth R$ 2,767 million, partially attenuated by the amount approved for payment of R$ 1,450 million. The amounts shown do not consider income tax retained with respect to interest on shareholders' equity which is shown in the account "Income tax and social contribution payable".

Loans and financing

The increase of R$ 2,395 million in the items of current and non-current loans and financing is due basically to the following items: (i) funding of fresh loans and financing worth R$ 3,324 million; and (ii) interest, monetary restatement, currency variation and adjustment to fair value of R$ 1,385 million. These effects were partially attenuated by the amortization of interest and principal of R$ 2,314 million.

Debentures

The increase of R$ 976 million in the current and non-current liabilities is explained largely by the following events: (i1) issue of debentures for the total amount of R$ 762 million; (ii) interest, monetary restatement and adjustment of fair value of R$ 925 million; and (iii) a reduction in amortization of principal and interest of R$ 711 million;

Income tax and social contribution payable

The reduction of R$ 117 million in income tax and social contribution payable and the increase of R$ 107 million of an income tax and social contribution credit, resulted in a net variation of R$ 10 million, which is explained by the impact of the taxes calculated relative to the fiscal year 2021, net of payments over the same year.

Unrealized losses on trading operations

The reduction of R$ 88 million reflects variations in market values of energy and in the volumes pertaining to open positions between compared periods.

Concessions payable

The increase in current and non-current of concessions payable of R$ 807 million reflects the following effects: (i) interest and monetary restatement of R$ 1,050 million; and (ii) amortizations of R$ 243 million.

Provisions

The increase of R$ 72 million is driven largely by the following effects: (i) R$ 36 million – monetary restatement of the provisions; and (ii) R$ 34 million – booking of provisions for divestment.

Other liabilities

The increase of R$ 173 million is due mainly to the increase of R$ 268 million in reimbursements to distributors. This effect was attenuated by: (i) R$ 45 million – a reduction in unrealized losses on hedge operations; and (ii) R$ 45 million – reversal from the accounts of fuel payable into the CDE in the light of the disposal of the Diamante subsidiary.

Redeemable preferred shares

The growth of R$ 28 million is driven largely by interest charged during the period.

Net Equity

The increase of R$ 192 million is due substantially to a combination of the following effects: (i) net income for the fiscal year 2021 of R$ 1,565 million; (ii) allocation of dividends and interest on shareholders' equity of R$ 850 million; (iii) R$ 610 million of additional dividends on 2020 results and credited in 2021 (iv) growth of R$ 75 million of comprehensive results; and (v) R$ 10 million relating to unclaimed dividends and interest on shareholders' equity.

Comments on significant variations between the balance sheets as of 12.31.2020 and 12.31.2019

Asset

Cash and cash equivalents

The increase of R$ 669 million is principally the result of the following effects: (i) R$ 4,800 million – funding of loans and financing and issue of debentures and redeemable preferred shares; (ii) R$ 2,238 million – with respect to the cash generated by the Company's operations; (iii) R$ 679 million – receipt of dividends from a jointly controlled entity (TAG); and (iv) R$ 35 million – restricted deposits for debt servicing. These positive effects were partially offset by the following impacts: (i) R$ 3,714 million – payment of loans, financing, debentures, interest on debt; (ii) R$ 1,241 million – payment of interim dividends for 2019 and interest on shareholders' equity, including retained income tax; (iii) R$ 1,020 million – application in fixed and intangible assets; (iv) R$ 656 million – acquisition and projects, R$ 327 million being the payment due from the acquisition of an additional stake of 3.25% in TAG and R$ 329 million, payment for the acquisition of Novo Estado; (v) R$ 290 million – payment of income tax and social contribution; and (vi) R$ 154 million – concession payments.

Client accounts receivable

The increase of R$ 272 million is largely a reflection of the following increases: (i) R$ 241 million – transactions executed across the short-term energy market; (ii) R$ 54 million – sale of energy from the portfolio for distributors; and (iii) sales to free consumers in R$ 44 million. These effects were partially attenuated by the following reductions: (i) R$ 34 million – trading operations; (ii) sale to trading companies in R$ 16 million; and (iii) elevation of the provisions for doubtful accounts at R$ 15 million.

Dividends receivable

The increase of R$ 33 million refers largely to dividends receivable from the controlled entity, TAG, declared in 2020 with financial settlement in early 2021.

Inventories

The reduction of R$ 32 million relates largely to the realization of advance payments (i) effected to coal mining companies and contracted to supply coal to the Pampa Sul Thermoelectric Power Plant; and (ii) realized by the controlled entity, EGSD for acquisition of solar panels.

Unrealized gains from hedge operations – current and non-current

This item covers unrealized gains from hedge operations at fair value and from cash flow hedges including: (i) swaps contracted concomitantly with Brazilian subsidiaries along with the same financial institutions with which the Company contracted loans in dollars, in order to protect future flows of principal and interest payments against exchange rate fluctuation, converting the loan in dollars to Reais and fixed to floating rate (CDI); (ii) derivative instruments, contracted from first class banks, converting to fixed rate part of the swap positions previously held in CDI; (iii) NDFs contracted to protect total future payments in foreign currency relating to international loans, the earmarked swaps of which were settled; (iv) swaps contracted by the controlled entities, Jaguara and Miranda, to protect the entirety of future payment flows of principal and interest of debentures against the DI rate variation; and (v) NDFs contracted for the protection of long-term commitments.

The increase of R$ 306 million, in current and non-current assets is due largely to the effects of variation in the United States dollar as well as fair value of the operations and the contracting of fresh overseas debt, entirely protected by hedges.

Unrealized gains from trading operations – current and non-current

The increase of R$ 42 million in current and non-current assets relates to unrealized gains on open positions of trading operations due to variation in energy market values and in the volumes pertaining to open positions between compared periods.

Pledge deposits – current and non-current

The increase of R$ 24 million, in current and non-current assets, reflects largely deposits effected in guarantee of certain contractual commitments assumed by the seller of Novo Estado, the balance of which on December 31, 2020 stood at R$ 44 million. This increase was partially attenuated by the reduction in the balance of deposits linked to financing of R$ 28 million.

Financial concession asset – current and non-current

The variation of R$ 97 million in current and non-current assets, is explained mainly by the following events: (i) booking of interest and monetary restatement of R$ 382 million; and (ii) receivables of R$ 285 million.

Other Assets – current and non-current

The variation of R$ 70 million in current and non-current assets was largely driven by the booking of federal government credits with respect to a successful court action in 2020, the reimbursable amount to be recovered as of December 31, 2020, being R$ 96 million. This effect was partially offset by the recuperation of taxes during 2020, by the settlement of an intercompany loan with Andrade Açúcar e Álcool and by the reduction of pending sales and services.

Contract asset

The increase in the outstanding balance, of R$ 2,743 million is mainly the result of the following factors: (i) booking to the accounts of infrastructure implementation costs and margin totaling R$ 2,365 million; (ii) interest and monetary restatement worth R$ 190 million; (iii) the outstanding balance acquired from the Novo Estado acquisition and worth R$ 153 million; and (iv) the recognition of the gain in construction efficiency, net of R$ 35 million.

Investments

The decrease of R$ 524 million in the investment balance reflects the position at the jointly controlled company, TAG, the effects of which are described as follows: (i) recognition of dividends receivable from controlled entities of R$ 712 million; (ii) a negative impact of other results of R$ 626 million; (iii) positive equity income result of R$ 487 million; and (iv) acquisition of a further stake in TAG worth R$ 327 million.

Fixed assets

The increase of R$ 208 million is mainly due to the following effects: (i) acquisition of assets worth R$ 1,094 million; and (ii) capitalization of R$ 56 million of interest and monetary restatement on loans, financing, debentures and capitalization of lease interest and depreciation of right of use leases. These factors were partially offset by the following: (i) depreciation of R$ 851 million; (ii) recognition of impairment worth R$ 58 million due to the expected deactivation of numbers 1 and 2 generator units at UTLA of the controlled entity, Diamante; and (iii) recognition of PIS and Cofins

tax credits of R$ 29 million, due to the effects under the agreement to conclude the engineering contract, acquisitions and construction of Pampa Sul TPP.

Intangible Assets

The increase of R$ 1,217 million is largely due to the following effects: (i) the impact of the renegotiation of the hydrological risk in 2020, with recognition the right to renew the concession term, in the amount of R$ 968 million; (ii) acquisition of the Novo Estado Transmission System of R$ 236 million; and (iii) booking of R$ 80 million representing goodwill on the acquisition of Novo Estado. These effects were partially attenuated by the (i) amortization of intangibles worth R$ 56 million in 2020; and (ii) recognition of impairment in the balances arising from the acquisition of EGSD, of R$ 41 million.

Liabilities

Suppliers

The increase of R$ 97 million is largely explained by the increase of R$ 104 million in the balance of fixed and intangible asset suppliers due to the execution of work on the Campo Largo II Wind Complex and the Gralha Azul and Novo Estado transmission systems.

Dividends and interest on shareholders' equity

The increase of R$ 187 million is mainly the amount approved for payout, of R$ 1,409 million, partially attenuated by the payments of dividends and interest on shareholders' equity worth R$ 1,241 million. The amounts shown do not take into account income tax retained on interest on shareholders equity, which is incorporated in the "Income tax and social contribution payable" item.

Loans and financings – current and non-current

The increase of R$ 2,383 million in the current and non-current loans and financing item is due basically to the following: (i) raising of new loans and financing worth R$ 3,313 million; and (ii) interest, monetary restatement, currency variation and fair value adjustment of R$ 1,616 million. These effects were partially attenuated by the amortization of interest and principal, of R$ 2,547 million.

Debentures – current and non-current

Reduction of R$ 382 million, in current and non-current liabilities is explained by the following events: (i) reduction due to the amortization of principal and interest of R$ 1,905 million; (ii) issue of debentures in the total amount of R$ 1,009 million; and (iii) interest, monetary restatement and fair value adjustment of R$ 514 million.

Unrealized losses from trading operations – current and non-current

The increase of R$ 79 million reflects variations in energy market values and in volumes of open positions between the two years.

Concessions payable– current and non-current

The increase in current and non-current liabilities of R$ 776 million is due to: (i) interest and monetary restatement of R$ 930 million; and (ii) amortizations of R$ 154 million.

Provisions – current and non-current

The increase of R$ 24 million is largely the effect of the addition of R$ 24 million in provisions and R$ 19 million in monetary restatement on existing provisions. These effects were partially attenuated

by the reversal of R$ 13 million in revisions of existing provisions and payments of R$ 6 million made in 2020.

Redeemable preferred shares – non-current

Growth of R$ 482 million is largely a reflection of the issue of redeemable preferred shares by the indirectly controlled entity, NEP for R$ 477 million, plus interest for the period of R$ 5 million.

Deferred income tax and social contribution

The increase of R$ 582 million is basically a combination of the following impacts on deferred taxes: (i) renegotiation of hydrological risk; (ii) remuneration of the concession financial asset; (iii) accelerated depreciation; (iv) revenue from the concessions bonus return (RBO); (v) goodwill on the acquisition of Novo Estado; (vi) tax loss and negative CSLL base; and (vii) effect of the unrealized gains from hedge operations.

Shareholders' equity

The increase of R$ 742 million is mainly due to the combination of the following factors: (i) net profit for fiscal year 2020 of R$ 2,797 million; (ii) allocation of dividends and interest on shareholders' capital of R$ 1,409 million; (iii) decrease of R$ 626 million in combined results from the jointly controlled entities; (iv) remeasurement of retirement obligations in the amount of R$ 31 million; (v) adjustment in the fair value of the controlled entities' cash flow hedge with a positive effect of R$ 7 million; and (vi) R$ 4 million with respect to unclaimed dividends and interest on shareholders' capital.

10.2 Directors' comments on:

a. The Company's operational results, in particular:

(i) description of any material components of revenues

The Company's net operating revenue breaks down as follows:

	12.31.2021		12.31.2020		12.31.2019	
R$ million	**Value**	**%**	**Value**	**%**	**Value**	**%**
Electric energy distribution companies	3,541	28.2	3,541	28.9	3,293	33.6
Free consumers	3,130	25.0	3,161	25.8	3,164	32.3
Electric energy traders	595	4.7	609	5.0	728	7.4
Transactions in the short-term market	565	4.5	536	4.4	699	7.1
Remuneration on concession financial assets	556	4.4	382	3.1	383	3.9
Revenue from services provided	129	1.0	122	1.0	116	1.2
Gain of a court action	-	-	84	0.7	-	-
Export	-	-	31	0.3	-	-
Other revenues	45	0.4	73	0.6	45	0.5
Generation and sale of electric energy from the portfolio	**8,561**	**68.3**	**8,539**	**69.7**	**8,428**	**86.0**
Transmission infrastructure installation revenue	2,155	17.2	2,365	19.3	155	1.6
Return on contract asset	681	5.4	190	1.5	14	0.1
Transmission	**2,836**	**22.6**	**2,555**	**20.8**	**169**	**1.7**
Energy trading operations	1,056	8.4	1,067	8.7	1,102	11.2
Transactions in the short-term energy trading market	29	0.2	17	0.1	7	0.1
Unrealized gains on trading operations	28	0.2	-	-	-	-
Energy trading	**1,113**	**8.9**	**1,084**	**8.8**	**1,109**	**11.3**
Solar panels	**31**	**0.2**	**81**	**0.7**	**98**	**1.0**
	12,541	**100.0**	**12,259**	**100.0**	**9,804**	**100.0**

(a) Comparative analysis of material variations in the components of net operating revenues between the fiscal years ending on December 31, 2021 and December 31, 2020

Net operating revenue increased from R$ 12,259 million in 2020 to R$ 12,541 million in 2021, that is a rise of R$ 282 million (2.3%). This variation reflects mainly the following factors:

Generation and sales of energy from the portfolio

Revenue from Sale of Electric Energy

- Electric energy distribution companies

Revenue from sales to distribution companies reached R$ 3,541 million, a reduction of R$ 1 million in relation to the fiscal year 2020 when revenues were R$ 3,542 million. This decrease is due to the following: (i) R$ 52 million — a reduction of 232 GWh (22 average MW) in sales volume; and (ii) R$ 51 million — an increase of 1.5% in net average selling price.

The slight reduction in net average selling price is largely due to the appreciation of the reimbursements under the regulated environment agreements for the wind farms since these reimbursements are calibrated at the annual average PLD value – the effect of which is counterbalanced by monetary restatement over the same periods.

The decrease in sales volume was driven largely by scheduled shutdowns at Pampa Sul Thermal Power Plant.

- Free Consumers

Revenue from sales to free consumers recorded R$ 3,130 million, R$ 31 million (1.0%) down on R$ 3,161 million reported for 2020. This decrease reflects: (i) R$ 219 million — a reduction of 1,259 GWh (137 average MW) in energy sales volume; and (ii) R$ 188 million — an increase of 5.9% in the net average selling price.

The reduction in energy volume sold was largely due to lower availability of energy, a result of the hydrological scenario, lower purchase volumes and the maturing of agreements. The variation in net average selling price is due mainly to monetary restatement of existing agreements.

- Trading Companies

The revenue from sales to trading companies in 2021 was R$ 595 million, R$ 14 million (2.3%) less than revenue posted for 2020 at R$ 609 million. This reduction reflected the combination of the following aspects: (i) R$ 88 million — a decline of 590 GWh (66 average MW) in energy sales volume; and (ii) R$ 74 million — growth of 12.3% in the net average selling price.

The increase in price stems mainly from new contracts at prices higher than the average for existing or matured agreements and due to monetary restatement of existing agreements. The decrease in volume is principally the result of reduced availability of energy due to the hydrological scenario and low purchasing volume.

- Export

There were no energy exports in 2021. In 2020, the Company exported energy to Argentina generating a revenue of R$ 30 million, equivalent to a transacted energy volume of 75 GWh (9 average MW).

Transactions in the short-term energy market

In the full 12-month period 2021 relative to the preceding year, there was an increase of R$ 30 million (5.6%) in revenue from transactions across the short-term market from R$ 535 million in 2020 to R$ 565 million in 2021. Further explanations on these operations and variations can be found in "Details of short-term operations".

Remuneration of concession financial assets

The financial assets of concessions represent the present value of future cash flows of the portion of energy allocated to the Regulated Contracting Environment (ACR) of the Jaguara and Miranda hydroelectric power plants, equivalent to 70% of the physical guarantee of these plants. These assets are remunerated at the internal rate of return and according to the variation in the Consumer Price Index - Comprehensive (IPCA).

The remuneration on the concessions' financial assets increased R$ 174 million (45.5%) between periods, rising from R$ 382 million in 2020 to R$ 556 million in 2021. The increase was largely due to higher average asset balances and the variation in the IPCA between compared years.

Revenue from services rendered

Again in respect of the Jaguara and Miranda hydroelectric power plants and their sales in the Regulated Contracting Environment, also as part of the Annual Generation Revenue (RAG), the companies also receive payment with respect to the Generation Assets' Management (GAG), for

covering the costs of operation and maintenance, as well as expenditures on improvements and investments during the concession period. On an annual basis, there was an increase of R$ 7 million (5.7%), rising from R$ 122 million in 2020 to R$ 129 million in 2021, largely reflecting monetary restatement.

Legal action ruled in favor of the Company – claw-back of taxes

On May 18, 2020, the Company received a favorable ruling with no right of further appeal which guaranteed a claw-back – either through compensation or restitution – of federal tax credits, duly restated at the basic rate of interest — Selic. As a result, the Company booked R$ 84 million in 2020. The amount in question was restated monetarily, having an impact of R$ 73 million on the financial result for 2020. In 2021, there were no legal actions of this nature.

Other revenues

The main impact between the years came from the variation in revenue from suppliers' indemnities, this declining from R$ 40 million in 2020 to R$ 6 million in 2021, a reduction of R$ 34 million (85.0%). The values involved reflect principally revenues from indemnifications for claims of compensation for interruption to business at the Salto Osório Hydroelectric Power Plant, the charging of a contractual fine for downtime at the Trairi Wind Complex in 2020, and a claim involving the Jaguara Hydropower Plant in 2021.

Energy trading and transmission

Transmission: an increase of R$ 281 million (11.0%) in the segment.

Trading: an increase of R$ 29 million (2.7%) principally due to the positive result in 2021 of marking to market future sales and higher revenue from transactions in the short-term market, partially offset by the decrease in the number of executed operations.

Further details on results of the transmission and trading segments are commented in item 10.1 of this Management Proposal.

Solar panels

Revenues from the sale and installation of solar panels in the years under comparison decreased R$ 50 million (61.7%) from R$ 81 million in 2020 to R$ 31 million in 2021, largely due to the change in sales strategy where the focus has shifted to the development of industrial projects for large consumers with a corresponding deceleration in commercial activities.

(b) Comparative analysis of material variations in the components of net operating revenues between the fiscal years ending on December 31, 2020 and December 31, 2019

Generation and sale of electric energy in the portfolio

- ***Electric energy distribution companies***

In 2020, revenues were R$ 3,541 million, an increase of R$ 248 million (7.5%) in relation to fiscal year 2019, when revenues were R$ 3,293 million. This growth is explained by the following: (i) R$ 149 million — an increase of 660 GWh (71 average MW) in the amount sold; and (ii) R$ 99 million — increase of 3.0% in net average selling price.

The increase in net average selling price was largely due to monetary restatement of current agreements and the positive impact of the average energy selling price at Pampa Sul and higher than

for the average of existing contracts, partially offset by the lower average selling prices practiced for the contracts covering energy delivered by Umburanas – Phase I.

Growth in sales volumes is mainly the consequence of the reduced impact of the effects of reimbursement in the case of the contracts in the regulated contracting environment and the entry into operation of Pampa Sul. This was partially attenuated by termination of the existing auction contract in late 2019.

- Free consumers

In 2020, the Company reported revenue of R$ 3,161 million, R$ 3 million (0.1%) lower than the R$ 3,164 million posted in 2019. This decrease is related to: (i) R$ 110 million — a reduction of 633 GWh (79 average MW) in energy sales volume; and (ii) R$ 107 million — an increase of 3.4% in the net average selling price.

Reduced energy volumes sold were once more a reflection of the Covid-19 pandemic and the uncertainties surrounding the recovery in the economy, the impact feeding through to energy demand and provoking a decline in consumption by industrial clients, given the flexibility built into the power purchasing agreements. Consequently, energy volume not sold to consumers was settled through the CCEE. However, the decrease was partially mitigated by a migration in profiles between trading companies and free consumers.

Price rises large reflect the monetary restatement of existing contracts.

- Electric energy traders

In 2020, revenues from sales to trading companies was R$ 609 million, R$ 119 million (16.3%) less than the revenue generated by the same market in 2019, which was R$ 728 million. This reduction resulted from the combination of the following aspects: (i) R$ 109 million —a decrease of 15.0% in net average selling price; and (ii) R$ 10 million — a drop of 70 GWh (9 average MW) in energy volume sold.

Price reductions were principally due to new contracts and lower prices than the average for existing or matured contracts, given weaker prices prevailing in the market in 2020. This effect was partially mitigated by monetary restatement of existing contracts.

The decreases in volumes 2019 x 2020 was principally due to migration by clients, previously purchasing energy from trading companies but gradually switching to the free consumer profile over the course of the two-year period.

Also worthy of mention is that the reduction in prices and volumes of energy sold, both suffered from the effects of the Covid-19 pandemic on the market.

Short-term market transactions

In 2020, there was a year-on-year decrease of R$ 163 million (23.3%) in revenue from short-term transactions from R$ 699 million in 2019 to R$ 536 million in 2020. More details on such operations and variations are highlighted in item “10.1.h.1”, under the topic “Details on short-term operations”.

Remuneration on financial concession assets

The financial assets of concessions represent the present value of future cash flows of the portion of energy allocated to the Regulated Contracting Environment (ACR) of the Jaguara and Miranda hydroelectric power plants, equivalent to 70% of the physical guarantee of these plants. These assets

are remunerated at the internal rate of return and according to the variation in the Consumer Price Index - Comprehensive (IPCA).

The remuneration of financial concession assets fell from R$ 383 million in 2019 to R$ 382 million in 2020, thus a decrease of R$ 1 million (0.3%). This reduction is largely due to the monthly variation curve of the IPCA, which presented periods of deflation in 2020, albeit registering strong price inflation in the final quarter. In 2019, the monthly variation curve in the IPCA recorded constant growth.

Revenue from services provided

Further to the Jaguara and Miranda hydroelectric power plants, for energy sold through the ACR, also as part of the Annual Generation Revenue (RAG), the companies receive a payment known as the Generation Asset Management (GAG), to cover the costs of the operation and maintenance in addition to expenditures with improvements and investments during the concession period. The value of the GAG increased by R$ 6 million (5.2%) from R$ 116 million in 2019 to R$ 122 million in 2020. Increases largely reflect monetary restatement.

Gain in a court action – Claw-back of taxes

On May 18, 2020, a court ruling handed down a favorable decision for which there is no right of appeal, guaranteeing reimbursement of federal tax credits either through compensation or restitution, duly restated at the basic Selic rate. Consequently, ENGIE Brasil Energia booked R$ 84 million in 2020 following a revision of the estimate entered to the accounts during the year. The amount was restated monetarily with an impact of R$ 76 million on the financial result for 2020.

Exportation

In the period from July to August 2020, the Company exported energy to Argentina, generating revenue of R$ 31 million with an energy volume transacted of 7 GWh (1 average MW).

Other revenues

In fiscal year 2020, there was an increase of R$ 28 million (62.2%) in other revenues compared with the preceding year, rising from R$ 45 million in 2019 to R$ 73 million in 2020. This increase is mainly due to higher payouts on insurance claims year-on-year with an impact of R$ 29 million. Most of the amount refers to revenues from the indemnification for compensating the negative impacts arising from interruptions to business at the Salto Osório Hydroelectric Plant and the collection of a contractual fine for downtime at the Trairí Wind Complex.

Energy trading and Transmission

Results from the trading and transmission segments are discussed in item 10.1 hereof.

Solar panels

Revenues from the sale and installation of solar panels through the controlled entity, ENGIE Geração Solar Distribuída S.A. (EGSD) for the years under analysis, registered a decrease of R$ 17 million (17.3%) from R$ 98 million in 2019 to R$ 81 million in 2020. The reduction in large part reflects the deceleration of commercial activities due to the Covid-19 pandemic.

(ii) factors materially affecting operational results

The factors that materially affected the Company's operating results in the fiscal years ending on December 31, 2021, 2020 and 2019, are listed next. Additional information on these has been provided in items 10.1.h and 10.2.a.(i).

The year 2021 – (i) recuperation of energy costs with the renegotiation of hydrological risk in 2021; (ii) reduction in power purchasing volumes; (iii) an increase in financial concession assets; and (iv) an improved result from the stake in the jointly controlled subsidiary – TAG. These effects were offset by the following negatives: (i) an increase in interest and monetary restatement due to higher outstanding debt and an increase in restatement and interest rates; (ii) booking of asset impairment for the Pampa Sul and EGSD subsidiaries; (iii) booking of losses from an increase in CAPEX and the postponement of entry into commercial operations of Gralha Azul and Novo Estado; (iv) an increase in the negative result of transactions executed in the short-term market; (v) the result from the divestment of the Diamante subsidiary; (vi) increase in proprietary fuel costs and charges for use of the network; (vii) increase in third party material and services costs; and (viii) a reduction in the combination of the variations in energy sales volume and net average selling price.

The year 2020 – (i) recuperation of energy costs with the renegotiation of hydrological risk in 2020; (ii) an increased result from the corporate stake in the jointly controlled entity – TAG; (iii) an increase in the result from the energy transmission segment; (iv) a combination of variation in energy volume sold, and consequently with an increase in the costs of third party services, payroll, fuel and charges for the use of the network; (v) gain from a successful court action in 2020; and (vi) reduction in purchases for the portfolio. These effects were counterbalanced by the following negative effects: (i) an increase in interest and monetary restatement due to the issue of new debentures, raising of loans abroad and the capture of new financing, the issue of redeemable preferred shares, resources used for the acquisition of an additional stake in TAG, acquisition of Novo Estado, construction of the Campo Largo II Wind Complex and the Gralha Azul and Novo Estado transmission systems; (ii) increased monetary restatement on concessions payable, more particularly the increase in IGP-M during 2020; (iii) growth in impairment 2019 x 2020; (iv) decrease in the results from transactions conducted in the short-term market; (v) increase of general and administrative expenses; and (vi) reduction in the energy trading result.

FY 2019 – (i) increased average net selling price and increased volume of energy sold, leading to increased costs from third-service parties, payroll, fuels and grid-usage charges because of entry into operation of the Campo Largo Wind Complex, which commenced operations in December 2018, and the Umburanas Wind Complex – Phase I and the Pampa Sul Thermal Power Plant, where operations began in 2019; (ii) other operating revenues from indemnities associated with breaches of contract on the part of the supplier responsible for construction of the Pampa Sul Thermal Power Plant; (iii) reduction in portfolio purchases; and (iv) positive income from the TAG equity stake, offset by the following negative events: (i) increase in general and administrative expenses; (ii) reduced results from transactions in the short-term market; (iii) reduced results from energy trading; and (v) increase in interest and inflation restatement of debt due to new debenture issues, loans secured abroad, and new financing raised, which funds were allocated to the acquisition of TAG and the construction of projects Campo Largo Wind Complex II and Gralha Azul.

b. Changes in revenues due to modifications in prices, exchange rates, inflation, changes in volumes and introduction of new products and services

The Company's sales revenues are supported by agreements with price adjustment clauses indexed, for the most part, to the IPCA and the IGP-M. The Company's revenues are not exposed to exchange rates in a manner that significantly affects income and were not materially affected by the introduction of new products and services.

In energy trading operation, the Company operates as a means to derive income from electric energy price changes, within the risk and counterparty limits previously set by the Company's Management.

The main changes in the Company's revenues due to price modification and volume change are explained in item 10.2.a (i) above.

c. Impact of inflation, changes in prices of main inputs and products, foreign exchange and interest rates on the operating result and financial result, when relevant

(a) inflation and price changes in the cost of electricity sold

Energy purchased for portfolio-management purposes: such transactions are usually conducted by means of medium- and long-term contracts with prices restated at IPCA and IGP-M. The average negative impacts of price restatements at the applicable inflation indices were R$ 14 million, R$ 33 million and R$ 9 million for the fiscal years 2021, 2020 and 2019, respectively.

Fuel for electric energy production: The coal that Pampa Sul burns is subject to annual price adjustments according to the IPCA inflation index, as are energy sale contracts, providing a natural long-term hedge.

Charges for the use of the electricity network and connection: these are calculated by multiplying the amount of network usage in kW by the rate established annually by Aneel, based on the prorating of the total observed and expected costs of connection and transmission for the entire system, and on inflation indices for readjusting transmission and existing connection agreements - IPCA and IGP-M. The effect of the change in these inflation indicators on the Company's cost was R$ 39 million, R$ 21 million and R$ 34 million, in fiscal years 2021, 2020 and 2019, respectively.

Financial compensation for the use of water resources (royalties): The amount corresponds to 7.0% of the quantity of electricity produced, adjusted by an Annual Reference Tariff (TAR) defined by Aneel, based on the acquisition cost of energy by the distributor and subject to review every 4 years. In fiscal year 2021, TAR recorded a reduction of 4.5%, reflecting positively in the Company's result by approximately R$ 9 million. In FY 2020, the TAR was adjusted by 2.9%, with a negative impact of approximately R$ 6 million on the company's results. In FY 2019 the TAR underwent a 4.5% adjustment, with approximately R$ 8 million in negative results.

(b) Impacts of exchange, inflation and interest rates on the Company's financial result

Currency exposure

Currency exposure information is provided in item 10.1 "f" (i) hereof. The Company currently has no foreign currency-denominated financial obligations whose exchange rate variation is not entirely hedged.

Exposure to floating interest rates and indices

In 2021, 2020 and 2019, the Company was exposed to floating interest rates and indices associated with changes in the TJLP, DI, IPCA and IGP-M.

The impacts of interest and monetary restatement on the Company's financial result in fiscal years 2021, 2020 and 2019 were as follows:

Amounts in R$ million	2021	2020	2019
Interest and monetary restatement on:			
Concessions payable	1,050	930	466
Loans and financing	1,072	591	356
Debentures	925	516	394
Preferred shares redeemable	29	5	-
Hedge against loans at fair value	157	(4)	62

10.3 Management's comments on the material effects that the events below make, have caused or are expected to cause on the Company's financial statements and results

a. Introduction or disposal of an operational segment

In 2019, the Company entered into the gas transportation segment with the acquisition of a stake in jointly-controlled entity TAG.

Given the importance of the segment together with the increase in trading and transmission operations beginning in 2018 and 2017 respectively, in 2019 the Company began to present segment information consistently with the internal report provided to the main operational decision-making body, the Executive Board. Results by segment include items that can be directly attributed to each segment, as well as those that can be reasonably allocated thereto. The Company's financial results are not allocated by segment because Management manages cash flow at the corporate level.

As of December 31, 2021, divestment of the ENGIE Geração Solar Distribuída S.A. ("EGSD") subsidiary was under analysis and consequently the Company's exit from the solar panel segment. On February 21, 2022, the sale was concluded without any significant impacts on the Company given the segment's minor relevance and the values involved in the operation.

The Company's operational segments reflect its management, organizational structure, and results tracking, and are summarized as follows:

- Generation: this is the Company's main business, comprehending the portfolio energy generation and sale activities.

- Transmission: the Company is the main party responsible for construction and installation of the infrastructure associated with the transmission concession for the Gralha Azul and Novo Estado Transmission Systems, implementation of which began in the latter half of 2018 and first half of 2019, respectively, and is exposed to the risks and benefits of the construction works. The segment's operational activities have not yet begun, as construction is still under way, and will be carried out by controlled entities Gralha Azul and Novo Estado.

- Trading: the purpose of this segment is to profit from energy price variations within predetermined risk levels. The segment's activities are conducted through controlled entities ENGIE Trading Comercializadora de Energia Ltda. and ENGIE Brasil Energia Comercializadora Ltda.

- Solar panels: development, wholesale and retail sales, and operation and maintenance of solar generators and panels carried out by controlled entity EGSD, a controlling stake in which was acquired in August 2018, at which point its results became consolidated with the Company's. In February 2022, the Company sold the EGSD subsidiary, exiting the solar panel business completely.

- Gas transportation: since June 2019, the Company has also been active in the gas markets through jointly-controlled entity Transportadora Associada de Gás S.A. ("TAG").

2021

The Company's key operating segments are those of the electric energy generation and sale from the portfolio ("Generation"), electric energy transmission ("Transmission") and electric energy trading ("Trading"). These segments account for 68.3%, 22.6% and 8.9%, respectively, of the Company's net consolidated operational revenues in 2021.

The gas transportation segment of the jointly controlled TAG is booked to the results for the fiscal year as "Equity Income Result" and represents 38.4% of the Company's net income.

In 2021, the Company entered no new segments and no operational segment was sold.

2020

The Company's main operational segments are portfolio energy generation and sales ("Generation"), electric energy transmission ("Transmission") and electric energy trading ("Trading"). These segments concentrated 69.7%, 20.8% and 8.8%, respectively, of the Company's net consolidated operating revenues in 2020.

The gas transportation segment, through jointly-controlled entity TAG, is recognized as "Equity Income" in the fiscal year's income and represents 17.4% of the Company's net income.

In 2020, the Company entered no new segments and divested no operational segments.

2019

The Company's main operational segments are Generation and Trading. The segments concentrate 86.0% and 11.3%, respectively, of net sales revenues made in 2019.

In 2019, the Company entered into the gas transportation segment through jointly-controlled entity TAG, as described next, in item "b". This new segment is not consolidated into the Company's accounting statements, as its results stem from a jointly-controlled venture. The segment's effects are presented in the period's results as "Equity income" and represent 3.5% of the Company's net income.

Non-operational segments were divested in 2019.

b. Constitution, acquisition or disposal of a corporate stake

2021

The basic information on the constitution, key changes, acquisition, incorporation and disposal of corporate stakes of the Company are as follows:

- Disposal of the Diamante Geração de Energia Ltda ("Diamante") subsidiary

The disposal of the Jorge Lacerda Thermoelectric Complex ("CTJL") was examined in the light of the Company's decarbonization strategy. The asset is controlled by Diamante Geração de Energia

Ltda. (“Diamante”), the installed capacity and physical guarantee being 857.0 MW and 649.9 av. MW, respectively.

Subsequently, on August 30, 2021, a quota purchase agreement (“QPA”) was signed between the Company and ENGIE Brasil Energia Comercializadora Ltda. (“EBC”), a subsidiary of the Company, as sellers; Fram Capital Energy II Fundo de Investimento em Participações Multiestratégia (“FRAM”) and Diamante, as consenting intervening parties; and Diamante Holding Participações Ltda. (“Diamante Holding”), a subsidiary of FRAM, as purchaser. The QPA regulates the acquisition by Diamante Holding of the full corporate participation of the Company and EBC in the Diamante subsidiary.

On October 18, 2021, following the fulfillment of the conditions precedent, the disposal of the corporate stake held by the Company and EBC in Diamante was concluded. On this date, the corporation ceased to be controlled by the Company, also ceasing to be consolidated. The acquisition price of 100% of the shareholding stake in Diamante was R$ 321 million, R$ 210 million being paid on the closing of the operation and R$ 111 million pending receipt given that this amount is earmarked to the completion of certain conditions precedent in the QPA. The result of the sale of the subsidiary was a loss of R$ 200 million and is shown in the income statement under the item “Sale of a subsidiary”.

- Acquisition of the Assú Sol Photovoltaic Complex project

On September 28, 2021, a share purchase agreement was signed between the Company’s subsidiary, ENGIE Brasil Energias Complementares Participações Ltda. (“ECP”), as purchaser, and Infinito Energy Investimentos e Participações S.A. and Atlântica Solar Power Ltda., as sellers, the purpose of the agreement being the acquisition of the Assú Sol Photovoltaic Complex project through the purchase of all the shares of Assu Sol Geração de Energia SPE S.A. ("Assu Sol”), located in the municipality Assú, state of Rio Grande do Norte. On December 21, 2021, the acquisition was concluded, following the completion of all conditions precedent.

With a total installed capacity estimated at up to 750 MW, the project will be developed in the same region where, since 2017, the Company has been operating the Assú V Photovoltaic Plant. The total value of the operation is R$ 44 million (baseline month of December 2021). Payment will be forthcoming in accordance with the completion of the various stages related to the schedule for the project’s development. Up to the date of these Account Statements, R$ 8 million had been disbursed.

2020

Key information in connection with the constitution, relevant changes, acquisition, takeover and disposal of the Company’s corporate stakes are as follows:

- Novo Estado Transmissora de Energia

In December 2019, the Company, through its subsidiary ENGIE Transmissão de Energia Participações S.A., currently named Novo Estado Participações S.A., executed a sale agreement for the entirety of the shares of Sterlite Novo Estado Energia S.A. held by Sterlite Brazil Participações S.A. – the winning bidder for Lot 3 of Aneel Transmission Auction No. 002/2017, held in December 2017. The operation was closed on March 3, 2020 and on March 29, 2020 the First Amendment to the respective concession agreement, consolidating the transfer of title.

Novo Estado holds a concession for Lot 3 of Aneel Transmission Auction No. 002/2017, held in December 2017. The purpose of the concession is the construction, operation and maintenance of approximately 1,800 kilometers of transmission lines, a new substation, and the expansion of three

existing substations in the states of Pará and Tocantins for a period of 30 years. The deadline for operational startup of the transmission line, whose RAP is R$ 313 million, is March 09, 2023.

On March 03, 2020, after the conditions precedent under the sale agreement had been met, the acquisition of 100% of the shares of Novo Estado was completed. The total acquisition price was R$ 372 million.

- Transportadora Associada de Gás S.A. – ("TAG")

On May 14, 2020, the Company's Board of Directors approved bidding in the process for the acquisition of 10% of TAG's equity held by Petrobras, together with another investor from the ENGIE Group and third parties forming the Investor Group. Acquisition of an additional 3.25% stake in TAG out of the total 10% that Petrobras still held for R$ 327 million was announced on July 20, 2020

2019

The main information concerning the constitution, material change, acquisition, merge and divestment of the Company's equity stakes are as follows:

- Transportadora Associada de Gás S.A. – ("TAG")

On April 05, 2019, the Company, together with a wholly-owned subsidiary of its controlling entity, ENGIE S.A., and Caisse de Dépôt et Placement du Québec ("Bidders") were informed that they had placed the winning bid in the competitive process Petrobras held for the acquisition of 90% of its equity stake in TAG, which owns gas pipelines infrastructure with approximately 4,500 kilometers and 12 gas compression facilities (6 own and 6 under contract) and 91 delivery points.

The Bidders' final and binding bid represents a business value of R$ 35.1 billion for 100% of TAG in the as-of date of December 2017. Placement of the bid was approved at a meeting of the Company's Board of Directors held on Mar.26.2019 that took into account the favorable statement from the Special Independent Committee for Transactions with Related Parties convened at the 173rd Meeting of the Company's Board of Directors, held on May 11, 2018. The purchase agreement was entered into on April 25, 2019, by and between Aliança Transportadora de Gás Participações S.A. ("Aliança"), as buyer; the Company, GDF International (a wholly-owned subsidiary of ENGIE S.A.), and Caisse de Dépôt et Placement du Québec, as members of the acquiring group; Petrobras, as seller; TAG, as consenting party; and ENGIE Brasil Participações Ltda., as surety. The agreement governs the acquisition by the members of the acquiring group, through Aliança, of an equity stake in TAG equivalent to 90% of its equity held by Petrobras. The Company's direct stake in Aliança's equity capital was 32.5%. Therefore, the Company indirectly held a 29.25% stake in TAG's equity capital. Petrobras retained a 10% minority stake in TAG.

On June 13, 2019, Aliança, the members of the acquiring group, TAG, and Petrobras, having fulfilled all conditions precedent under the purchase agreement, executed the closing acts as provided thereunder, including transfer of TAG shares held by Petrobras representing 90% of the former's equity capital to Aliança and the payment by Aliança and the members of the acquiring group of an amount of approximately R$ 31.5 billion to Petrobras for its shares, and of an amount of approximately R$ 2.0 billion corresponding to advance payment by TAG of its debt with the National Economic and Social Development Bank (BNDES) with funds made available to TAG by Aliança.

Because of the stock purchase operation, the Company injected funds into the jointly-controlled subsidiary Aliança in the total amount of R$ 3.5 billion. On the same date, Aliança, the members of the acquiring group and Petrobras entered into a shareholders' agreement to govern their

relationship as direct and indirect shareholders of TAG, including exercise of the respective voting rights and limitations on share transfers.

On September 02, 2019 TAG took over Aliança, so that the members of the acquiring group gained direct stakes in TAG's equity capital equal to the indirect percentage stakes held before. On October 14, 2019, the Company's Extraordinary General Meeting endorsed the acquisition of a shared controlling stake in TAG.

c. ***Unusual events or operations***

2021

Unusual events impacting the Company's result in fiscal year 2021 were as follows: (i) R$ 1,591 million from the renegotiation of hydrological risk; (ii) R$ 1,076 million of asset impairment, of which: (ii.i) R$ 1,080 million and R$ 78 million corresponding to impairment of the investments held in the Pampa Sul and EGSD subsidiaries, respectively, given the outlook for sale of these companies, and (ii.ii) R$ 58 million and R$ 22 million relative to the reversal of impairment of the Jorge Lacerda Thermoelectric Complex and the Lages Thermoelectric Plant, respectively; and (iii) R$ 200 million of losses on the divestment of the Diamante subsidiary.

2020

The main unusual events affecting the Company's results in FY 2020 were as follows: (i) R$ 968 million from the recovery of energy costs as a result of hydrological risk renegotiation; (ii) R$ 84 million in proceeds from a lawsuit that earned the Company a right to recover federal taxes paid, through netting or reimbursement; and (iii) R$ 99 million in impairment, of which R$ 58 million in connection with the impairment of units 1 and 2 of the Jorge Lacerda Thermal Power Complex's UTLA because of the potential for decommissioning of the units, and R$ 41 million in connection with the impairment of the acquisition premium and goodwill of subsidiary EGSD.

2019

The key unusual events affecting the Company's results in FY 2019 were as follows: (i) R$ 321 million from indemnities for breach of contract incurred by the supplier responsible for construction of the Pampa Sul Thermal Power Plan, mainly in association with late completion of the construction works. The amount received is as stipulated in the relevant agreement and determined based on the number of days late delivery of the site multiplied by a fixed amount per day. The amount was established to compensate the Company for unearned income because of the late completion of the construction works, and was recognized in "Other net operating revenues (expenses)"; and (ii) R$ 11 million in indemnity revenues to compensate the negative impacts of stoppage of business due to an insurance loss event at the Jorge Lacerda A Thermal Power Plant and the Jaguara Hydroelectric Power Plant, receipt of contract fines for the partial late delivery of modernization works at one of the machines of the Salto Osório Hydroelectric Power Plant, and downtime at the Santa Mônica Wind Complex's wind farms.

10.4 Management comments on

a. Material account changes

2021

The Company's accounting practices underwent no significant changes in the fiscal year ending December 31, 2021.

2020

The Company's accounting practices underwent no significant changes in the fiscal year ending December 31, 2020.

2019

A The main standards published by the International Accounting Standard Board (IASB) and replicated by the Accounting Announcements Committee (CPC), with entered into force on January 1, 2019, and with impacts on the Company's accounting practices are as follows:

CPC 06 (R2) Changes – Leases (IFRS 16)

The changes in CPC 06 (R2) introduced requirements associated with the recognition, measurement, booking and disclosure of leases. According to the amended standard, lessees must recognize the liability arising from future payments under lease contracts in exchange for the right to use the asset let.

The definition of lease covers all contracts assigning right to use and control an identifiable asset, including rental agreements and, potentially, some elements of services agreements.

The Company analyzed all of its agreements and determined that the standard covers the lease agreements for areas where wind and solar complexes lie or will lie and use of the administrative headquarters. Starting on 01.01.2019, these agreements were recognized as right to use assets in exchange for a lease liability. The Company chose to use recognition exemptions in connection with lease agreements with lease periods of 12 months or less at the initial date and with low individual value underlying assets.

As provided in the announcement, the Company applied the simplified transition approach and did not restate compared values for the year preceding the first adoption (01.01.2019). Right-to-use assets were measured at the value of the lease liabilities at the time of adoption, plus early payments made until the date of adoption of CPC 06 (R2).

The main accounting practices used in application of CPC 06 (R2) were:

Rights to use from lease

Rights to use arising from leases initially cover the lease liability plus early payments. These assets depreciate based on the duration of the lease agreements and are valued for loss by based on impairment value. They are restated based on any new re-measurement of the lease liabilities.

Leases payable

Leases payable are initially measured at the present value of future payment flows discounted at the incremental financing rate, as the implied interest rate in leases is not easily determined. The future payments flow comprehends variable payments dependent on indices or rates.

Subsequently, the lease liability is measured at amortized cost, using the effective interest rate method, and re-measured (with the corresponding restatement of the respective right to use) in the event of amendment, lease period change, change in future payments caused, for example, by inflation restatements, or changes in the valuation of a purchase option on the underlying asset.

Variable lease payments that do not depend on an index or rate are recognized as expenses in the fiscal year in which they occur. In addition, the Company applies exempted recognition of short-term leases, that is, leases with periods of 12 months or less from the initial date, and of low individual value assets, which are recognized as expenses over the course of the lease period.

b. Significant effects of the changes in accounting practices

2021

The Company's accounting practices underwent no significant changes in the fiscal year ending December 31, 2021.

2020

The Company's accounting practices underwent no significant changes in the fiscal year ending December 31, 2020.

2019

Adoption of IFRS 16 on the results of the fiscal year ending Dec.31.2019 was a negative R$ 2 million.

c. Qualifications and emphases in the auditors' opinion

The Independent Auditor's Reports for the Account Statements for fiscal years ending December 31, 2021, 2020 and 2019 were unqualified.

10.5 Critical accounting policies adopted by the Company, in particular highlighting accounting estimates made by management on uncertain and material issues for describing the financial position and results that require subjective or complex judgments, such as: provisions, contingencies, revenue recognition, tax credits, long-duration assets, useful life of non-current assets, pension plans, conversion adjustments in foreign currency, environmental recovery costs, criteria for testing the recovery of assets and financial instruments

Critical accounting practices are those which are considered important in showing the Company's financial condition and results and require the most difficult, subjective or complex judgments by Management, often as a result of the need to make estimates that impact matters that are inherently uncertain. As the number of variables and assumptions increases, affecting the possible future resolution of the uncertainties, these judgments become even more subjective and complex.

In preparing the accounting statements, the Company adopted certain assumptions based on historical experience and other factors it deems reasonable and relevant. Although these estimates and assumptions are reviewed by the Company in the ordinary course of business, the statement of its financial condition and results from operations often require judgments as to the effects of inherently uncertain matters on the book value of its assets and liabilities.

The actual results can differ from estimates due to variables, assumptions and different conditions. In order to provide an understanding of how the Company forms its judgments on future events, including the variables and assumptions used in the estimates, and certain impacts related to the changes in these estimates, we have included comments related to each critical accounting practice described below:

a. Derivatives financial instruments

Derivatives are recognized at fair value in the financial statements. The definition of fair value for the Company's derivatives requires the use of valuation methodologies that can be complex and involve the use of estimates for future exchange, inflation, and long-term interest rates and energy prices.

b. Useful life of fixed assets

The Company recognizes the depreciation of its fixed assets using the linear method based on annual rates established by Aneel, practiced by companies in the Brazilian electric sector as a whole and represent the estimated useful lives of the assets - limited to the term of the concession or plant authorization, as applicable. However, actual useful lives can vary based on the technological modernization of the assets of each generating unit. The useful lives of the fixed assets also affect impairment tests of these assets when deemed necessary.

c. Long-lived assets' impairment value test

Specific rules apply to evaluating the impairment of long-lived assets, and of fixed assets in particular. At the end of each fiscal year, the Company conducts an analysis to determine whether evidence exists that the amount of the long-lived assets may not be recoverable. Under unusual circumstances, if such evidence does emerge, the Company conducts impairment tests for these assets. Such tests involve certain variables and uncertainties regarding projected cash flows for the evaluation of assets in use, and regarding the definition of the market value of assets held for disposal.

d. Retirement benefits obligations

The Company recognizes its obligations under benefits plans to employees and related costs, net of plan assets, adopting the following practices: (i) future commitments arising from pension benefit plans are discounted at present value based on the interest rates of Federal Government securities with an average duration equivalent to the expected payment for the projected future commitments; and (ii) pension plan assets marking to market on the date of the balance sheet.

In the actuarial calculations, actuarial consultants also use subjective factors such as mortality tables, estimated inflation, projected wage growth, terminations, and staff turnover.

The actuarial assumptions used by the Company may differ materially from actual results due to changes in economic and market conditions, regulatory events, judicial decisions or shorter/longer life spans of participants. However, the Company and its actuaries have used assumptions consistent with internal and external analyzes to define the estimates.

e. *Tax, civil and labor provisions*

The Company is party to several lawsuits and administrative proceedings for which provisions are made where a disbursement of funds is probable to liquidate the contingency and a reasonable estimate is possible. No provisions are made for contingent liabilities deemed as possible and remote losses. Where relevant, proceedings deemed as possible losses are disclosed in the footnotes.

The probability of disbursements is based on risk assessment and qualification. This determination must be supported by the judgment and experience of Management, together with its legal advisors, in the light of case law, decisions in lower and appeals courts, the history of plea bargains and

findings, and other applicable aspects. Risk assessments and the estimated values may differ from those effectively incurred by the Company.

f. Provision for generation assets demobilization

Provisions for the costs of demobilizing generation assets are made based on estimates and assumptions for the discount rate and present value of the expected costs of demobilization and removal of assets upon expiration of the plants' permits, and are recognized against the cost of the corresponding asset. Provisions are revised annually, and any adjustments to estimates are made against the cost of the asset.

g. Estimated incremental lease rate

The implied interest rate in existing leases is not readily identifiable. For this reason, the Company considers the incremental rate on loans to measure lease liabilities. The incremental rate is the rate that the Company would have to pay upon taking loans, for a like maturity, sufficient to purchase assets similar to the right-of-use assets given a similar economic environment. The Company calculates the incremental rate based on observable data, where available.

10.6 Management description of material items not evident from the Company's financial statements

a. Assets and liabilities held by the Company, either directly or indirectly, not appearing in its balance sheet (off-balance sheet items)

b. Other items not shown in the financial statements

Company's Management states that no material assets and liabilities exist not reflected in the Company's accounting statements in the fiscal years ending December 31, 2021, 2020 and 2019.

10.7 Management's comments on each of the items not evident from the financial statements as listed in item 10.6

a. How these items change or may change revenues, expenses, operating income, financial expenses or other items in the Company's financial statements;

b. Nature and purpose of the operation;

c. Nature and amount of the obligation assumed and rights generated in favor of the Company as a result of the operation.

Company's Management states that there are no significant assets and liabilities not reflected in the Company's financial statements for the fiscal years ending December 31, 2021, 2020 and 2019.

10.8 Key elements of the Company's business plan:

a. Investments:

(i) quantitative and qualitative description of investments in progress and expected investments

At yearend 2021, the company had as construction works in progress the Gralha Azul and Novo Estado Transmission Systems and Santo Agostinho – Phase I Wind Complex, and the modernization of the Salto Osório Hydroelectric Power Plant.

The investments made in 2021 and scheduled for 2021 to 2024 as of December 31, 2021, are as follows:

Financing (Amounts in R$ million)	Actual 2021	Projected 2022	Projected 2023	Projected, 2024
- Third-parties capital	2,809	1,671	-	-
- Own capital	598	812	843	148
	3,407	**2,483**	**843**	**148**

In 2021, the Company invested R$ 3,407 million, of which (i) R$ 3,072 million has been invested in new projects: R$ 1,415 million in the Novo Estado Transmission System, R$ 846 million in the Gralha Azul Transmission System, R$ 445 million in the Campo Largo II Wind Complex, R$ 364 million in the Santo Agostinho – Phase I Wind Complex and R$ 2 million in other projects; (ii) R$ 283 million were allocated for maintenance and revitalization projects in the generator complex; (iii) R$ 42 million concentrated in the modernization of the Salto Osório Hydroelectric Plant; and (iv) R$ 10 million invested in the acquisition of corporate stakes in the Assú Sol Photovoltaic Complex.

The above figures do not take into account capitalization of interest on financing during the projects' construction phase.

The principal projects and investments scheduled for the coming years include development of the Gralha Azul and Novo Estado Transmission Systems, Santo Agostinho – Phase I Wind Complex, modernization of Salto Osório Hydroelectric Power Plant and maintenance works on the Company's generating complex.

(ii) investment funding sources

The industry's projects, as carried out by the Company's controlled entities, generally have access to financing in the range of 50%-70% of total investment. The remainder is covered with own funds, which usually come from capital injections from controlling company ENGIE Brasil Energia. The controlling company raises funds by means of bank loans or capital market issues that are usually allocated to such injections.

(iii) material divestments in progress and expected divestments

Pampa Sul Thermoelectric Plant

As part of the Company's commitment to the decarbonization of its portfolio, the directly controlled Pampa Sul subsidiary, which holds the Pampa Sul Thermoelectric Plant asset, and the only remaining coal-fired plant left in ENGIE Brasil Energia's portfolio, will be handled in a similar way as the disposal in 2021 of Diamante which holds the Jorge Lacerda Thermoelectric Asset. In this context, the Company continues to sound out potential purchasers for the asset with the planned objective of concluding the divestment before the end of 2022. Given its firm intention of selling the subsidiary, the Company booked an impaired value of R$ 1,080 million in the investment on

December 31, 2021 in the light of a preliminary evaluation showing a potential disposal value of less than the subsidiary's book value.

b. Previously disclosed acquisition of plants, equipment, patents or other assets, which may materially affect the Company's production capacity

In line with the business model of the ENGIE Economic Conglomerate, controlling company ENGIE Brasil Participações (EBP) participates in auctions and develops hydroelectric projects, mitigates the main risks and then transfers the projects to ENGIE Brasil Energia. The timing of each transfer is contingent on each project's risk-profile stage.

In this context, EBP, through its controlled entity Energia Sustentável do Brasil S.A. - which changed its name to Jirau Energia in January 2021 -, unveiled the Jirau HPP in December 2016, in Porto Velho, state of Rondônia (RO), with 3,750 MW in installed capacity. All 50 units at UHE Jirau are in operation.

In May 2017, EBP announced retaining Banco Itaú BBA S.A. to provide financial advisory services preparing the economic and financial study for the purposes of drafting the transfer to ENGIE Brasil Energia 40% equity stake in ESBR Participações S.A. (ESBR Participações S.A. was taken over and thereby terminated in 2018 by its directly-controlled entity Energia Sustentável do Brasil S.A.), the holder of 100% of ESBR's equity stock and its 100% stake in Geramamoré Participações e Comercializadora de Energia Ltda. Assessment of the transfer has been put on hold, awaiting more favorable conditions for talks to resume.

With the purpose of promoting the gradual substitution of thermoelectric capacity for generation from renewable sources, in a meeting held on August 5, 2021, the Board of Directors approved the installation of the Special Independent Committee for Transactions with Related Parties in order to examine the acquisition of Solairedirect Holding Brasil S.A. ("Solairedirect"), a company which is a member of the ENGIE Group, holder of the Paracatu and Floresta photovoltaic assets in the states of Minas Gerais and Rio Grande do Norte, respectively, with a total installed capacity of 259.8 MWp, and ENGIE Solar Brasil Energia e Consultoria Ltda. The two plants are supplying energy for term of 20 years, contracted under the 2nd Reserve Energy Auction of 2015. The Company concluded the acquisition on March 15, 2022.

c. New products and services

(i) description of ongoing research already disclosed

Not applicable.

(ii) total amounts spent by the issuer in research to develop new products or services

Not applicable.

(iii) projects under development already disclosed

Not applicable.

(iv) total amounts spent by the issuer in the development of new products or services

Not applicable.

It is worth mentioning that, pursuant to Law 9,991/2010, as amended, ENGIE Brasil Energia, as an electric energy generating company authorized to produce independently, is required to invest 1%

of its adjusted net operating revenue every year in research and development applicable to the electricity sector.

The foregoing funds are allocated as follows: (i) 40% to the National Fund for Scientific and Technological Development (FNDCT); (ii) 40% to the Company's proprietary research and development projects (R&D) pursuant to Aneel regulations; and (iii) 20% to the Ministry of Mines and Energy (MME), mainly to cover studies and planning of research for expansion of the Brazilian energy system.

The Research and Development (R&D) Program is key to the innovation promotion strategy. Aligned to a culture of open innovation, R&D is undertaken through partnerships with companies, universities and research institutions. In 2021, ENGIE Brasil Energia allocated R$ 72.8 million to the Program with the following distribution:

- R$ 20.6 million to the National Science and Technology Development Fund ("Fundo Nacional de Desenvolvimento Científico e Tecnológico" – FNDCT);

- R$ 10.3 million to the Ministry of Mines and Power ("Ministério de Minas e Energia" – MME) to cover costs of the Energy Research Company ("Empresa de Pesquisa Energética" – EPE);

- R$ 13.1 million to the Energy Development Account (CDE) for supporting tariff affordability (pursuant to Law 14.120 of March 2021);

- R$ 28.8 million in 14 projects and part of the portfolio in the process of execution.

Among the projects with work in process in 2021, important to mention the continued implementation of the first heavy duty nationally manufactured wind turbine with a 4.2 MW capacity. The project is being conducted in the form of a partnership with WEG – a Brazilian company specialized in the manufacture of electrical machinery – and Centrais Elétricas de Santa Catarina (Celesc), an electricity distribution company for the state of Santa Catarina.

At the end of the year, the 4.2 MW prototype was in the final stages of commissioning at a test site in the city of Tubarão (SC) and already linked into the National Grid System (SIN). Once the test phase is completed, the certification phase begins.

Of a strongly innovative character, in 2019, this project had already been a pioneer, being first to certify a heavy duty wind turbine (2.1 MW) in the Southern Hemisphere. For this new 4.2 MW wind turbine, in addition to certification, the plans are to conduct the first voltage sag tests campaign for a wind generator in Brazil.

Similarly, at the end of 2021 and for the first time in the history of the R&D program, ENGIE Brasil Energia launched its first public call for financing Research and Development projects with the theme "Impacts of climate change and the use of land in the Brazilian electricity sector". The initiatives chosen to receive resources – about R$ 4 million in all – may be proposed by professionals linked to companies or teaching and research institutions with a focus on impacts (future) for the Brazilian and South American electricity sector.

The Call for Projects involve five lines of research (i) paleoclimatology; (ii) future changes in South American atmospheric and oceanic parameters (with an impact on renewable energy sources); (iii) quantification of sources of humidity for hydrographic regions of significance in energy production; (iv) regional climatic modeling as applied to the predictability of significant events (drought); and (v) quantification of the effects of soil cover in the components of the regional hydrological cycle. The proposals selected must be completed within 24 months at the most.

The Company's Research and Development Program's purpose is to innovate in the energy industry and build the technical and scientific skills of Brazilian researchers. The program covers investment themes such as: alternative electric energy generation sources, watersheds and reservoirs management, the environment, maintenance and energy efficiency, to name a few.

10.9 Comment on other factors that have significantly affected operating performance and which have not been identified or commented in other item in this section

- Tracking the progress of the Gralha Azul project

On October 15, 2020, in a class action filed by three Non-Governmental Organizations (NGOs), the Company was placed under injunction by the Federal Courts, suspending two of the project's environmental licenses and vegetation suppression associated with the 525 kV transmission lines. On December 09, 2020, the Higher Court of Appeals ("Superior Tribunal de Justiça" – STJ) overturned the injunction and sentence at the request of the Federative Union and the State of Paraná. On December 10, 2020, it also overturned the injunction and sentence at the request of the Company, thereby lifting the injunction and enabling immediately resuming and maintaining construction.

Furthermore, on October 16, 2020, the Federal Prosecutor's Office and the Paraná State Prosecutor's Office filed another class action that was enjoined with the foregoing before the same judge. Within the scope of this action, on March 16, 2021, a court injunction was granted partially suspending work on a stretch of the transmission line known as the "Devonian Escarpment". In the light of this decision, on March 24, 2021, the Federal Government, state of Paraná and Gralha Azul Transmissão de Energia S.A. ("Gralha Azul") requested the effects of the first injunction and sentence be extended to include the second injunction. On the same date of March 24, 2021, the STJ granted the requests and a stay of execution until final appeal.

On September 28, 2021, the Gralha Azul Transmission System was authorized by the National System Operator (ONS) to begin partial commercial operations of its transmission lines. Entry into full commercial operations is expected for February 2023.

In parallel, during the year 2021, in view of the stage of implementation reached at Gralha Azul, the Company identified the need for increasing the investment above that initially planned as well as postponing the date originally set for full operations. In this respect, R$ 181 million (R$ 4 million in 2020) was recognized in relation to losses for inefficiency in the construction of Gralha Azul's infrastructure.

- Monitoring of the Novo Estado project

On December 23, 2021, the Company notified its investors that Novo Estado had received authorization from the ONS to begin partial commercial operations, characterizing the initial stage of the project's operation. The entry into full commercial operations is forecasted for December 2022.

For the same reasons as cited above in the context of Gralha Azul, in 2021, the amount of R$ 289 million was booked as a loss for inefficiency in the construction of Novo Estado's infrastructure (in 2020 a gain of R$ 39 million was recognized in the accounts).

- Impacts of the new coronavirus pandemic

The years 2020 and 2021 were dominated by the effects of the Covid-19 pandemic, caused by the new coronavirus with an impact on the global economy. In the light of this, restrictive measures were adopted in the form of social distancing and the closure of commercial establishments as well as stoppages in the industrial sector.

The restrictions brought about by social distancing had some important effects on the activity of various sectors, on household incomes and on investments in Brazil. As the situation of the pandemic began to improve and with the lifting of restrictions on economic activities gradually being reduced, there was some resumption in economic activities in different regions and business segments.

Both in 2021 as well as 2020, the Company identified no significant impacts arising from the pandemic on its individual and consolidated account statements. Additionally, should there be no deterioration in the pandemic and resumption in economic activity continues towards reaching pre-pandemic levels, the Company believes that there will be no significant impact on its result that might compromise operational capacity and the implementation of its projects. Please find a list of the main items which the Company is monitoring.

- Electric energy demand

Restrictions on circulation and commercial, industrial and service activities impact electric energy consumption. However, in 2021, there was a reduction in the restrictive measure relating to the pandemic while a large percentage of forecasted energy consumption is backed by agreements previously signed prior to the Covid-19 outbreak. There were no alterations to contractual clauses due to the pandemic during the twelve months of 2021 in either Free Contracting Environment (ACL) or the Regulated Contracting Environment (ACR).

- Delinquency

The Company is monitoring the balance of its trade receivables and the risk associated with each customer. So far, the Company has seen no significant increase in delinquency and default levels.

- Impairment of long-term assets

The Company evaluated indications of asset depreciation as a result of the pandemic and found no evidence that the costs recognized exceed their impairment value.

- Standstill

In 2020, the controlled companies of the Energias Eólicas do Ceará and the directly controlled Pampa Sul subsidiary adhered to the facility offered by the BNDES, allowing the temporary suspension of up to six months in 2020 of debt servicing installments (principal and interest) of the finance lines contracted with the bank (standstill). This temporary suspension of payment provided additional cash of approximately R$ 78 million in 2020, with a dilution of this amount for the entire remaining tenor of the loans contracted from the BNDES.

- Implementation start for the Santo Agostinho Wind Complex – Phase I ("CESA") and commercial operations of the Campo Largo II Wind Complex ("CECL II")

On January 15, 2021, the Company notified its shareholders and the market in general of the signature of an agreement for the supply of CESA wind turbines. This permitted work to begin on the project's first phase, the capacity of which will be 434 MW, the resulting energy generated being

channeled entirely to the Free Contracting Environment (ACL). Construction began in June 2021 at an initial investment of R$ 2 billion and forecasted entry into commercial operations by March 2023.

During the course of 2021, Aneel authorized the start to CECL II operations, composed of 11 wind farms, the total installed capacity and physical guarantee being 361.2 MW and 192.5 av. MW, respectively, with energy directed totally to the ACL.

On January 15, 2021, the Company announced to its shareholders and the market at large execution of the agreement for the supply of wind turbines for the Santo Agostinho – Phase I Wind Complex, which enables commencing implementation of CESA phase one, with 434 MW in installed capacity. Commercial startup is set to take place by March 2023, and the energy produced will be entirely allocated to the Free Contracting Environment ("Ambiente de Contratação Livre" – ACL).

ATTACHMENT II – PROFIT ALLOCATION PROPOSAL

Article 9 of ICVM 481/09 – Sole paragraph, section II – Proposed allocation of annual net profit containing at least the information indicated in Attachment 9-1-II of ICVM 481/09:

Allocation of annual net profit

1) Inform the fiscal year's net profit	R$ 1,564 million (controlling company)
2.a) Inform the global amount of dividends, including previously disclosed interim dividends and interest on shareholders' equity (IoSE)	R$ 1,399 million [2]
2.b) Inform the dividends per share, including previously disclosed interim dividends and IoSE.	R$ 1.7149994166 per common share
3) Inform the percentage of annual net profit to be paid out.	Equals to 100% of the adjusted net profit [3]
4) Inform the global amount and the amount per share of dividends paid out from previous years' profits	Not applicable.
5) Inform, ex-early dividends and interest on shareholders' equity already declared:	
a) The gross amount of dividends and IoSE, broken down by share type and class	R$ 550 million
b) Manner and term of payment of dividends and IoSE	To be submitted to the Annual General Meeting (AGM) of April 28, 2022.
c) Any restatement of, or interest on, dividends and IoSE	Not applicable.

[2] The global amount of dividends, of R$ 1,399 million, includes the amounts of R$ 789 million and R$ 60 million related to interim dividends and interest on shareholders' equity, respectively, as per item 6 "a", and the amount of R$ 550 million, related to additional proposed dividends, as per item 5 "a". The global amount of dividends, therefore, equals 100% of distributable net profits.

[3] Adjusted Net Profit is the fiscal year's net profit minus Legal Reserves, Tax Incentives and Profits, adjusted at realized equity value adjustment (cost assigned to fixed assets as per the guidelines provided in CPC 27 and ICPC 10), unclaimed dividends and interest on shareholders' equity, booked in the "Accumulated Profits" account and effects net of hydrological risk renegotiation.

d) Announcement date of dividends and interest on shareholders' equity payout for the purposes of determining shareholders entitled to receive them	The dividend announcement date will be set at the AGM.

6) Should there have been announced dividends or interest on shareholders' equity based on semi-annual balance sheets or those for shorter periods.

a) Inform the amount of previously disclosed dividends and interest on shareholders' equity	R$ 789 million in interim dividends and R$ 60 million in interest on shareholders' equity
b) Inform the date of the respective payments.	Payout of interim dividends began on November 29, 2021 and payout of IoSE will be on March 17, 2022.

7) Provide a comparative table indicating the following amounts broken down by share type and class:

a) Annual net profit and for the 3 previous fiscal years	2021 = R$ 1.9164997904 2020 = R$ 3.4281105638 2019 = R$ 2.8310418867
b) Dividend and interest on shareholders' equity paid out over the last 3 fiscal years.	2021 = R$ 1.7149994166 2020 = R$ 2.4717315830 2019 = R$ 1.5288117415

8) If profits are allocated to required reserves

a) Identify the amount allocated to the required reserve	R$ 44 million
b) Detail calculations of the required reserves	Equal to 5% of the fiscal year's net profit, limited to 20% of the share capital.
9) If the company has preferred shares entitled to minimum fixed dividends'	Not applicable.

10) Concerning mandatory dividends	
a) Describe calculations as prescribed in the Bylaws	The company's bylaws provide that distribution of a dividend of at least 30% (thirty percent) of the legally adjusted net profit is mandatory each year, and the allocation of the full result for the fiscal year must be submitted for resolution of the Annual General Meeting. - The Company shall prepare semi-annual balance sheets and the Board of Directors may, at its discretion, declare interim dividends based thereon. - The Company may prepare balance sheets and distribute interim dividends at shorter periods, provided that the total dividends paid out in each half of the fiscal year do not exceed the amount of capital reserves mentioned in Paragraph 1, Article 182 of Law 6,404 of December 15, 1976. - The Board of Directors may announce interim dividends against the retained earnings or profit reserves accounts booked in the latest annual or semiannual balance sheet. - By resolution of the Board of Directors, the Company may credit or pay interest on shareholders' equity (IoSE) in accordance with the applicable legislation. The amounts paid or credited by the Company as IoSE may be considered for the purposes of mandatory dividends in accordance with the legislation. - Statute of limitations on claims on dividends shall run in three (03) years. Dividends not claimed in a timely manner shall revert to the Company.
b) Inform whether it is being paid in full.	Yes
c) Inform any retained amounts.	Not applicable.

11) In case of mandatory dividends have been retained due to the Company's financial situation	
a) Inform the amount retained	Not applicable.
b) Describe the Company's financial situation in detail, including aspects related to liquidity analysis, working capital and positive cash flows.	Not applicable.
c) Justify retaining the dividends	Not applicable.
12) In the event of profits allocated to contingency reserves	
a) Identify the amount allocated to reserves	Not applicable.
b) Identify the loss deemed probable and its cause	Not applicable.
c) Explain why the loss has been deemed probable	Not applicable.
d) Justify constitution of the reserves	Not applicable.
13) In the event of profits allocated to unrealized profit reserves	
a) Inform the amount allocated to unrealized profit reserves	Not applicable.
b) Inform the nature of the unrealized profits originating the reserve	Not applicable.
14) In the event of profits allocated to statutory reserves	
a) Describe the statutory clauses establishing the reserves	Not applicable.
b) Identify the amount allocated to the reserves	Not applicable.
c) Describe calculation of the amount	Not applicable.
15) In the event of profits retained pursuant to capital budgets	
a) Identify the amount retained	Não aplicável.
b) Provide a copy of the capital budget	Não aplicável.
16) In the event of profits allocated to tax incentives reserves	
a) Inform the amount allocated to reserves	R$ 31 milhões
b) Explicar a natureza da destinação	The reserve is formed by allocation a portion of the fiscal year's profits equivalent to the tax benefit granted by the Amazon Development Agency (Sudam) and the Northeast

	Development Agency (Sudene). The benefit corresponds to a 75% reduction in income tax owed on profits from activities of the Plants that have been granted the benefit - Ponte de Pedra and São Salvador HPP, based on Article 626 of Decree 9,580/2018, as shown below:

	12.31.2021
Exploration income	**248**
Nominal income tax (15%)	37
Income tax surchange	4
Calculated income tax	**41**
Tax benefit (%)	75%
Tax benefit	**31**

17) In the event of profits allocated to equity capital increases	
a) Inform the amount of increase	Not applicable.
b) Inform the amount of the new equity capital	Not applicable.
c) Inform whether new shares have been issued	Not applicable.
d) Provide a detailed explanation of the reasons for the equity capital increase	Not applicable.

ATTACHMENT IV – COMPOSITION OF THE BOARD OF DIRECTORS

12.5/6 Composition and professional experience of the Board of Directors and Fiscal Council

BOARD OF DIRECTORS (appointed candidates)

Name	Date of birth	Management body	Election date	Independent member
CPF or Passport	Profession	Elected position held	Tenure date	Nominated by the controlling shareholder
Other positions or functions		Number of terms of office	Term of office	Attendance at 2021 BoD meetings
Maurício Stolle Bähr	**09.17.1957**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
748.528.847-49	Engineer	20 - Chairman of the Board of Directors	04.28.2022	Yes
Strategic Committee Member		11 (eleven)	AGM 2024	100%
Dirk Achiel Marc Beeuwsaert	**01.14.1948**	**Member of the Board of Directors Only**	**04.28.2022**	**Yes**
EP293989	Engineer	27 – Independent Board of Directors (Full Member)	04.28.2022	Yes
Strategic Committee Member		10 (ten)	AGM 2024	100%
Manoel Arlindo Zaroni Torres	**12.18.1949**	**Member of the Board of Directors Only**	**04.28.2022**	**Yes**
115.116.056-34	Engineer	28 – Independent Board of Directors (Alternate Member)	04.28.2022	Yes
-		11 (eleven)	AGM 2024	0%
Pierre Jean Bernard Guiollot	**04.21.1968**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
12CE76848	Engineer	22 - Board of Directors (Full Member)	04.28.2022	Yes
Strategic Committee Member		3 (three)	AGM 2024	0%
Paulo Jorge Tavares Almirante	**08.24.1964**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
C621425	Engineer	22 – Board of Directors (Full Member)	04.28.2022	Yes
Strategic Committee Member		3 (three)	AGM 2024	30%

Name	Date of birth	Management body	Election date	Independent member
CPF or Passaport	Profession	Elected position held	Tenure date	Nominated by the controlling shareholder
Other positions or functions		Number of terms of office	Term of office	Attendance at 2021 BoD meetings
Paulo de Resende Salgado	**07.02.1945**	**Member of the Board of Directors Only**	**04.28.2022**	**Yes**
161.008.917-00	Economist	27 – Independent Board of Director (Full member)	04.28.2022	Yes
Audit Committee Member (Coordinator)		2 (two)	AGM 2024	100%
Manoel Eduardo Lima Lopes	**07/07/1943**	**Board of Directors**	**04.28.2022**	**Yes**
046.227.237-00	Accounting	27 – Independent Board of Director (Full member)	04.28.2022	No
Audit Committee Member		1 (one)	AGM 2024	50%
Gil de Methodio Maranhão Neto	**18.01.1963**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
734.574.937-15	Engineer	23 - Board of Directors (Alternate Member)	04.28.2022	Yes
-		8 (eight)	AGM 2024	45%
Karin Koogan Breitman	**18.04.1969**	**Member of the Board of Directors Only**	**04.28.2022**	**Yes**
375.914.877-87	Engineer	27 – Independent Board of Director (Full member)	04.28.2022	Yes
-		2 (two)	AGM 2024	60%
Simone Cristina De Paola Barbieri	**14.03.1971**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
149.142.418-46	Psychologist	22 - Board of Directors (Full Member)	04.28.2022	Yes
-		3 (three)	AGM 2024	95%

Name	Date of birth	Management body	Election date	Independent member
CPF or Passaport	Profession	Elected position held	Tenure date	Nominated by the controlling shareholder
Other positions or functions		Number of terms of office	Term of office	Attendance at 2021 BoD meetings
Antonio Alberto Gouvêa Vieira	**08.31.1955**	**Member of the Board of Directors Only**	**04.28.2022**	**Yes**
338.907.227-68	Attorney	28 - Independent Board of Director (Alternate Member)	04.28.2022	Yes
-		8 (eight)	AGM 2024	0%
Gustavo Henrique Labanca Novo	**03.05.1968**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
000.674.107-07	Engineer	23 - Board of Directors (Alternate Member)	04.28.2022	Yes
Strategic Committee Member		2 (two)	AGM 2024	40%
Raquel da Fonseca Cantarino	**10.16.1972**	**Member of the Board of Directors Only**	**04.28.2022**	**Yes**
025.407.357-38	Business	28 - Independent Board of Director (Alternate Member)	04.28.2022	No
-	Administrator	2 (two)	AGM 2024	10%
Richard Jacques Dumas	**01.20.1971**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
19FV02623	Economist	23 – Board of Directors (Alternate Member)	04.28.2022	Yes
-		1 (one)	AGM 2024	5%
Adir Flavio Sviderskei	**02.16.1965**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
427.166.400.68	Power Plant	22 – Board of Directors (Full Member)	04.28.2022	No
-	Operator	1 (one)	AGM 2024	100%
Rubens José Nascimento	**12.11.1963**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
564.610.629-04	Engineer	23 - Board of Directors (Alternate Member)	04.28.2022	Yes
-		1 (one)	AGM 2024	0%
Sylvie Marie Vicente ep. Credot	**11.16.1976**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
11CA88390	Attorney	23 - Board of Directors (Alternate Member)	04.28.2022	Yes
-		1 (one)	AGM 2024	na
Andre de Aquino Fontenelle Cangucú	**01.06.1969**	**Member of the Board of Directors Only**	**04.28.2022**	**No**
126.646.148-51	Business	23 - Board of Directors (Alternate Member)	04.28.2022	Yes
-	Administrator	1 (one)	AGM 2024	na

FISCAL COUNCIL (appointed candidates)

Name	Date of birth	Management body	Election date	Independent member
CPF or Passaport	Profession	Elected position held	Tenure date	Nominated by the controlling shareholder
Other positions or functions		Number of terms of office	Term of office	Attendance at 2021 FC meetings
Carlos Guerreiro Pinto	**06.17.1942**	**Fiscal Council**	**04.28.2022**	**No**
047.615.457-04	Business Administrator	43 - F.C. (Full member) - Nominated by the controlling shareholder	04.28.2022	Yes
-		12 (twelve)	AGM 2023	100%
Waltamir Barreiros	**08.04.1953**	**Fiscal Council**	**04.28.2022**	**No**
242.690.507-72	Accounting	43 - President of F.C. (Full member) – Nominated by the controlling shareholder	04.28.2022	Yes
-		3 (three)	AGM 2023	100%
Manoel Eduardo Bouzan de Almeida	**04.03.1952**	**Fiscal Council**	**04.28.2022**	**No**
269.006.377-87	Accounting	46 - F.C. (Alternate member) - Nominated by the controlling shareholder	04.28.2022	Yes
-		16 (sixteen)	AGM 2023	0%
Anderson Paiva Martins	**03.31.1979**	**Fiscal Council**	**04.28.2022**	**Yes**
077.424.247-70	Accounting	48 - F.C. (Alternate member) – Elected by minority shareholder	04.28.2022	No
-		2 (two)	AGM 2023	0%
Milre Felix Neto	**10.10.1980**	**Fiscal Council**	**04.28.2022**	**Yes**
218.099.188-63	Business Administrator	45 - F.C. (Full member) - Elected by minority shareholder	04.28.2022	No
-		1 (one)	AGM 2023	100%
Vespasiano Pinto Salerno	**01.25.1960**	**Fiscal Council**	**04.28.2022**	**No**
552.435.097-87	Accounting	46 – F.C. (Alternate member) – Nominated by the controlling shareholder	04.28.2022	Yes
-		1 (one)	AGM 2023	0%

BOARD OF DIRECTORS

Maurício Stolle Bähr - 748.528.847-49

Born on September 17,1957, Bachelor of Mechanical Engineering from Universidade Gama Filho (RJ) and of Systems Analysis from Pontifícia Universidade Católica (PUC) do Rio de Janeiro. MBA from COPPEAD - Universidade Federal do Rio de Janeiro (UFRJ), and MBA of Corporate Finance from Berkeley University, United States of America (USA). Former Chief Financial Officer of Serra da Mesa Energia S.A. and Chief Financial Officer of Nacional Energética S.A. Currently CEO of ENGIE Brasil Participações Ltda., Chairman of the Board of Directors of ENGIE Brasil Energia and Chairman of the Board of Directors of Energia Sustentável do Brasil S.A.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he or she has been suspended or barred from any professional or commercial activity.

Dirk Achiel Marc Beeuwsaert – EP293989

Born on January 14, 1948, a Mechanical and Electrical Engineer from Ghent University (Belgium). Attended the CEDEP Management Program in Fontainebleau, France. In 1990, he held the position of Head of Conventional Generation at Electrabel and was appointed to the Electrabel Management Committee as President of the Recybel and Labor Council and was officer at various companies. In 2000, he was made CEO of Tractebel Electricity & Gas International and member of Tractebel General Management Committee. In 2003, he was also appointed Executive Vice President of SUEZ. In 2009, he became Executive Vice President of GDF SUEZ. In 2011, he was nominated President of International Power Board and in 2013, he also became counselor of Gérard Mestrallet, President and CEO of GDF SUEZ. In 2013, he became CEO of the European Energy business line. In 2015, he retired from ENGIE and relinquished the position of CEO of Electrabel. Currently he is a member of the Company's Board of Directors and the Strategic Committee; he is manager of his company Beeuwsaert Management CV and since 2014, he has also been a member of the board of Tplus in Russia and since 2017, Vice President of the investment committee of AMEA in AbuDhabi.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he or she has been suspended or barred from any professional or commercial activity. He also declared that he meets all the criteria enshrined in the Novo Mercado Listing Regulations, as established in Article 16, paragraphs 1 and 2, for his qualification as an Independent Director.

Manoel Arlindo Zaroni Torres - 115.116.056-34

Born on December 18, 1949, Electrical Engineering degree from Escola Federal de Engenharia de Itajubá (MG) and General Administration Expert degree from CEDEP, an associate of INSEAD, Fontainebleau, France. Attended the Leading from the Chair Program – INSEAD – France in 2015. Was employed with Furnas Centrais Elétricas S.A. (Furnas) from 1973 to 1998 and in 1998 joined the management of ENGIE Brasil Energia S.A., as Operations Officer. From 1999 to 2016 served as CEO of the Company and some of its controlled Special Purpose Entities (SPEs). Was a member of the Board of Directors of Itá Energética S.A. and of Eternit; president of the Full Council of the Machadinho Consortium Management Committee; and a member of the Higher Strategy-Making Council of the Santa Catarina State Industrial Federation – FIESC. Currently a member of the Board of Directors of the Company and of Energia Sustentável do Brasil.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity. He also declared that he meets all the criteria enshrined in the Novo Mercado Listing Regulations, as established in Article 16, paragraphs 1 and 2, for his qualification as an Independent Director.

Pierre Jean Bernard Guiollot - 12CE76848

Born on April 21, 1968. Utilities degree from Sciences Po Paris. Joined ENGIE in 2008, acting until 2012 as accounting manager at ENGIE S.A. In 2013 he became Chief Financial Officer of the international energy division of ENGIE S.A. and Vice-Chief Financial Officer of the Group in 2014. In July 2021, he was nominated Chief Financial Officer of the Renewable Global Business Unit of ENGIE. He is also a member of the GTT Council, a listed entity in France.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) y convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Paulo Jorge Tavares Almirante

Born on August 24, 1964. Has a degree in engineering and a master's degree in mechanical engineering from Universidade Técnica de Lisboa, a diploma in managerial studies from Universidade Católica de Lisboa and attended London Business School's global leadership development program. Has more than 25 years' experience in the electric energy and gas industries. Was an International Power PLC officer for the Iberian region from 2005 to 2013, with responsibility for the executive management of business in Portugal and Spain; CEO of TrustEnergy from 2013 to early 2016, responsible for the executive management of ENGIE Europa's business in Portugal and CEO of Portgás, a concessionaire for the implementation of a natural gas network in 29 Portuguese municipalities; from 2016 a 2018, CEO of Business Unit Generation Europe and from 2018 to 2021 was the Chief Operation Officer of the Group. Currently, Senior Executive Vice President responsible for renewable energy activities – Energy & Nuclear Management at ENGIE. Was also a member of the Portuguese consultative energy regulation committee and is the vice-president of the Portuguese electric energy association.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Paulo de Resende Salgado - 161.008.917-00

Born on July 02, 1945. Has a degree in Economics from Universidade Cândido Mendes in Rio de Janeiro, a Financial Executive graduate degree from Fundação Getúlio Vargas (FGV), a Managerial Development and capital Markets Program MBA from FGV-AID-USA. Formerly a vice-president at Citibank, Investment Superintendent at Banco Econômico de Investimentos S.A., Underwriting and Privatizations Officer at Banco Nacional S.A., where he was involved in the privatization projects for Light and Companhia Siderúrgica Nacional (CSN). Also served as Officer of Nacional Energética S.A. and of IVEN S.A, and as CFO of Nacional Energética S.A.; as an Economics Consultant of Agenda Corretora de Câmbio e Valores Mobiliários Ltda.; and as a member of the Company's Fiscal Council.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity. He also declared that he meets all the criteria enshrined in the Novo Mercado Listing Regulations, as established in Article 16, paragraphs 1 and 2, for his qualification as an Independent Director.

Manoel Eduardo Lima Lopes - 046.227.237-00

Born on July 07, 1943, he holds a degree in Accounting and Law from Universidade do Estado do Rio de Janeiro. Former Auditor-General and Accounting and Controllership Superintendent of Banco do Estado do Rio de Janeiro S.A. (BANERJ), a consultant for and officer at Banco Clássico S.A., and Controllership Manager of IRB – Brasil Resseguros S.A. He was a member of the Fiscal Council of the Company until April 2020. Currently an officer at Banco Clássico S.A. and an alternate member of the Board of Directors of Companhia do Gás do Rio de Janeiro. He is member of the Audit Committee of ENGIE Brasil Energia S.A. since May 2020.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity. He also declared that he meets all the criteria enshrined in the Novo Mercado Listing Regulations, as established in Article 16, paragraphs 1 and 2, for his qualification as an Independent Director.

Gil de Methodio Maranhão Neto - 734.574.937-15

Born on January 18, 1963. Has a Civil Engineering degree from Veiga de Almeida and an MBA in Finance from Instituto Brasileiro de Mercado de Capitais (IBMEC). Served in the Capital Markets (equity funds management and underwriting) and sales (Pension Funds) areas at Banco Nacional S.A. From 1994 to 1996, worked at Nacional Energética in the construction of the Serra da Mesa HPP. Has been with the ENGIE Group since 1996, where he has served as Deputy Manager, Construction Officer of ENGIE Brasil Energia S.A. (Itá and Machadinho HPPs and William Arjona TPP), and Business Development Officer. Is Currently Strategy, Communications and Corporate Social Responsibility Officer, a member of the Group's Executive Committee in Brazil and an alternate member of the Board of Directors of Energia Sustentável do Brasil S.A.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Karin Koogan Breitman – 375.914.877-87

Born on April 18, 1969. Has an Electrical Engineering degree from Universidade do Estado do Rio de Janeiro (UFRJ), a master's degree in Software Engineering from UFRJ and a Doctor's Degree in Computer Science from Pontifica Universidade Católica (PUC) do Rio de Janeiro. Throughout her career, she has been a Computer Science professor at PUC-Rio, where she led projects in partnership with NASA, HP, IBM and Microsoft. She later joined EMC and served as vice-president and head scientist for a period of four years. The author of over one hundred combined patents (Microsoft, EMC and Dell), books and scientific papers. Currently serves on the Professional Council of ACM, PMI-RJ and the Board of Grupo Editorial Nacional. She is a consultant for the European Commission and the Ministry of Science, Technology and Innovation, and holds an Officer position at Rio Tinto.

The nominee is capable of issuing a statement to the effect that she has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that she has been suspended or barred from any professional or commercial activity. She also declared that she meets all the criteria enshrined in the Novo Mercado Listing Regulations, as established in Article 16, paragraphs 1 and 2, for her qualification as an Independent Director.

Simone Cristina De Paola Barbieri – 149.142.418-46

Born March 14, 1971, graduated in Psychology from the Universidade de São Paulo (USP). She has an Executive MBA in Global Management from SOCIESC and Universidade Lusófona of Lisbon and International Coaching Certification (ICC) from Iluminatta Brasil. Between 2004 and 2015, she was HR Coordinator at ENGIE Brasil Energia S.A., having been responsible for structuring the program for succession and preparation of potential leaders, working in leadership, performance, management and other processes relating to personnel development. Prior to joining ENGIE, she was an HR consultant at Roland Berger Human Resources in the area of assessment and development of executives. Currently, she is Human Resources Officer for ENGIE Brasil Participações Ltda., responsible for management of HR and Occupational Health and Safety, responding for management of culture and change as well as the alignment of HR practices in the various entities making up the Brazilian Business Unit.

The nominee is capable of issuing a statement to the effect that she has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that she has been suspended or barred from any professional or commercial activity.

Antonio Alberto Gouvêa Vieira - 338.907.227-68

Born on August 31, 1955. Has a Law degree from Pontifícia Universidade Católica (PUC) do Rio de Janeiro and is a graduate Business Administration degree from the same university. A partner at Gouvêa Vieira Advocacia, and a former member of the Boards of Directors of Companhia Vidraria Santa Marina (Saint Gobain), from 1992 to 2003; Alcatel Telecomunicações S.A., from 1990 to 2002; Eternit S.A., from 1996 to 2000; Telesp Celular Participações S.A., from 1998 to 2001; and Acesita S.A. (ArcelorMittal Inox Brasil), from 1999 to 2008, of the Fiscal Council of Companhia de Bebidas das Américas (Ambev), from 2000 to 2001, Chairman of the Consultative Council of Banco Calyon Brasil S.A., from 2000 to 2007, and currently a member of the executive management team of Pubas S.A. He is a member of the Boards of Directors of (i) Leroy Merlin Cia. Brasileira de Bricolagem, since 1996; (ii) of Boa Esperança S.A.; and (iii) of Sociedade Francesa e Brasileira de Ensino – Lycée Molière.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity. He also declared that he meets all the criteria enshrined in the Novo Mercado Listing Regulations, as established in Article 16, paragraphs 1 and 2, for his qualification as an Independent Director.

Gustavo Henrique Labanca Novo – 000.674.107-07

Born on March 5, 1968. Has a bachelor's degree in Electronic Engineering from Universidade Gama Filho, an Executive MBA degree from COPPEAD (UFRJ), and a Post-Graduate Degree in Companies and Projects Valuation from FGV-RJ. Has been with the ENGIE Group for more than 20 years, serving as project and business development manager from 1998 to 2000. In 2000-2010, he served as financial analyst, senior financial manager and AIFA (Acquisitions, Investment & Financial Advisory) VP. Was Business Development VP from 2010 to 2015. Served as the Company's Business Development Officer from 2016 to August 2019. Was an effective member of the Board of Deliberations of PREVIG Sociedade de Previdência Complementar, an entity formed by ENGIE Brasil Energia S.A., and an effective member of the Board of Directors of Energia Sustentável do Brasil S.A. Currently serves as Chief Executive Officer of Transportadora Associada de Gás S.A. – TAG. He is an effective member Pampa Sul Thermoelectric Power Plant S.A Board of Directors.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Raquel da Fonseca Cantarino – 025.407.357-38

Born on October 16, 1972. Has a Bachelor of Laws degree from Universidade Estácio de Sá and a bachelor's degree in Business Administration from Faculdades Integradas Bennett, with a Post-Graduate degree in Financial Management from FGV. Was O&M Analyst at Federal de Seguros S.A. from 1991 to 1997. Currently serves as Open-Market Trader at Banco Clássico S.A., carrying out securities, fixed-income, equities, and investment-fund trading operations, tracking the capital markets' main financial assets and indicators and controlling the funds available in banking reserves.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

She also declared that she meets all the criteria enshrined in the Novo Mercado Listing Regulations, as established in Article 16, paragraphs 1 and 2, for her qualification as an Independent Director.

Richard Jacques Dumas – 19FV02623

Born on January 20, 1971. Has a bachelor's degree in Economics and Finance from Institut D'estudes Politiques, an MBA from the Canterbury Business School, and attended the Management Program at INSEAD Cedep. Formerly an Auditor with PWC (Lyon and Paris/France) from Dec/1996 to Mar/2000, Financial Controller at ELYO and SUEZ Energies Services (Paris) from Mar/2000 to Dec/2003, CFO at ELYO Italia / GDFSUEZ (Milan) from Dec/2003 to Dec/2009, CFO of COFELY ITALIA/GDFSUEZ (Milan and Rome) from Dec/2009 to Jun/2010, CFO COFELY INEO / ENGIE (Paris) from Jun/2010 to Feb/2016, Senior VP of Finance, Procurement and Information Technology at ENGIE's Middle-East, Central Asia and Turkey BU from Mar/2016 to Dec/2019. Currently appointed CFO of ENGIE's Brazil BU, responsible for the Finance, Procurement and Information Technology areas.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Adir Flavio Sviderskei – 427.166.400-68

Born on February 16, 1965. Has certifications in Power Plant Operations (CEFA-Florianópolis) and Electronics (Monitor-SP), and a bachelor's degree in Administration from Faculdade Anglicana. Has been with the ENGIE Group for over 20 years, in Operations team supervision and management, in Power Plant transition, installation, modernization and commissioning projects. Member of the local Human Performance Program committee. In the 1990s, was President of the Fundação Atlético Social – FASE. Former Chair of the Board of Deliberations and since 2019 Chair of the Fiscal Council of ACABEVI – Associação Cultural de Alto Bela Vista SC. Currently serves as an effective member of the Board of Deliberations of PREVIG Sociedade de Previdência Complementar, an entity formed by ENGIE Brasil Energia S.A.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Rubens José Nascimento – 564.610.629-04

Born on December 11, 1963. Has a bachelor's degree in Electrical Engineering from Universidade Federal de Santa Catarina (UFSC), an MBA in Business Management from Fundação Getúlio Vargas (FGV) and a Post-Graduate Degree in Quality Management and Productivity from Universidade do Sul de Santa Catarina (UNISUL). His career began in 1987 at Eletrosul, as Power Plant Maintenance Engineer. In 1998, with the migration to Gerasul, he became a member of the Operation and Maintenance Department's staff. In 2000, took over coordination of Systems Maintenance actions, with engagements nationwide. In 2011, became Manager of the Systems Maintenance Area at Tractebel Energia. Formerly an effective member of the Board of Deliberations of Previg - Sociedade de Previdência Complementar, an entity sponsored by Engie Brasil Energia. Currently Manager of the Systems Assets Maintenance Engineering at ENGIE Brasil Energia.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii0 convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Sylvie Marie Vicente ep. Credot - 11CA88390

Born on November 16, 1976, approved at the equivalent of the Brazilian Bar in Paris in 2003. From 2013 to 2018, General Counsel and Ethics Officer, Corporate Secretary and HR Officer at Storengy, an entity responsible for the ENGIE Group's Underground Gas Storage activity. From 2018 to July 2021, General Counsel and Ethics Officer at ENGIE GBS Legal. Currently Legal and Ethics Officer of the ENGIE Group's Global Renewables Business Unit.

The nominee is capable of issuing a statement to the effect that she has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that she has been suspended or barred from any professional or commercial activity.

Andre de Aquino Fontenelle Cangucú – 126.646.148-51

Born on January 06, 1969, has a Business Administration degree from Fundação Getúlio Vargas. Attended the CEDEP Management Program in Fontainebleau, France. Worked for Igaras Papéis e Embalagens S.A. from 1994 to 1997. Worked at the Enron Corporation from 1998 to 2002 in the investment and valuation area. From June 2003 to 2004, was finance & project economic advisory VP at Tractebel S.A. Chile. From 2004 to 2015, worked at ENGIE Peru as Chief Financial Officer. Currently Infrastructure Manager for the Americas, based at ENGIE North America.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

The foregoing managers have not been convicted in any criminal proceedings.

FISCAL COUNCIL

Carlos Guerreiro Pinto - 047.615.457-04

Born on June 17, 1942, graduated in Business Administration from Sociedade Unificada de Ensino Superior Augusto Motta (SUAM), postgraduate degree in Business Administration from the Instituto de Pós-Graduação e Pesquisa em Administração of Universidade Federal de Rio de Janeiro (COPPEAD), having also concluded his Financial Management course at the Citibank N.A. Training Center. He was certified as a Business Development Partner by Fundação Dom Cabral. He was responsible for structuring the Open Market area of Banco Nacional, also holding the position of Director - Business Risk Area. Additionally, he was President of Sinal Corretora de Valores. He also worked as an Audit Director for the National Supplementary Health Agency (ANS), the private health insurance regulator, from March 2010 to November 2011, responsible for operators placed under the special audit regime. Currently is a Visiting Consultant at the Fundação Getulio Vargas, providing management advisory services to the State Environmental Agency (INEA) and Rio de Janeiro State Secretariat for the Environment (SEA).
The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Waltamir Barreiros - 242.690.507-72

Born on August 04, 1953, he has a degree in accounting and a post-graduate degree in Auditing from Universidade Federal de Santa Catarina (UFSC). Chairman of the Fiscal Council of Energia Sustentável do Brasil (ESBR) since May 2008, member and Property Director of the Academia Catarinense de Ciências Contábeis. Formerly employed at Eletrosul – company that in 1998 gave rise to Gerasul, today ENGIE Brasil Energia - from March 1975 to December 1997, holding various positions in the accounting/tax area and serving as Accounting Department Manager. Formerly Accounting Department Manager at ENGIE Brasil Energia S.A. from December 1997 to May 2005, and Tax Governance Department Manager from May 2005 to April 2014. Former professor of the Accounting Sciences Department at Universidade Federal de Santa Catarina (UFSC), 20 weekly hours regime, from August 1985 to February 2015. Former full member of the Administrative Tax Appeals Board (CARF), from September 2015 to August 2016. Former full member of the Fiscal Council of Fundação Eletrosul de Previdência e Assistência Social (ELOS), of the Centro de Pesquisas de Energia Elétrica (CEPEL), and of the Brazilian Energy Concessionaires Association (ABCE). The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Manoel Eduardo Bouzan de Almeida - 269.006.377-87

Born on April 03, 1952, he holds a Bachelor's degree in Accounting Sciences, having graduated in 1978 from the Faculdades Integradas Simonsen, Rio de Janeiro. He worked in the industrial sector from 1969 to June 1995 in various administrative functions, reaching the position of administration and accounting manager. In the second half of 1995, he was hired as accountant for the Serra da Mesa project by Serra Mesa S.A., occupying this position until June 1998, when he was transferred to the ENGIE Group, as the holding company's accountant, remaining in this position until 2011.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) un convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Anderson Paiva Martins - 077.424.247-70

Born on March 31, 1979. He holds a Bachelor of Accounting Degree, graduated in 2016 from Faculdade Presbiteriana Mackenzie Rio, and a Bachelor of Business Administration Degree, graduated in 2013 from Centro Universitário da Cidade. Formerly an employee at Mega Models from 1999 to 2008, where he was Financial Planning Coordinator. An employee of Agency Model from 2008 to 2015, where he was Financial Assistant. Has since 2015 been an Accountant at Banco Clássico S.A.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Milre Felix Neto – 218.099.188-63

Born on October 10, 1980, he graduated in business administration with a focus on International Trade from the Australian Catholic University (Brisbane, Austrália), and through an exchange program in international trade, from the Universidade Ibero-Americana Puebla (Mexico), and MBA Corporate Management from the FGV – Fundação Getúlio Vargas. From 2006 to 2010 he worked at HSBC Bank Brasil S.A – Banco Múltiplo, in the management of trade finance, attending major companies, 3 years in São Paulo and 2 years responsible for trade finance at HSBC in Rio Grande do Sul and Santa Catarina. Since 2011 manager and administrator of the Grupo Maxi, a bottled mineral water company in the Serra de Campos do Jordão. Also works as manager of the Real Estate Development Company, MF.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

Vespasiano Pinto Salermo - 552.435.097-87

Born on January 25, 1960. He has a degree in Accounting Sciences from Universidade Gama Filho, with a Post-graduate qualification in Trade Finance from the Fundação de Comércio Exterior. As a result of various professional extension courses at Ibmec, FGV, ESAD, FEBRABAN and KPMG (BNSA Training Center), he specialized in financial, operational and accounting evaluation, Analysis and Auditing of Credit Risks and valuation of companies in businesses which involve the raising of resources in various markets, for operational investments, capitalization or monetization or coverage of their cash.

The nominee is capable of issuing a statement to the effect that he has not been: i) convicted on criminal charges; ii) convicted in a CVM proceeding; or iii) convicted (and where there is no further appeal) in the judiciary or administrative spheres, such that he has been suspended or barred from any professional or commercial activity.

12.7/8 Composition of the statutory committees and the audit, finance and remuneration committees:

Name	Date of birth	Management body	Election date	Independent member
CPF or Passaport	Profession	Elected position held	Tenure date	Nominated by the controlling shareholder
Other positions or functions		Number of terms of office	Term of office	Attendance at 2021 meetings
Maurício Stolle Bähr	09.17.1957	Strategic Committee	06.25.1999	No
748.528.847-49	Engineer	Committee Member (Full Member)	06.25.1999	Yes
Chairman of the Board of Directors		n.a.	Indeterminate	100%
Dirk Achiel Marc Beeuwsaert	01.14.1948	Strategic Committee	03.15.2001	No
EP293989	Engineer	Committee Member (Full Member)	03.15.2001	Yes
Full Member of the Board of Directors		n.a.	Indeterminate	100%
Paulo Jorge Tavares Almirante	08.24.1964	Strategic Committee	07.24.2016	No
M619074	Engineer	Committee Member (Full Member)	07.24.2016	Yes
Full Member of the Board of Directors		n.a.	Indeterminate	100%
Gustavo Henrique Labanca Novo	03.05.1968	Strategic Committee	05.05.2016	No
000.674.107-07	Engineer	Committee Member (Full Member)	05.05.2016	Yes
Alternate Member of the Board of Directors		n.a.	Indeterminate	100%

Name	Date of birth	Management body	Election date	Independent member
CPF or Passaport	Profession	Elected position held	Tenure date	Nominated by the controlling shareholder
Other positions or functions		Number of terms of office	Term of office	Attendance at 2021 meetings
Pierre Jean Bernard Guiollot	04.21.1968	Strategic Committee	05.05.2016	No
12CE76848	Engineer	Committee Member (Full Member)	05.05.2016	Yes
Full Member of the Board of Directors		n.a.	Not Determined	100%
Paulo de Resende Salgado	07.02.1945	Statutory Audit Committee	05.14.2020	Yes
161.008.917-00	Economist	Committee Member (Coordinator)	05.14.2020	Yes
Full Member of the Board of Directors Independent		n.a.	05.13.2022	100%
Manoel Eduardo Lima Lopes	07.07.1943	Statutory Audit Committee	05.14.2020	No
046.227.237-00	Accounting	Committee Member (Full Member)	05.14.2020	Yes
Full Member of the Board of Directors Independent		n.a.	05.13.2022	100%

12.9 Existence of a marital, common-law, or family connection up to second degree

Justification for non-completion of the field:

None of the relationships described above exist between the nominated members of management and members of the Fiscal Council; between the members of the management and the Company and the members of management of direct or indirect subsidiaries, of the Company; between the managers of the Company or of its direct and indirect subsidiaries and direct and indirect controlling entities of the Company; and between managers of the Company and between managers of the Company and managers of the directly and indirectly controlling corporations of the Company.

12.10 Subordination, retainer or control relations in the past 3 fiscal years between the Company's managers (appointed by the Controlling Shareholders) and: (i) an entity under the Company's direct or indirect control, or (ii) the Company's directly or indirectly controlling shareholder:

a) entity under the Company's direct or indirect control

Identification	Taxpayer ID CPF/CNPJ	Type of relationship between the Manager and the related party	Type of related party
Position/Function			
Issuer Manager			
Gil de Methodio Maranhão Neto	734.574.937-15		
Alternate member of the Board of Director			
Related Party			
Itá Energética S.A. (Itasa)	01.355.994/0001-21	Control	Directly Controlled Entity
Alternate member of the Board of Directors in the past three fiscal years			
The Company is a joint controller of Itasa, with 48.75% equity stake.			

b) Company's directly or indirectly controlling shareholder

Identification	Taxpayer ID CPF/CNPJ	Type of relationship between the Manager and the related party	Type of related party	
Position/Function				
Issuer Manager				
Maurício Stolle Bähr	748.528.847-49			
Chairman of the Board of Directors				
Related Party				
ENGIE Brasil Participações Ltda. (EBP)		Control	Directly Entity	Controlled
Chief Executive Officer in the past three fiscal years				
Issuer Manager				
Simone Cristina De Paola Barbieri	149.142.418-46			
Member of the Board of Directors				
Related Party				
ENGIE Brasil Participações Ltda. (EBP)	01.370.013/001-15	Control	Directly Entity	Controlled
People & Culture Chief Officer in the past three fiscal years				
Issuer Manager				
Pierre Jean Bernard Guiollot	000.000.000-00			
Alternate Member of the Board of Directors				
Related Party				
ENGIE S.A.		Control	Directly Entity	Controlled
Chief Financial Officer of Renewable Business Unit in the last fiscal year				
Issuer Manager				
Paulo Jorge Tavares Almirante	000.000.000-00			
Vice-President of the Board of Directors				
Related Party				
ENGIE S.A.		Control	Indirectly Entity	Controlling
Executive Vice-President of Renewables in the last fiscal year				
Issuer Manager				
Richard Jacques Dumas	716.282.861-21			
Alternate Member of the Board of Directors				
Related Party				
ENGIE Brasil Participações Ltda. (EBP)		Control	Directly Entity	Controlled
Chief Financial Officer in the last fiscal year				

12.12 Other information that the Company deems relevant

The Company wishes to notify that 7 (seven) effective members of the Board of Directors and their alternates shall be proposed for election and nominated by the Controlling Shareholder, 1 (one) effective member of the Board of Director and their alternate to be nominated by the minority shareholders and 1 (one) effective member and their alternate to be nominated by the employees, the electoral process still being incomplete.

Further, should there be a request for the installation of the Fiscal Council, 2 (two) effective members and their respective alternates shall be proposed by the Controlling Shareholder, together with 1 (um) effective member of the Fiscal Council and their alternate to be nominated by the minority shareholders.

ATTACHMENT IV – MANAGEMENT COMPENSATION

Management compensation information based on item 13 of the reference form

13.1 Description of the policy or practice of compensation of the Board of Directors, Statutory and Non-Statutory Executive Board, Fiscal Council, Statutory Committees, and Audit, Risk, Financial and Compensation Committees, addressing the following aspects:

a. objectives of the compensation policy or practice, informing whether the compensation policy has been formally approved, the relevant approving body, the date of approval and, where the issuer discloses the policy, world wide web sites where the document can be viewed

The Company abides by the Controlling Group's guidelines and compensation benchmarks obtained from compensation surveys conducted by specialized consultancy firms. On December 06, 2019, the Board of Directors approved the management Compensation Policy, which is available at the Company's website (www.engie.com.br/investors).

The compensation practice for members of the Board of Directors, Executive Management, Fiscal Council and Committees aims to attract and retain professionals and executives aligned with the Company's business guidelines, values and culture. The practice takes account of market analysis, the knowledge required to perform, the complexity of the activities involved, and the expected results based on business objectives.

In addition, Committee members who are also on the Company's payroll receive no compensation for their membership in committees, except (i) for the Leader of the Strategy Committee, who receives monthly additional compensation equal to that of the members of the Board of Directors, where he or she also has a seat, and (ii) the Special Independent Committee for Valuation of Transactions with Related Parties, whose members are compensated upon completion of the assignment for which the committee was formed.

b. compensation breakdown

(i) description of the elements of the compensation and their respective objectives

The composition of the total compensation of members of the Board of Directors, Executive Management, Fiscal Council and Statutory Audit Committee is proposed by controlling company, ENGIE Brasil Participações Ltda., according to criteria set at a global level, and breaks down into fixed compensation, bonus and long-term incentive. The maximum compensation of said Management bodies is approved annually by the Company's Annual General Meeting pursuant to the contents of Law 6,404/76.

The composition of the compensation is set as follows:

Board of Directors

The total compensation of the Board of Directors is made up of the following items, and the maximum aggregate amount thereof is approved by the Annual General Meeting:

- Fixed compensation: Paid in 13 monthly installments intended as direct compensation for services in line with market practices. In addition, the Leader of the Strategy Committee, who also has a seat in the Board of Directors, receives fixed compensation for his or her seat in the said committee;

- Variable compensation: The Chairman of the Board of Directors receives a variable amount based on the Company's results, in the light of financial and operating indicators. This compensation is directly tied in with collective and individual performance results and is intended to compensate the executive for results attained, in line with the Company's business guidelines, values and culture. Furthermore, pursuant to the Collective Employment Contract, full Directors, appointed by the employees may also receive variable annual compensation based on the average of the amounts paid to employees in the previous year, as Profit Sharing (PLR) and Managerial Bonus. As established in the Bylaws, the Company currently has one Director (and one alternate) elected by the employees; and

- Post-employment benefits: The Company sponsors a supplementary retirement plan in the Set Contribution format. The plan is managed by PREVIG and funding for the benefits comes from members' and the sponsor's contributions. The Company's contribution is the same as the employees' basic contribution, limited to a ceiling pursuant to the plan's regulations. The purpose of this form of compensation is to offer an attractive long-term incentive in line with market practices.

The Chairman of the Board of Directors' payment is made by the Company's controlling shareholder, ENGIE Brasil Participações Ltda., with which the Chairman of the Board has entered into an individual employment contract, and 40% of the amount, including charges, are reimbursed by the Company.

The individual compensation of the members of the Board of Directors shall not exceed that of the members of the Executive Board.

Executive Board

Compensation of the members of the Executive Board breaks down into fixed and variable portions and its maximum annual amount is approved by the Annual General Meeting.

- Fixed compensation: Paid in 13,33 monthly installments intended as direct compensation for services rendered. In addition, indirect compensation is provided as benefits offered by the Company, such as: health-recovery support, annual medical checkup, food vouchers, and life insurance. The purpose of the fixed compensation is to offer an attractive package in line with market practices;

- Variable compensation: The amount of the variable compensation, which breaks down into bonus and profit sharing, lies in the range of 40%-81% of annual fixed compensation, depending on the executive's position, challenges and established goals. Its purpose is to compensate executives for the Company's short- and medium-term results. Payment is made in the first half of the following year, after the fiscal year's accounts have been drawn, based on collective and individual performance evaluations;

- Post-employment benefits: The Company sponsors a supplementary retirement plan in the Set Contribution format. The plan is managed by PREVIG and funding for the benefits comes from members' and the sponsor's contributions. The Company's contribution is the same as the employees' basic contribution, limited to a ceiling pursuant to the plan's regulations. The purpose of this form of compensation is to offer an attractive long-term incentive in line with market practices; and

- Stock-based compensation: The Company' directly controlling entity ENGIE Brasil Participações Ltda., offers to the Executive Board a Long-Term Incentive Plan (ILP) pegged to the

performance of Phantom Shares and corporate indicators after a 4-year period, as well as to Performance Shares and the Group's Share Options Policy. The purpose of this compensation mode is to offer long-term incentives in line with market practices.

Non-Statutory Executive Board

The Company does not have a Non-Statutory Executive Board installed.

Fiscal Council

The fees of the members of the Fiscal Council are a fixed compensation set and approved by the Annual General Meeting and paid in 13 monthly installments. Fees may not be less, for each active member, than 10% of the average monthly compensation of the Executive Board, excluding benefits and variable compensation. The purpose of this form of compensation is to address performance of the tasks that Fiscal Council membership requires.

Special Independent Committee for Valuation of Transactions with Related Parties

The Committee's compensation is set by the Board of Directors by project and shall not exceed one (01) additional monthly compensation of the members who already hold positions with the Company. Upon convening, the Board of Directors shall define the duration of the committee's engagement and compensation's payment.

No payments have been made as compensation for members of this Committee in the past 3 fiscal years.

Statutory Audit Committee

The Statutory Audit Committee's compensation is set by the Board of Directors, and all members shall receive fixed compensation to be paid in 13 equal installments over the duration of the fiscal year. Members of the Statutory Audit Committee who hold other positions in the Company's Board of Directors shall be paid cumulative fees as members of the Board of Directors and of the Statutory Audit Committee.

(ii) proportion of each component in the total compensation relative to the last 3 fiscal years.

The proportions of fixed compensation, variable compensation and benefits to total compensation are represented as follows:

Total compensation in the Fiscal Year as December 31, 2021					
	Board of Directors	**Executive Board**	**Fiscal Council**	**Statutory Audit Committee**	**Total**
Annual fixed compensation	77.5%	52.6%	100.0%	100.0%	60.7%
Salary	72.9%	47.6%	100.0%	100.0%	56.0%
Direct and indirect benefits	0.3%	5.0%	0.0%	0.0%	3.8%
Committees' seats	4.3%	0.0%	0.0%	0.0%	0.9%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Description of other fixed compensation	-	-	-	-	-
Variable compensation	19.1%	28.7%	0.0%	0.0%	25.0%
Bonus	11.5%	12.7%	0.0%	0.0%	11.7%
Profit sharing	7.6%	16.0%	0.0%	0.0%	13.3%
Attendance at meetings	0.0%	0.0%	0.0%	0.0%	0.0%
Committees	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Description of other variable compensation	-	-	-	-	-
Post-employment Benefits	1.2%	4.9%	0.0%	0.0%	3.8%
Termination	0.0%	0.0%	0.0%	0.0%	0.0%
Stock-based	2.2%	13.8%	0.0%	0.0%	10.5%
Total compensation	100.0%	100.0%	100.0%	100.0%	100.0%

Pursuant to Circular Letter /Annual-2022-CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The 40% reimbursement from ENGIE Brasil Energia to its Controlling Shareholder includes amounts arising from share-based payments to the Chairman of the Board of Directors as CEO of Controlling Shareholder of ENGIE Brasil Participações.

Total compensation in the Fiscal Year as December 31, 2020					
	Board of Directors	Executive Board	Fiscal Council	Statutory Audit Committee	Total
Annual fixed compensation	75.3%	83.1%	100.0%	100.0%	81.4%
Salary	69.6%	74.5%	100.0%	100.0%	74.5%
Direct and indirect benefits	0.6%	8.6%	0.0%	0.0%	5.1%
Committees' seats	5.1%	0.0%	0.0%	0.0%	1.8%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Description of other fixed compensation	-	-	-	-	-
Variable compensation	16.0%	-3.1%	0.0%	0.0%	4.0%
Bonus	10.5%	-16.0%	0.0%	0.0%	-5.4%
Profit sharing	5.5%	12.9%	0.0%	0.0%	9.4%
Attendance at meetings	0.0%	0.0%	0.0%	0.0%	0.0%
Committees	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Description of other variable compensation	-	-	-	-	-
Post-employment Benefits	2.9%	6.1%	0.0%	0.0%	4.6%
Termination	0.0%	0.0%	0.0%	0.0%	0.0%
Stock-based	5.8%	13.9%	0.0%	0.0%	10.0%
Total compensation	100.0%	100.0%	100.0%	100.0%	100.0%

Pursuant to Circular Letter/Anual-2022-CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The 40% reimbursement from ENGIE Brasil Energia to its Controlling Shareholder includes amounts arising from share-based payments to the Chairman of the Board of Directors as CEO of Controlling Shareholder of ENGIE Brasil Participações.

Total compensation in the Fiscal Year as December 31, 2019				
	Board of Directors	Executive Board	Fiscal Council	Total
Annual fixed compensation	71.4%	62.3%	100.0%	66.5%
Salary	66.4%	54.9%	100.0%	60.2%
Direct and indirect benefits	0.0%	7.4%	0.0%	4.6%
Committees' seats	5.0%	0.0%	0.0%	1.7%
Other	0.0%	0.0%	0.0%	0.0%
Description of other fixed compensation	-	-	-	-
Variable compensation	22.1%	12.4%	0.0%	15.4%
Bonus	16.8%	-3.6%	0.0%	3.6%
Profit sharing	5.3%	16.0%	0.0%	11.8%
Attendance at meetings	0.0%	0.0%	0.0%	0.0%
Committees	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%
Description of other variable compensation	-	-	-	-
Post-employment Benefits	0.6%	8.7%	0.0%	5.7%
Termination	0.0%	0.0%	0.0%	0.0%
Stock-based	5.9%	16.6%	0.0%	12.4%
Total compensation	100.0%	100.0%	100.0%	100.0%

Pursuant to Circular Letter/Anual-2022-CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The 40% reimbursement from ENGIE Brasil Energia to its Controlling Shareholder includes amounts arising from share-based payments to the Chairman of the Board of Directors as CEO of Controlling Shareholder of ENGIE Brasil Participações.

(iii) calculation and restatement method for each element of compensation

The compensation paid to members of the Company's Board of Directors, Executive Board, Fiscal Council and Committees are proposed by the Controlling Entity, according to globally established criteria, and, subsequently approved by the General Shareholders' Meeting. The amount remains unchanged during the fiscal year, as it is set for each year according to the limits approved by the General Shareholders' Meeting for the period in question (January-December).

Compensation is defined according to the nature and duties of each position, based on market surveys held periodically by specialized consultancies.

(iv) reasons that justify the compensation breakdown

The purpose of the Management Compensation Policy, approved by the Board of Directors on December 06, 2019, is to establish compensation guidelines for the members of the Company's Board of Directors, Fiscal Council, Executive Board and Committees. It is based on market practices and aims to attract and retain professionals and executives compatible with the Company's needs.

(v) presence of members without compensation from the Company and the reason for this

The Company has no uncompensated members in its Board of Directors, Executive Board, Fiscal Council and in the Committees mentioned in item "13.1.a" hereof.

c. principal performance indicators considered for the purposes of determining each element of compensation

Management compensation positioning relative to the market relies on quantitative and qualitative indicators, the degree of contribution to results, overall performance, and experience.

Variable compensation is directly related with corporate and individual performance results, and considers:

- financial and operating indicators for the fiscal year: EBITDA evolution, free cash generation, net income, operating expenses, alignment with the results of the controlling entity, ENGIE Brasil Participações Ltda., etc.

- individual attainment of goals, industrial and/or financial results; and

- behavioral and managerial aspects: in 2019, the Company formally instated a performance evaluation Policy for members of the Board of Directors. As such, results for FY 2020 were consolidated and presented at the Meeting of the Board of Directors held February 11, 2021.

d. how the compensation is structured to reflect the evolution of performance indicators

Fixed compensation and benefits are set according to market surveys and not adjusted during the year, as they are set for each year within the limits approved by the Annual General Meeting for the Fiscal Year (January-December).

Variable compensation is directly related with corporate and individual performance results and considers:

- financial and operating indicators for the year representing, on average, 65% of the annual bonus; and

- individual and behavioral indicators, representing on average 35% of the annual bonus.

e. how the compensation policy or practice aligns with the Company's short-, medium- and long-term interests

The amount of the executives' annual variable compensation depends on the attainment of the Company's short-term objectives.

As concerns medium- and long-term objectives, the Company's directly controlling entity, ENGIE Brasil Participações Ltda., offers to the Executive Board an ILP that provides a specific and distinctive bonus paid in cash four years after joining the plan. Determination of the performance results proposed under the ILP relies on two indicators, each with 50% weight in the ascertainment of overall results over a 4-year period: TSR – Total Shareholder Return and EPS – Earnings per Share.

Performance over this period is measured from the date of joining the plan until the end of the 4-year period, when the results are evaluated. According to these results, the amount of the award under the long-term incentive plan is calculated and paid in full, paid in part, or not paid (if minimum goals are not attained). The calculations are done by a specialized consultancy firm whose fee is approved by the CEO of the controlling entity, ENGIE Brasil Participações Ltda., in Brazil.

In addition, the Conglomerate to which the Company belongs has a Group Stock Call Options Policy, in Paris, at predetermined prices and open to all of the Company's employees, and a

Performance Shares program tied in with the Conglomerate's future results and intended for senior executives and key professionals.

f. presence of compensation with support from subsidiaries or directly or indirectly controlled or controlling entities

No payments are made by subsidiaries for positions held in the Company's Management. The Controlling Conglomerate makes no payments to the Company's Executive Board or Board of Directors, except:

- Monthly fixed compensation, variable compensation, benefits and contributions under the individual employment contract with the Chairman of the Board of Directors, who accumulate corporate positions in the Company. These costs are partly reimbursed by the Company in proportion to the dedication of the executive to statutory activities; and
- Those mentioned in letter "e", Performance Shares Plan and ENGIE S.A. stock call options are of a corporate nature and intended to reinforce employee engagement.

g. presence of compensation or benefits tied in with the occurrence of a given corporate event, such as disposal of the Company's controlling stake

Not applicable to the Company.

h. practices and procedures embraced by the Board of Directors to set the individual compensation of the Board of Directors and Executive Board:

(i) ***governing bodies and committees of the issuer that play a role in the decision-making process, identifying the role played;***

The aggregate annual amount of compensation is approved at the Meeting of the Board of Directors and the nomination of the members for each profile of manager is the responsibility of the Chairman of the Board of Directors.

(ii) criteria and methodology used to set individual compensation, indicating whether surveys are used to determine market practices and, if so, the benchmarking criteria and the scope of such studies;

Fixed compensation is benchmarked against the Brazilian median according to market surveys conducted annually with specialized consultancies to enable comparisons between the amounts paid to executives by companies of similar size and revenues, with greater weight assigned to those active in the Brazilian electricity industry, as well as internal consistency with the Controlling Group. The variable compensation aims to provide competitive compensation levels compared with the market, repay efforts building results, and the values generated by the Company by means of a bonus pegged to performance, and to motivate the fulfillment of business and strategic objectives, reflecting the Company's and its Controller's culture and values.

(iii) how often, and in what manner, does the board of directors evaluate the adequacy of the issuer's compensation policy.

Eventually, the Company reevaluates the Policy's alignment with identified needs and any changes or updates must have the approval of the Board of Directors and be disclosed in a timely manner to the Securities and Exchange Commission – CVM and B3.

13.2 Aggregate compensation of the Board of Directors, Statutory Executive Board and Fiscal Council, booked in the results of the last 3 fiscal years and estimated for the fiscal year under way:

Total projected compensation for the current fiscal year ending December 31, 2022 - Annual Amounts in R$					
	Board of Directors	Executive Board	Fiscal Council	Statutory Audit Committee	Total
Total number of members ("b")	18	8	6	3	35
Number of remunerated members ("c")	18	8	6	3	35
Annual fixed compensation	5,978,732.27	10,695,454.42	759,669.49	741,817.64	18,175,673.82
Salary	5,547,180.24	9,675,392.65	759,669.49	726,817.64	16,709,060.02
Direct and indirect benefits	99,100.00	1,020,061.77	-	-	1,119,161.77
Committee seats	332,452.03	-	-	-	332,452.03
Other	-	-	-	15,000.00	15,000.00
Description of other fixed compensation	-	-	-	Training	-
Variable compensation	1,223,950.14	5,102,226.33	-	-	6,326,176.47
Bonus	754,191.39	2,544,891.98	-	-	3,299,083.37
Profit sharing	469,758.75	2,557,334.35	-	-	3,027,093.10
Attendance at meetings	-	-	-	-	-
Commissions	-	-	-	-	-
Other	-	-	-	-	-
Description of other variable compensation	-	-	-	-	-
Post-employment Benefit	183,083.59	887,433.32	-	-	1,070,516.91
Termination	-	-	-	-	-
Share based	160,150.38	1,572,122.91	-	-	1,732,273.29
Total compensation	**7,545,916.38**	**18,257,236.98**	**759,669.49**	**741,817.64**	**27,304,640.49**

Professional Skills Training included under "Others", relates to training for certification of the Statutory Audit Committee. For the members of the Management Board and the Board of Directors, items relating to professional training are consolidated under "Direct and Indirect Benefits", albeit for the Statutory Audit Committee the amount for Professional Training is reported under "Others" since the Compensation Policy does not provide for benefits to committee members.

The number of members per body (letter "b") was established as per Circular Letter/Annual-2022- CVM/SEP. Given that fiscal year 2022 is the current fiscal year, the foregoing numbers gave been included based on the Company's projections as per Circular Letter CVM/SEP/No.01/2021.

Pursuant to Circular Letter/Annual-2022-CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The 40% reimbursement from ENGIE Brasil Energia to its Controlling Shareholder includes amounts arising from share-based payments to the Chairman of the Board of Directors as CEO of Controlling Shareholder of ENGIE Brasil Participações.

In 2022, annual aggregate management compensation in the amount of up to R$ 33 million, of which R$ 5.7 million correspond to social charges payable by the employer, will be submitted to the approval of the Annual General Meeting (AGM).

Total compensation in fiscal year ending December 31, 2021 - Annual Amounts in R$					
	Board of Directors	Executive Board	Fiscal Council	Statutory Audit Committee	Total
Total number of members ("b")	17.67	8	6	3	34.67
Number of remunerated members ("c")	14.67	8	6	3	31.67
Annual fixed compensation	3,961,103.88	9,333,331.98	736,024.04	660,383.11	14,690,843.01
Salary	3,724,270.45	8,439,991.15	736,024.04	660,383.11	13,560,668.75
Direct and indirect benefits	16,029.00	893,340.83	-	-	909,369.83
Committee seats	220,804.43	-	-	-	220,804.43
Other	-	-	-	-	-
Description of other fixed compensation	-	-	-	-	-
Variable compensation	975,714.88	5,092,874.77	-	-	6,068,589.65
Bonus	588,835.59	2,255,922.23	-	-	2,844,757.82
Profit sharing	386,879.29	2,836,952.54	-	-	3,223,831.83
Attendance at meetings	-	-	-	-	-
Commissions	-	-	-	-	-
Other	-	-	-	-	-
Description of another variable compensation	-	-	-	-	-
Post-employment Benefit	58,003.10	852,205.55	-	-	910,208.65
Termination	-	-	-	-	-
Share based	111,441.27	2,434,539.14	-	-	2,545,980.41
Total compensation	**5,106,263.13**	**17,712,951.44**	**736,024.04**	**660,383.11**	**24,215,621.72**

The number of members per body (letter "b") was established as per Circular Letter/Annual-2022- CVM/SEP.

Pursuant to Circular Letter/Annual-2022- CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The 40% reimbursement from ENGIE Brasil Energia to its Controlling Shareholder includes amounts arising from share-based payments to the Chairperson of the Board of Directors as CEO of Controlling Shareholder of ENGIE Brasil Participações.

Total Compensation for the Fiscal Year ending December 31, 2020 – Annual Amounts in Reais					
	Board of Directors	Executive Board	Fiscal Council	Statutory Audit Committee	Total
Total number of members ("b")	16.58	7	5.33	2	30.91
Number of remunerated members ("c")	14.42	7	5.33	2	28.75
Annual fixed compensation	4,122,247.48	7,234,778.13	635,924.55	421,441.07	12,414,391.23
Salary	3,813,779.19	6,489,805.04	635,924.55	421,441.07	11,360,949.85
Direct and indirect benefits	31,294.12	744,973.09	-	-	776,267.21
Committee seats	277,174.17	-	-	-	277,174.17
Other	-	-	-	-	-
Description of other fixed compensation	-	-	-	-	-
Variable compensation	875,193.70	(265,217.37)	-	-	609,976.33
Bonus	573,315.10	(1,390,983.81)	-	-	(817,668.71)
Profit sharing	301,878.60	1,125,766.44	-	-	1,427,645.04
Attendance at meetings	-	-	-	-	-
Commissions	-	-	-	-	-
Other	-	-	-	-	-
Description of other variables compensation	-	-	-	-	-
Post-employment Benefit	160,575.05	534,483.66	-	-	695,058.71
Termination	-	-	-	-	-
Share based	319,266.00	1,201,736.12	-	-	1,521,002.12
Total compensation	5,477,282.23	8,705,780.54	635,924.55	421,441.07	15,240,428.39

The number of members per body (letter "b") was established as per Circular Letter/Annual-2022- CVM/SEP.

Pursuant to Circular Letter/Annual-2022- CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The 40% reimbursement from ENGIE Brasil Energia to its Controlling Shareholder includes amounts arising from share-based payments to the Chairman of the Board of Directors as CEO of Controlling Shareholder of ENGIE Brasil Participações.

In FY 2020, R$ 7,142,451.20 were recognized as reversal of the accumulated provisions for previous years' Executive Board bonuses.

Total Compensation for the Fiscal Year ending December 31, 2019 – Annual Amounts in Reais				
	Board of Directors	Executive Board	Fiscal Council	Total
Total number of members ("b")	15.75	6.67	3	25.42
Number of remunerated members ("c")	11.92	6.08	3	21
Annual fixed compensation	3,996,649.87	6,281,667.88	470,139.18	10,748,456.93
Salary	3,717,944.38	5,536,902.07	470,139.18	9,724,985.63
Direct and indirect benefits	1,531.32	744,765.81	-	746,297.13
Committee seats	277,174.17	-	-	277,174.17
Other	-	-	-	-
Description of other fixed compensation	-	-	-	-
Variable compensation	1,234,715.87	1,251,150.68	-	2,485,866.55
Bonus	938,221.30	(363,013.92)	-	575,207.38
Profit sharing	296,464.57	1,614,164.60	-	1,910,659.17
Attendance at meetings	-	-	-	-
Commissions	-	-	-	-
Other	-	-	-	-
Description of other variables compensation	-	-	-	-
Post-employment Benefit	35,248.95	879,135.81	-	914,384.76
Termination	-	-	-	-
Share based	332,036.40	1,674,925.00	-	2,006,961.40
Total compensation	5,598,651.09	10,086,879.37	470,139.18	16,155,669.64

The number of members per body (letter "b") was established as per Circular Letter /Anual-2022-CVM/SEP.

Pursuant to Circular Letter/Anual-2022-CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The 40% reimbursement from ENGIE Brasil Energia to its Controlling Shareholder includes amounts arising from share-based payments to the Chairperson of the Board of Directors as CEO of Controlling Shareholder of ENGIE Brasil Participações.

One member of the Statutory Executive Board received compensation form the Controlling Shareholder for a period of seven months.

13.3 Variable compensation of the Board of Directors, Executive Board and Fiscal Council in the last 3 fiscal years and projected for the current fiscal year

Variable compensation projected for fiscal year 2022

(Amounts in R$)	Board of Directors	Executive Board
Total number of members	18	8
Number of remunerated members	2	8
Bonus		
Minimum amount projected in the compensation plan	-	-
Maximum amount projected in the compensation plan	754,191.39	2,544,891.98
Amount assuming goal attainment as per the compensation plan	377,095.70	1,272,445.99
Profit sharing		
Minimum amount projected in the compensation plan	-	-
Maximum amount projected in the compensation plan	469,758.75	2,557,334.35
Amount assuming goal attainment as per the compensation plan	469,758.75	2,557,334.35

Recognized in the last 3 fiscal years

Variable compensation – Fiscal year ending December 31, 2021

(Amounts in R$)	Board of Directors	Executive Board
Total number of members	17.67	8
Number of remunerated members	2	8
Bonus		
Minimum amount projected in the compensation plan	-	-
Maximum amount projected in the compensation plan	815,035.22	3,027,198.28
Amount assuming goal attainment as per the compensation plan	407,517.61	1,513,599.14
Profit sharing		
Minimum amount projected in the compensation plan	-	-
Maximum amount projected in the compensation plan	519,809.78	2,741,619.25
Amount assuming goal attainment as per the compensation plan	259,904.89	1,370,809.63
Amount effectively recognized in the result	975,714.88	5,092,874.77

As from fiscal year 2021, the only members of the Board of Directors to earn variable compensation are the Chairperson and the full member elected by the employees.

Variable compensation – Fiscal year ending December 31, 2020

(Amounts in R$)	Board of Directors	Executive Board
Total number of members	16.58	7
Number of remunerated members	3	7
Bonus		
Minimum amount projected in the compensation plan	-	-
Maximum amount projected in the compensation plan	619,170.70	1,942,693.94
Total number of members	412,780.47	1,295,129.30
Profit sharing		
Minimum amount projected in the compensation plan	-	-
Maximum amount projected in the compensation plan	432,139.14	2,018,195.56
Amount assuming goal attainment as per the compensation plan	288,092.76	-
Amount effectively recognized in the result	875,193.70	(265,217.37)

The only members of the Board of Directors to earn variable compensation are the Chairperson and the full and alternate members elected by the employees.

Variable compensation – Fiscal year ending December 31, 2019

(Amounts in R$)	Board of Directors	Executive Board
Total number of members	15.75	6.67
Number of remunerated members	3	6.08
Bonus		
Minimum amount projected in the compensation plan	-	-
Maximum amount projected in the compensation plan	578,427.06	1,733,165.31
Total number of members	385,618.04	1,155,443.54
Profit sharing		
Minimum amount projected in the compensation plan	-	-
Maximum amount projected in the compensation plan	421,862.99	1,766,312.78
Amount assuming goal attainment as per the compensation plan	281,242.00	1,177,541.85
Amount effectively recognized in the result	1,234,715.87	1,251,150.68

The only members of the Board of Directors to earn variable compensation are the Chairperson and the full and alternate members elected by the employees.

13.4 Share based compensation plan of the Board of Directors and Statutory Executive Board in force in the last fiscal year and estimated for the current fiscal year:

The Company offers its managers a Long-Term Incentive Plan (ILP) sponsored by the directly controlling shareholder, ENGIE Brasil Participações Ltda. ("ENGIE Brasil Participações").

a. **general terms and conditions**
As described in items 13.1 and 13.8, the Company's directly controlling shareholder, ENGIE Brasil Participações, offers a Phantom Shares-based ILP to the Executive Board and certain members of the Board of Directors, in connection with medium- and long-term goals.

b. **plan's main objectives**
The ILP's main objectives are to motivate and reward the Company's key executives in the attainment of medium- and long-term results and to ensure a compatible overall rewards package.

c. **how the plan contributes to these objectives**
Determination of the performance results under the ILP is based on two indicators, each with 50% weight in aggregate results over a 4-year period. The indicators are: TSR – Total Shareholder Return and EPS – Earnings per Share.

d. **how the plan matches the Company's compensation policy**
The ILP was devised as a means to supplement the Performance Shares plan of the indirectly controlling shareholder the ENGIE Group, as described in item "13.15" hereof. It is a specific deferred bonus additional to the fixed and variable compensation and established for the Company's managers.

e. **how the plan aligns with the short-, medium- and log-term interests of the managers and the issuer**
The ILP is pegged to the Company's performance indicators as follows: TSR – Total Shareholder Return and EPS – Earnings per Share, both of which are performance metrics.

f. **maximum number of shares covered**
There is no maximum number of shares covered. The maximum number of Phantom Shares to be distributed corresponds to the maximum individual amount as described in item "g", below, divided by the value of the shares.

g. **maximum number of options granted**
As described in item "h", below, the amount of the ILP (% of the annual salary converted into Phantom Shares) is limited to 130% of the Company's compensation range for the executive's position plus the ILP set for the position in question on the granting date. The annual base salary plus adjusted ILP must not exceed this limit.

h. stock purchase conditions

The ILP is intended for the executives of the Company and of the directly controlling shareholder, ENGIE Brasil Participações, who maintain management agreements and positions with the companies' Executive Boards. The controlling shareholder will annually determine executives eligible for the ILP.

i. acquisition- or strike-price setting criteria

The market value of the Phantom Shares is calculated as the simple average of the closing price of the EGIE3 stock in the three months preceding the grant date. Upon the plan's 4th anniversary, the market value of the phantom shares (again, calculated as the average closing price of EGIE3 in the 3 months preceding the end of the period) will be the basis for the reward to be paid for goals achieved. The ending date shall be the 15th of March subsequent to the plan's 4th anniversary, after the previous fiscal year's accounts have been drawn and finalized.

The ILP payment is a percentage of the value of the Phantom Shares at the end of the cycle. The percentage will be contingent on results achieved in terms of the plan's two performance indicators over the 4-year period.

The plan uses two indicators, in line with the goas set by the directly controlling shareholder, ENGIE Brasil Participações. Each indicator has 50% weight and impact on the phantom shares, as follows:

a) TSR – Total Shareholder Return (50% weight – half of the phantom shares):
   - TSR is based on the change in share price plus proceeds (dividends and interest on shareholders' equity) paid per share over a certain period.
   - The Company's performance according to this indicator will be compared with the panel of companies forming the stock exchange's IBrX100 index.
   - TSR will be calculated according to the methodology applied by third parties retained by the controlling shareholder, ENGIE Brasil Participações. The methodology may change for every version of the plan as circumstances recommend.
   - 50% of the total proposed number of phantom shares will be granted according to the following criteria: none of the 50% of phantom shares with TSR is lower than the median for the group of compared companies; 25% of the 50% of phantom shares if the Company's accumulated TSR is equal to or greater than the median of the group of compared companies; 100% of the 50% of phantom shares will be granted if the Company's results are within the third quartile or better. Results between the median and the third quartile will be pro-rated between the minimum and maximum amounts (proportional amounts in the 25%-100% range out of the available 50%).

b) EPS – Earnings per Share (weight 50% - half of the phantom shares):
   - The applicable amount will be the accumulated earnings per share (EPS) indicator over the plan's period.
   - At the discretion of the controlling shareholder, ENGIE Brasil Participações, the indicator may be adjusted when the plan is affected by strategic decisions causing a significant impact on the EPS indicator during the plan's relevant period.

- Far award calculation (year N), the basis for comparison will be the Medium-Term Plan N+1-N+6, provided together with Nv1 (current year).

An amount equal to 50% of the proposed number of phantom shares connected with this indicator will be awarded based on the following criteria: no phantom shares if the accumulated EPS is lower than 90% of target; 33% of the 50% of shares (half of the shares granted), if the accumulated EPS is 90% of target; 100% of the 50% of shares (half of the shares granted), if the accumulated EPS equals the target. For intermediate results (between 90% and 100% of target), a linear pro-rating system will apply between the minimum and maximum amounts for the purposes of phantom-share calculations.

The amount of the ILP (% of the annual salary converted into Phantom Shares) is limited to 130% of the Company's salary range for the executive's position plus the ILP set for the relevant position on the granting date. The annual basic salary plus adjusted ILP may not exceed this limit.

j. maturity-setting criteria

According to the ILP, the plan shall have a duration of 4 years, pursuant to the methodology proposed by the specialized consultants responsible for drafting the plan in 2012.

k. settlement

The plan involves a specific deferred bonus paid in cash 4 years after the granting date. Payment of the ILP to Statutory Officers shall be made by the Company, and payment to the Chairman of the Board of Directors shall be made by the directly controlling shareholder, ENGIE Brasil Participações, and reimbursed by the Company.

l. restrictions on share transfers

Given that the ILP provides for payment of a specific deferred bonus based on phantom shares, share transfers are not possible.

m. criteria and events that shall, upon occurring, cause the plan's suspension, amendment or extinction

It shall be the prerogative of the directly controlling shareholder, ENGIE Brasil Participações, to at any time, with or without advance notice, modify, change, correct, include or eliminate ILP conditions, as well as to cancel future grants, irrespective of justification.

n. effects of the manager's severance from the issuer's managing bodies on his or her rights under the share-based compensation plan

Executives who leave the Company before the end of the 4-year waiting period provided under the ILP shall be automatically waiving right to any payments under the plan. Exceptions may apply in the event of: severance from the Company to perform duties under other ENGIE Group companies, after retirement due to time in employment or illness, joining voluntary severance programs, termination without cause at the discretion of the Company, or due to death of the executive.

13.5 Share-based compensation of the Board of Directors and Statutory Board recognized in the result for the last 3 fiscal years and estimated for the current fiscal year:

The Company's share-based compensation is booked in its ledgers as described in item "13.4" hereof. This is the Long-Term Incentive Plan ("ILP") that the Company's directly controlling shareholder, ENGIE Brasil Participações Ltda., offers to the Executive Board.

Members of the Board of Directors shall not be eligible for share awards under the Long-Term Incentive Plan (ILP) in the performance of their positions with the Company. They may potentially receive, as Board members, amounts arising from shares awarded during their terms as Executive Officers of the Company.

Share-based compensation projected for the current fiscal year (2022)

	Board of Directors	Executive Board
Total number of members	18	8
Number of compensated members	1	4
Weighted average strike price:		
(a) Of outstanding shares at the beginning of the fiscal year	-	-
(b) Of options lost during the fiscal year	-	-
(c) Of options exercised during the fiscal year	160,150.38	1,572,122.91
(d) Of options expired during the fiscal year	-	-
Potential dilution in the event of the exercise of all options granted	Not applicable	Not applicable

(a) The number of members earning compensation corresponds to the number of incumbent and former Executive Officers collecting payment in shares awarded while holding a position with the Company's Executive Board.

Share-based compensation - fiscal year ending December 31, 2021

	Board of Directors	Executive Board
Total number of members	17.67	8
Number of compensated members	1	8
Weighted average strike price:		
(a) Of outstanding shares at the beginning of the fiscal year	-	-
(b) Of options lost during the fiscal year	-	-
(c) Of options exercised during the fiscal year	111,441.27	2,434,539.14
(d) Of options expired during the fiscal year	-	-
Potential dilution in the event of the exercise of all options granted	Not applicable	Not applicable

(a) The number of members earning compensation corresponds to the number of incumbent and former Executive Officers collecting payment in shares awarded while holding a position with the Company's Executive Board.

Share-based compensation - fiscal year ending December 31, 2020

	Board of Directors	Executive Board
Total number of members	16.58	7
Number of compensated members	1	7(a)
Weighted average strike price:		
(a) Of outstanding shares at the beginning of the fiscal year	-	-
(b) Of options lost during the fiscal year	-	-
(c) Of options exercised during the fiscal year	319,266.00	1,201,736.12
(d) Of options expired during the fiscal year	-	-
Potential dilution in the event of the exercise of all options granted	Not applicable	Not applicable

(a) The number of members earning compensation corresponds to the number of incumbent and former Executive Officers collecting payment in shares awarded while holding a position with the Company's Executive Board.

Share-based compensation - fiscal year ending December 31, 2019

	Board of Directors	Executive Board
Total number of members	15.75	6.67
Number of compensated members	1	7(a)
Weighted average strike price:		
(a) Of outstanding shares at the beginning of the fiscal year	-	-
(b) Of options lost during the fiscal year	-	-
(c) Of options exercised during the fiscal year	332,036.40	1,674,925.00
(d) Of options expired during the fiscal year	-	-
Potential dilution in the event of the exercise of all options granted	Not applicable	Not applicable

(a) The number of members earning compensation corresponds to the number of members and former members of the Executive Board who earned payment in the form of shares awarded while performing as members of the Company's Executive Board. As a result, the number of compensation earners may exceed the total number of members, as the later only covers the number of members in 2019.

For every award recognized in the results of the last 3 (three) fiscal years and the current fiscal year

Awards scheduled for the fiscal year under way (2022)

	Executive Board
Total number of members	8
Award date	03.15.2022
Number of options awarded	28,841
Option exercise period	03.15.2026
Final option exercise deadline	03.15.2026
Restricted share-transfer period	Not applicable

Share-based compensation - fiscal year ending December 31, 2021

	Executive Board
Total number of members	8
Award date	03.15.2021
Number of options awarded	34,634
Option exercise period	03.15.2025
Final option exercise deadline	03.15.2025
Restricted share-transfer period	Not applicable
Option value on the awarding date (simple average of the closing price in the 3 months preceding the ward)	R$43.22

Share-based compensation - fiscal year ending December 31, 2020

	Executive Board
Total number of members	7
Award date	03.15.2020
Number of options awarded	34,620
Option exercise period	03.15.2024
Final option exercise deadline	03.15.2024
Restricted share-transfer period	Not applicable
Option value on the awarding date (simple average of the closing price in the 3 months preceding the ward)	R$50.63

Share-based compensation - fiscal year ending December 31, 2019

	Executive Board
Total number of members	6.67
Award date	03.15.2019
Number of options awarded	28,841
Option exercise period	03.15.2023
Final option exercise deadline	03.15.2023
Restricted share-transfer period	Not applicable
Option value on the awarding date (simple average of the closing price in the 3 months preceding the ward)	R$39.50

13.6 Outstanding options of the Board of Directors and the Statutory Executive Board at the end of the last fiscal year

As of the date of this document, there are no outstanding options in the name of members of the Board of Directors and the Executive Board.

13.7 Exercised options and shares delivered relative to share-based compensation of the Board of Directors and the Statutory Executive Board in the last three fiscal years

No options or shares were granted relative to share-based compensation in the past 3 fiscal years.

13.8 Succinct description of the information required for understanding the data disclosed in items "13.5" - "13.7", such as explanation of the shares and options pricing method

The Long-Term Incentive Plan ("ILP") is proposed annually by the directly controlling shareholder, ENGIE Brasil Participações Ltda., in the light of the following:

- Each beneficiary's individual amount will be set as a percentage of the executive's annual base salary.
- The amount of the "ILP" shall be deducted of the nominal amount, on the date of the award of the performance shares plan of ENGIE S.A., granted in the previous year. Therefore, a portion of the long-term incentive will be pegged to the results of the Company's indirectly controlling shareholder, the ENGIE Group.
- The resulting amount will be converted into a number of phantom shares based on the market value of the company's shares (EGIE3), providing the basis for the amount of the bonus to be paid for objectives attained by the date of the plan's maturity.

a) pricing model

Awarding of Phantom Shares considers the share's market value and is calculated as the simple average of the closing price of EGIE3 in the 3 months preceding the date of the award. The date of the award is that provided in the Performance Shares plan of the indirectly controlling shareholder, ENGIE S.A., and usually in December each year.

b) Data and assumptions used in the pricing model, including the weighted average price of shares, strike price, expected volatility, option life, expected dividends, and risk-free interest rate

For as long as the plan is in force, the number of shares assigned to determine the amount of the incentive may increase proportionally based on the share price when the company pays its shareholders dividends and interest on shareholders' equity. The restatement is to be carried out by means of the calculation of the dividend yield of the closing price of EGIE3 on the relevant date.

The exact amount of the incentive will be calculated using the following formula: (% SB – VF PSP) / price of the EGIE3 share on the plan's starting date = X Number of phantom shares (initial), where:

- % SB is a % of the basic annual salary according to the executive's wage matrix on the plan's starting date;

- VF PSP is the face value of the performance shares of ENGIE S.A. granted in the previous year, at the quoted price and EUR/BRL exchange rate on the granting date thereof;
- Price of EGIE3 as discussed in letter "a" of the present section

c) method and assumptions used to incorporate the expected effects of early exercise

The Group's share based ILP does not provide for early exercise.

d) means of determining expected volatility

Not applicable to the Group's shares based ILP plan, as share volatility was not a factor in the calculations made to determine the amount of the bonus.

e) whether any other option features were included in its fair value measurement

Full payment of the ILP shall be a percentage of the value of the shares at the end of the cycle. The percentage will be set based on results achieved according to the plan's two performance indicators over the plan's 4-year duration: TSR – Total Shareholder Return (50% weight – half of the phantom shares) and EPS – Earnings per Share (50% weight – half of the phantom shares).

At the end of the plan's 4-year duration, the market value of the shares (again, calculated as the average closing price of EGIE3 in the 3 months preceding the ending date) will provide the basis for the amount of the bonus to be paid for goals attained. The ending date shall be the 15th of March after the plan's 4th anniversary, after the previous year's results have been finalized.

13.9 Number of shares directly or indirectly held, in Brazil or abroad, and other convertible securities issued by the Company, its directly or indirectly controlling entities, controlled or jointly controlled entities, by members of the Board of Directors, of the Statutory Executive Board or of the Fiscal Council, grouped by corporate body, on the closing date of the latest fiscal year

On December 31, 2021, the Company had 815,927,740 common shares, all nominative and with no face value.

The table next shows the number of shares and other securities held by Directors and Officers of the Company:

Body	Number of shares held on December 31, 2021		
	Common Shares		
	Directly	Indirectly	Total
Board of Directors	66,655	-	66,655
Executive Board	7,250	-	7,250
Fiscal Council	4,583	-	4,583
Total	**78,488**	**-**	**78,488**

The shares held by these individuals correspond to 0.009619% of all shares issued.

Share price on December 31, 2021, was R$ 38.41 per share.

13.10 Pension plans in effect granted to the members of the Board of Directors and Statutory Executive Board

(Amounts in R$)	Board of Directors	Executive Board
Number of members	17.67	8
Number of compensated members	2	8
Plan name	CD Plan	CD Plan
Number of members of management qualified for retirement	0	1
Qualifying for early retirement	2	4
Restated amount of the accumulated contributions to the pension plan at the close of the last fiscal year, discounting the portion relating to contributions made directly by members of management	1,941,440.82	8,700,235.04
Total accumulated amount of the contributions made during the last fiscal year, discounting the portion relating to contributions made directly by members of management	42,909.46	654,433.28
Whether early redemption is possible, and under what conditions	Not applicable	Not applicable

13.11 Maximum, minimum and average individual compensation of the members of the Board of Directors, Statutory Executive Board and Fiscal Council, in the last 3 fiscal years

	Board of Directors			Executive Board			Fiscal Council			Statutory Audit Committee		
(Amount in R$)	12.31.2021	12.31.2020	12.31.2019	12.31.2021	12.31.2020	12.31.2019	12.31.2021	12.31.2020	12.31.2019	12.31.2021	12.31.2020	12.31.2019
No of members	17.67	16.58	15.75	8	7	6.67	6.00	5.33	3	3	2	-
No of compensate members	14.67	14.42	11.92	8	7	6.08	6.00	5.33	3	3	2	-
Amount of the highest compensation	2,080,483.95	2,193,509.56	2,090,450.34	3,371,882.49	2,361,439.08	2,535,148.05	151,343.96	146,751.80	156,713.06	220,127.70	150,514.67	-
Amount of the lowest compensation	147,202.90	138,587.02	138,587.02	846,301.93	968,711.77	914,262.94	75,671.98	146,751.80	156,713.06	220,127.70	150,514.67	-
Average compensation	348,075.20	379,839.27	469,685.49	2,214,118.93	1,243,682.93	1,659,026.21	122,670.67	119,310.42	156,713.06	220,127.70	210,720.54	-

Pursuant to Circular Letter/Annual-2022-CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The members of the Executive Board and the identified Boards with the highest and lowest compensation occupied their posts throughout the twelve months of the year.

The lower average compensation of Fiscal Council members in 2020 is due to the fact that alternates began to be paid midway through the fiscal year, when it was stipulated that alternates would be compensated at 50% of the monthly amount allocated to full members.

The Statutory Audit Committee's highest and lowest compensation amounts reflect the sum total of 8 months' payments in fiscal year since the creation of the body. The average compensation of the Statutory Audit Committee in 2020 at a higher amount than the highest compensation is due to the less than 12 months run in the fiscal year since the body's creation.

13.12 Contractual arrangements, insurance policies or other instruments establishing compensation or indemnification mechanisms for members of management in the event of removal from the position or retirement and what the financial consequences thereof for the Company

The Company has no contractual arrangements, insurance policies or other instruments establishing compensation or indemnification mechanisms for members of management in the event of removal from the position or retirement.

13.13 Concerning the last 3 fiscal years, indicate the percentage of total compensation of each body as booked in the Company's results relating to members of the Board of Directors, the Statutory Executive Board or the Fiscal Council who are related parties to directly or indirectly controlling shareholders as defined by the accounting rules that address this matter

The compensation of the members of the Board of Directors who have labor contracts linked either directly or indirectly to the controllers of the Company corresponded to 63%, 69% and 82% of total compensation of the Board of Directors in 2020, 2019 and 2018, respectively.

In the past 3 years, no members of the Fiscal Council were deemed related parties to the Company's controlling shareholders.

13.14 Amounts booked in the result of the Company as compensation of members of the Board of Directors, the Statutory Executive Board or Fiscal Council, grouped by body, for any reason other than the positions held, such as, for example, committee seats held and consulting or advisory services rendered, in relation to the last 3 fiscal years

No compensation was paid to members of the Board of Directors, the Executive Board or Fiscal Council for any reason other than the positions held in the past 3 fiscal years.

13.15 Amounts recognized in the result of the controllers, either direct or indirect, of corporations under common control and of Company's subsidiaries, as compensation of members of the Board of Directors, of the Statutory Board or the Fiscal Council of the Company, grouped by collegiate body, specifying why these amounts were assigned to these individuals, in relation to the last 3 fiscal years

The Company's Controlling Conglomerate, ENGIE S.A., has a performance share grant program that may be awarded to senior executives and professionals under the conditions in force.

The table next shows the average awards of share of the Controlling Conglomerate to members of the Company's Board of Executives:

FY 2021 – Compensation received for Positions Held with the Company

	Board of Directors	Executive Board	Fiscal Council	Statutory Audit Committee	Total
Directly and indirectly controlling shareholders	-	225,063.88	-	-	225,063.88
Controlled entities of the Company	-	-	-	-	-
Jointly controlled entities	-	-	-	-	-

FY 2020 – Compensation received for Positions Held with the Company

	Board of Directors	Executive Board	Fiscal Council	Statutory Audit Committee	Total
Directly and indirectly controlling shareholders	-	122,958.57	-	-	122,958.57
Controlled entities of the Company	-	-	-	-	-
Jointly controlled entities	-	-	-	-	-

FY 2019 – Compensation received for Positions Held with the Company

	Board of Directors	Executive Board	Fiscal Council	Total
Directly and indirectly controlling shareholders	-	152,502.86	-	152,502.86
Controlled entities of the Company	-	-	-	-
Jointly controlled entities	-	-	-	-

13.16 Other information that the Company may deem relevant

Pursuant to Circular Letter/Annual-2022-CVM/SEP, social charges owed by the employer shall not be within the scope of "direct and indirect benefits" and shall not be included in the global or individual compensation amounts in this item's compensation tables.

The social charges segregated from this item's tables in fiscal years 2022, 2021, 2020 and 2019 were R$ 5,699,158.18, R$ 5,563,453.67, R$ 3,242,642.25 and R$ 4,308,126.74, respectively.

Annual average number of total members per body

FY 2021

Month	Board of Directors	Executive Board	Fiscal Council	Statutory Audit Committee
January	18	8	6	3
February	18	8	6	3
March	18	8	6	3
April	18	8	6	3
May	18	8	6	3
June	18	8	6	3
July	18	8	6	3
August	16	8	6	3
September	16	8	6	3
October	18	8	6	3
November	18	8	6	3
December	18	8	6	3
Total	**212**	**96**	**72**	**36**
Annual average members	**17.67**	**8**	**6**	**3**

FY 2020

Month	Board of Directors	Executive Board	Fiscal Council	Statutory Audit Committee
January	17	7	4	0
February	17	7	4	0
March	17	7	4	0
April	17	7	4	0
May	17	7	6	3
June	16	7	6	3
July	16	7	6	3
August	16	7	6	3
September	16	7	6	3
October	16	7	6	3
November	17	7	6	3
December	17	7	6	3
Total	**199**	**84**	**64**	**24**
Annual average members	**16.58**	**7**	**5.33**	**2**

FY 2019

Month	Board of Directors	Executive Board	Fiscal Council
January	15	7	3
February	15	7	3
March	16	7	3
April	15	6	3
May	15	6	3
June	15	6	3
July	15	6	3
August	15	7	3
September	17	7	3
October	17	7	3
November	17	7	3
December	17	7	3
Total	**189**	**80**	**36**
Annual average members	**15.75**	**6.67**	**3**

14.3 Description of the compensation policy for the Company's employees

a. salary and variable compensation policy

Compensation policy:

The Company's compensation policy is to maintain compensation in line with market practices, meeting the interests of the Company and its employees. Therefore, the company understands that:

- The amount paid to each employee for his or her work in the Company shall be consistent with the market value of such work;
- Compensation should reflect each employee's responsibilities, performance level and results achieved, both individually and as a member of a team.

Variable compensation system:

In addition to the fixed salary paid, the Company maintains a variable compensation system based on the attainment of business objectives and the percentage attainment of goals associated therewith. This is measured annually based on the Company's financial results and the evaluation of the performance of each of the Company's areas. As such, variable compensation is made up of:

- Profit- or Income-Sharing Program (PLR): extended to all of the Company's employees and contingent on business results as measured by the fiscal year's EBITDA, in addition to attainment of departmental goals. These criteria are negotiated with workers' unions and established in the Collective Bargaining Agreement (ACT). Payment of the PLR fosters competitive compensation compared with those typical of the Brazilian jobs market
- Management Bonus Program: applicable to all employees with managerial duties. The program is pegged to attainment of business goals and is contingent on percentage attainment thereof.

The Management's proposal considers an amount of up to R$ 37.9 million in employee PLR for fiscal year 2021, to be distributed according to the criteria set forth in the Company's Compensation System and Collective Bargaining Agreements.