Earnings Release 1Q21

For Immediate Release

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Video Conference
On 5/6/2021 at 10:00 a.m. (EDT):
in Portuguese (simultaneous translation into English)

Further details on Upcoming Events section, available on page 31.

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IBOVESPA B3

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ITAG B3

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Florianópolis, Brazil, May 5, 2021. ENGIE Brasil Energia S.A. (“ENGIE” or “Company”) – B3: EGIE3, ADR: EGIEY - announces earnings for the First Quarter of 2021 (1Q21). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Brazilian Reais (R$), except where otherwise indicated. Rounding effects may cause differences in percentage changes, when comparing the comments on Economic-Financial Performance, presented in R$ million, with the Income Statement (Appendix III), presented in R$ thousand.

ENGIE Brasil Energia begins commercial operations at Campo Largo II, surpassing 1GW in installed wind power capacity and 1.2GW in non-conventional renewable sources

Ebitda and net income report growth of 30.5% and 3.3%, respectively in relation to the first quarter 2020.

Highlights

- ENGIE Brasil Energia reported net operating revenue of R$ 3,250 million in the 1Q21, 25.3% (R$ 655 million) higher than recorded in the 1Q20.
- The Company posted Ebitda[1] of R$ 1,738 million in the 1Q21, an increase of 30.5% (R$ 406 million) compared to the 1Q20. The Ebitda Margin was 53.5% in the 1Q21, a growth of 2.2 p.p. compared with the 1Q20.
- Net income was R$ 529 million (R$ 0.6481/share) in the 1Q21, 3.3% (R$ 17 million) higher than posted in the 1Q20.
- The average price of the energy sales agreements, net of taxes on revenues and trading operations, was R$ 205.13/MWh in the 1Q21, 6.7% higher than registered in the 1Q20.
- Excluding trading operations, the energy sales volume was 9,084 GWh (4,205 average MW), 3.0% lower than sold in the 1Q20.
- Initiatives for combatting Covid-19 by the crisis committee continue; weekly tests on employees and service providers; participation in the Alliance for Life Project; in partnership with the BNDES, ensuring the viability of an oxygen plant; the campaign for raising funds to help communities surrounding the plants; adherence to the United by Vaccine movement for acquisition of materials required for vaccinations.
- The Company awarded FRAM Capital the right of exclusivity for 120 days as from February 25, 2021 to perform due diligence with a view to the sale of the Jorge Lacerda Thermoelectric Complex.
- The National Electric Energy Agency (Aneel) authorized the Campo Largo II Wind Complex to begin commercial operations at the IX, X and XIV wind farms, representing 79.8 MW of installed capacity in operation out of a total of 361.2 MW.
- Fitch Ratings reiterated its 'AAA (bra)' rating on the Long-Term National Scale and for the Company's sixth, seventh and nineth debenture issues, both with a stable outlook. The Company's long-term international ratings in foreign and local currency were also reaffirmed, respectively at BB' and 'BBB-', both with a negative outlook due to the limit imposed by sovereign rating, albeit leaving the Company ratings still one notch higher.
- Resumption in the process for the proposed sale of the entire shareholding of the Pampa Sul Thermoelectric Power Plant - with a 345 MW installed capacity - in line with ENGIE's worldwide decarbonization strategy.
- ENGIE was recognized as the best company in Latin America in the Environment category, receiving the Latin Trade IndexAmericas Sustainability Award 2021, sponsored by the Inter-American Development Bank (IDB) in partnership with Latin Trade, a business magazine circulating over the past 27 years in the region.

Subsequent Events

- Aneel authorizes the commercial operations of the XVII wind farm in the Campo Largo II Wind Complex in April 2021 and VIII wind farm on May 4.
- The Annual General Meeting of April 28th approved the distribution of complementary dividends for the fiscal year ending December 31, 2020 in the amount of R$ 609.6 million (R$ 0.7471/share), payout reaching 100% of the distributable net income (excluding the renegotiation of the hydrological risk). Shares will trade ex-dividend from May 12, 2021 and payment date will be announced in due course by the Management Board.
- On April 29, ENGIE Brasil Energia launched the 2020 edition of its Sustainability Report. To access the full content click here.

Summary of Financial and Operational Indicators

Consolidated (In millions of R$)	1Q21	1Q20	Chg.
Net Operating Revenue (NOR)	3,250	2,595	**25.3%**
Results from Operations (EBIT)	1,507	1,097	**37.5%**
Ebitda (1)	1,738	1,332	**30.5%**
Ebitda / NOR - (%) (1)	53.5	51.3	**2.2 p.p.**
Net Income	529	512	**3.3%**
Return On Equity (ROE) (2)	34.8	33.5	**1.3 p.p.**
Return On Invested Capital (ROIC) (3)	22.6	19.3	**3.3 p.p.**
Net Debt (4)	13,235	11,084	**19.4%**
Gross Power Production (avg MW) (5)	4,601	3,611	**27.4%**
Energy Sold (avg MW) (6)	4,205	4,337	**-3.0%**
Average Net Sales Price (R$/MWh) (7)	205.13	192.17	**6.7%**
Number of Employees - Total	1,600	1,478	**8.3%**
EBE Employees	1,472	1,462	**0.7%**
Employees on Under Construction Plants	128	16	**700.0%**

[1] Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization.
[2] ROE: net equity for the past 4 quarters /shareholders' equity.
[3] ROIC: effective tax rate x EBIT / invested capital (invested capital: debt - cash and cash equivalents - deposits earmarked for debt servicing + SE).
[4] Adjusted amount, net of gains from hedge operations.
[5] Total gross electricity output from the plants operated by ENGIE Brasil Energia.
[6] Disregarding sales for quota regime (Jaguara and Miranda HPPs).
[7] Net of taxes and trading operations.

MESSAGE FROM THE MANAGEMENT

A year has passed since the world embarked on a journey across a new frontier of human experience, tackling a pandemic the like of which unknown to current generations. And although science already offers a more optimistic outlook for the future, the truth of the matter is that we continue living under the limitations imposed by the coronavirus. This emergency scenario has tested the health structure and the domestic economic framework to the limit, companies from the North to South of the country having engaged with society to support institutions and socially vulnerable communities. At ENGIE Brasil Energia, we have spared no effort in offering all support for the neediest while our employees act tirelessly to maintain our operations at the highest level, generating positive results, guaranteeing the supply of energy - vital to society - without compromising occupational safety and health and respect for the environment.

Our social investment and elevated standards of socio-environmental management are made possible thanks to the transversal way in which we employ our governance in all the activities we execute critical to the financial discipline necessary to enhance the trust of our shareholders. This has been a determining factor in our positive results. And it was the soundness of ENGIE Brasil Energia that allowed Fitch Ratings in March to reiterate the Company's National Scale Long-Term Credit and the sixth, seventh and nineth debenture issues at 'AAA (bra)', both with a stable outlook. The Company's international long-term foreign and local currency ratings were also reaffirmed, respectively, at 'BB' and 'BBB-', both with a negative outlook due to the limit imposed by Brazil's sovereign rating, notwithstanding both being one notch above the latter.

In 1Q21, net operating revenue increased 25.3%, totaling R$ 3.2 billion, with Ebitda 30.5% higher at R$ 1.7 billion. These positive variations reflect substantially the expanded contribution from TAG and the transmission segment to the Company's results in relation to the same period in 2020 as well as the reduction in energy purchases volume, the increase in net average selling prices and the booking of a non-recurring amount complementary to reimbursement received as the outcome to the renegotiation of hydrological risk at year-end 2020. Net Income recorded a 3.3% increase reaching R$ 529 million, despite the variation of General Price Index of Market (IGP-M) in the restatement of concessions payable.

Our cash position continues a comfortable one in the order of R$ 4 billion and our net debt/Ebitda ratio remains at approximately 2.0x. We continue to forecast investments at about R$ 3.6 billion for 2021, a reflection of our determination to accelerate the energy transition in the direction of a carbon neutral economy and to strengthen our operations in infrastructure through energy transmission projects.

We remain focused on our renewable energy generation and transmission projects. Progress registered in the first quarter should accelerate still more throughout the rest of the year with the entry into operations of the projects currently under development. In 1Q21, Aneel authorized commercial operations of three wind farms totaling 79.8 MW of installed capacity at the Campo Largo Wind Complex - Phase II, in the Municipality of Umburanas (BA), out of a total of 361.2 MW, with energy output totally directed to the Free Contracting Environment (ACL). The conclusion of Phase II is scheduled for third quarter this year, and with it, ENGIE's total nationwide wind energy capacity will surpass 1 gigawatt (GW) – a landmark in the Company's history, which now has more than 1.2 GW in non-conventional renewable sources. The Gralha Azul and Novo Estado transmission systems continue with work in progress. Gralha Azul has reached 83% completion and Novo Estado, 69%, both therefore on track as planned for coming on stream in September and December 2021, respectively.

> "ENGIE Brasil Energia believes implicitly in the potential for the sustainable development of Brazil. At a moment when a more favorable environment for business will be fundamental in the recovery of the country's economy, the Company maintains its efforts focused on the strengthening of the energy sector, generating a positive impact for millions of Brazilians."

With respect to the sale of our thermoelectric plants, today representing about 10% of the Company's installed capacity, ENGIE has granted FRAM Capital exclusive rights for 120 days from February 25, 2021 for preparing their due diligence on the Jorge Lacerda Thermoelectric Plant. In March, the process for selling all the shares in the Pampa Sul Thermoelectric Plant was also resumed. The envisaged sale of both the Jorge Lacerda Thermoelectric Complex and Pampa Sul are in line with ENGIE's worldwide decarbonization strategy. Should the sale of Jorge Lacerda not come to fruition, the Company will continue the study for a phased decommissioning of the Complex – this latter process already in execution parallel to the eventual sale option.

With the community in mind, ENGIE has invested in the following proprietary and third-party projects:

- **United by Vaccine** – the *Grupo Mulheres do Brasil* initiative combining hundreds of entities, companies, associations, and NGOs has the ambitious goal of vaccinating all Brazilians by September 2021, contributing to the purchase of syringes and needles as well as supporting the transportation and storage of the doses, benefiting the municipalities surrounding the plants;

- **Alliance for Life** – another initiative involving various companies in the state of Santa Catarina, providing free attendance to those patients at the pre-inflammatory stage of Covid-19 – additional support that seeks to avoid patients being without medical support while public and private healthcare units are overwhelmed – the project encompasses municipalities in the Greater Florianópolis area with home visits or telemedicine consultations;
- **Plants Emergency Fund** – additional financial support for basic items such as hospital products and basic baskets of goods for the communities lying adjacent to the plants;
- **Digital Empowerment Center (CED)** – a project run in the municipality of Umburanas (BA) with the aim of training local youth through the intermediary of IT courses, creating opportunities for learning, income generation, entrepreneurship, and civic engagement in the community;
- **Social Projects in the Vicinity of the Novo Estado Transmission System** – created as a function of the construction of the Serra Pelada Substation and the expansion of the Itacaiúnas and Xingu substations in the state of Pará, and Miracema in the state of Tocantins, the objective being to generate opportunities for employment and income creation and contribute to the economic and social development of the communities in these states during and after the implementation phase of the transmission system;
- **Between Thread and Needles (*Entre Linhas e Agulhas*) – Sewing Dreams** – the implementation of a sewing atelier in the Rodoleiro community in the municipality of Umburanas, benefiting in particular local women. In addition to the sewing atelier, the project involves the acquisition of equipment/materials and training by SESI (Social Service of Industry) in cutting and sewing. The community will also benefit from the construction of a square with a sports court, while a community nursery will be installed in the Barriguda da Brasilia Community, residents to receive instruction from a technician for an initial six-month period.

ENGIE Brasil Energia's hands-on commitment to socio-environmental management has also produced important results. During the quarter, the Company was recognized as the best company in Latin America in the Environment category of the Latin Trade IndexAmericas Sustainability Award 2021, organized by the Inter-American Development Bank (IBD) in partnership with Latin Trade, a magazine which has been circulating in the Latin American region for 27 years. The publication has highlighted the Company's projects such as the Biodiversity Matrix, the Headwater Springs Conservation Program, the Management Integration System and also ISO 9001, ISO 14001, and OHSAS 18001 certifications.

In addition to all the projects listed above, a further two important landmark events were registered in the ESG field, more specifically in S and G: (i) in Occupational Safety, the **Salto Osório Modernization Project**: more than a million hours worked without an accident requiring time off work since the beginning of the project in July 2018, bearing witness to our commitment to the occupational health and safety of our employees; and (ii) in Compliance, ENGIE Brasil Energia reinforced its commitment to the Ethos Institute's **Corporate Pact for Integrity and Against Corruption**. The Pact is a voluntary commitment taken on board by private and public companies, the objective of which is to promote a more integral and ethical market and to eradicate bribery and corruption.

Lastly, but no less relevant, in the AGM of April 28, the shareholders approved the proposal for the distribution of complementary dividends for the fiscal year ending December 31, 2020 worth R$ 610 million (R$ 0.7471/share), elevating payout for 2020 to 100% of distributable net income (discounting the effects of the renegotiation of hydrological risk).

ENGIE Brasil Energia believes implicitly in the potential for the sustainable development of Brazil. At a moment when a more favorable environment for business will be fundamental in the recovery of the country's economy, the Company maintains its efforts focused on the strengthening of the energy sector, generating a positive impact for millions of Brazilians.

We believe that with progress in mass vaccination and a return to normality, we will also undergo a process where businesses will take on a new meaning and where relations with our stakeholders can strengthen. And just as we showed during the atypical year of 2020, we are prepared to contribute towards overcoming the challenges which will arise in the future in an integral, courageous and responsible way.



Eduardo Antonio Gori Sattamini
Chief Executive and Investor Relations Officer



Marcelo Cardoso Malta
Chief Financial Officer

BREAKDOWN OF ASSETS

Energy Generation Assets

ENGIE Brasil Energia is part of the largest independent power producer group in the country and, at the end of the 1Q21 had 8,790.3 MW of installed capacity and operates a generating complex with 10,511.0 MW, comprised of 63 plants (11 hydro, four thermal and 48 complementary energy source plants — biomass, SHP, wind powered and solar), 59 of which are wholly-owned by the Company and four (the Itá, Machadinho and Estreito Hydro Power Plants and the biomass-fired Ibitiúva Bioenergética co-generation plant) jointly-owned through consortia with other companies.

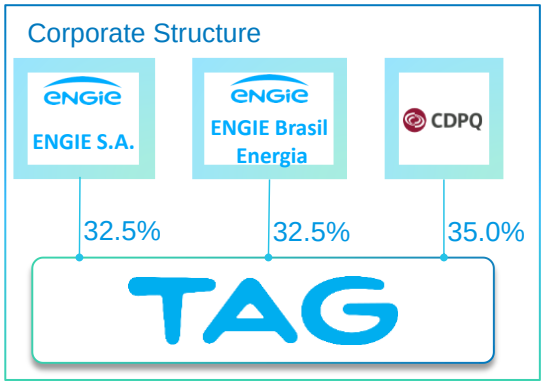
Generating Complex as of March 31, 2021

Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date *	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Oct/30	564.7
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Sep/28	733.3
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	Jul/32	165.3
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	Nov/37	256.9
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	Sep/28	502.6
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	Aug/33	260.8
Jaguara	Hydro	Grande River (MG)	424.0	424.0	Dec/47	341.0
Miranda	Hydro	Araguari River (MG)	408.0	408.0	Dec/47	198.2
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	Apr/37	148.2
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	Sep/28	113.1
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	Sep/34	133.6
Total - Hydro			**8,102.3**	**6,391.7**		**3,417.7**
Jorge Lacerda Complex[1]	Thermal	Capivari de Baixo (SC)	857.0	857.0	Sep/28	649.9
Pampa Sul	Thermal	Candiota (RS)	345.0	345.0	Mar/50	323.5
Total - Thermal			**1,202.0**	**1,202.0**		**973.4**
Umburanas Complex [2]	Wind Farm	Umburanas (BA)	360.0	360.0	Aug/49	213.3
Campo Largo I Complex[3]	Wind Farm	Umburanas (BA)	326.7	326.7	Jul/50	166.5
Campo Largo II Complex[4]	Wind Farm	Umburanas (BA)	79.8	79.8	Dec/54	43.5
Trairi Complex[5]	Wind Farm	Trairi (CE)	212.6	212.6	Sep/41	97.2
Ferrari	Biomass	Pirassununga (SP)	80.5	80.5	Jun/42	35.6
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr/30	13.6
Assú V	Solar	Assú (RN)	30.0	30.0	Jun/51	9.2
Lages	Biomass	Lages (SC)	28.0	28.0	Oct/32	13.7
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	Dec/32	14.0
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	24.4	24.4	Dec/32	11.9
Nova Aurora	Solar	Tubarão (SC)	3.0	3.0	not applicable[6]	0.3
Tubarão	Wind Farm	Tubarão (SC)	2.1	2.1	not applicable[6]	0.3
Total - Complementary			**1,206.7**	**1,196.6**		**619.1**
Total			**10,511.0**	**8,790.3**		**5,010.2**

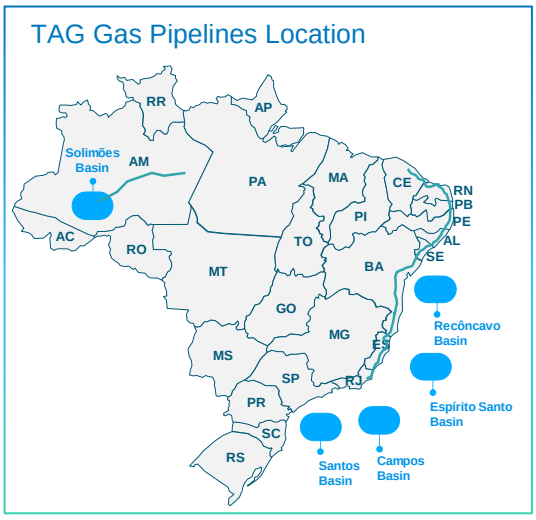
* It does not consider the extension of concessions of certain plants, resulting from adherence to the renegotiation of the hydrological risk referred to in Law 14.052/2020.
[1] Complex comprised of three power plants.
[2] Complex comprised of 18 power plants.
[3] Complex comprised of 11 power plants.
[4] Complex comprised of 11 power plants and 3 under commercial operation on 03/31/2021.
[5] Complex comprised of 8 power plants.
[6] For generating plants with installed capacity lower than or equal to 5 MW the legal instrument applicable is the record.

Gas Transportation Assets

Transportadora Associada de Gás S.A. – TAG (TAG) is the largest natural gas transportation operation in Brazil, with an infrastructure of 4,500 km of high pressure gas pipelines extending along the country's southeastern and northeastern seaboards as well as a further section of line between Urucu and Manaus, in the state of Amazonas, crossing 10 Brazilian states and almost 200 municipalities.



The gas pipeline network has several interconnection points, among them, 10 gas distributors, 13 active gas entry points (including two Liquified Natural Gas (LNG) terminals) and a further 90 gas exit points as well as 11 compressor stations for supplying refineries, fertilizer plants and thermoelectric power plants.



Jointly with the existing partners, a subsidiary of ENGIE S.A. and Caísse de dépôt et placement du Quebec (CDPQ), in July EBE acquired the remaining 10% minority stake still in the hands of Petrobras and worth R$ 1,006.7 million, so that the Company now holds a total of 32.5% of TAG's shares.

ENGIE Brasil Energia's presence into the natural gas segment in Brazil is in line with the Group's global strategy of being a leader in the energy transition. This requires large scale and sophisticated infrastructure such as TAG's gas pipelines, contributing to the diversification and decarbonization of the Brazilian energy mix.

TAG is significantly contracted (~99%) for an average term of approximately 10 years through current agreements with Petróleo Brasileiro S.A. (Petrobras).

Contracts Breakdown

Gas Pipelines	Size (km)	Contract Maturity	Authorization Term Expiration Date	Volumes Contracted (MM m³/day)	% Projected of Net Operating Revenue*	Readjustment index
Gasene	1,400	Nov-33	Mar-39	30.3	40.4%	IGPM/CPI/FX
Malha NE	2,000	Dec-25	Mar-39	21.6	23.2%	IGPM
Pilar-Ipojuca	200	Nov-31	Nov-41	15.0	6.4%	IGPM
Urucu-Coari-Manaus	800	Nov-30	Nov-40	6.7	30.0%	IGPM/IPCA
Lagoa Parda-Vitória	100	Under negotiation	Mar-39	0.7	0.0%	IGPM
Total	**4,500.0**			**74.3**	**100.0%**	

* Differences in the representativity of revenues between contracts may occur.

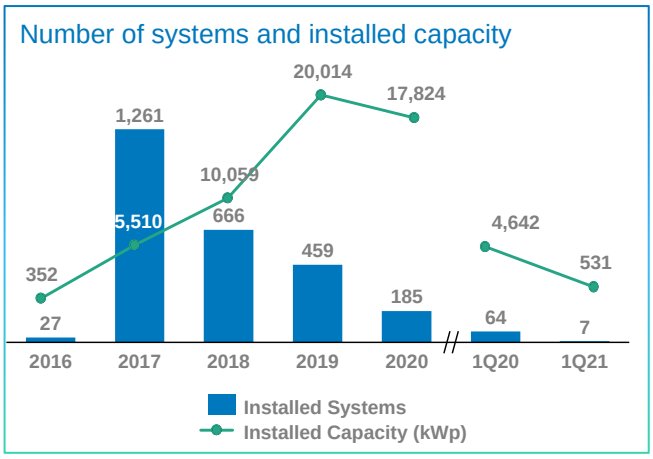
Distributed Solar Generation

ENGIE Geração Solar Distribuída. The Company has operated in the distributed generation market since 2016 through ENGIE Geração Solar Distribuída S.A. (EGSD), the acquisition of the total capital stock of which being concluded in August 2018. The investments in the distributed solar energy segment contributes to a more dynamic energy matrix, one closer to the end consumer.

The first quarter of 2021 saw the confirmation of the viability of new areas for remote generation, a model whereby EGSD makes the investment and leases the equipment to clients (asset-based projects), representing the installation of systems totaling 12 MWp. This will translate into a reduction in the release of approximately 2,175 tons of carbon dioxide annually by our future customers.

In addition, EGSD began work on 17 new projects in 1Q21, these plus the other contracts with work already in progress totaling 40 MWp. The reduction in the number of installations in 1Q21 compared with 1Q20 is due to the change in strategy. Given the asset-based nature of the projects, we are now installing a smaller number of systems, the installation work therefore taking longer to complete, but with the systems having a higher aggregate installed capacity.

Since the outset of its operations, ENGIE Geração Solar Distribuída has installed 2,605 systems with an installed capacity of 54.3 MWp.



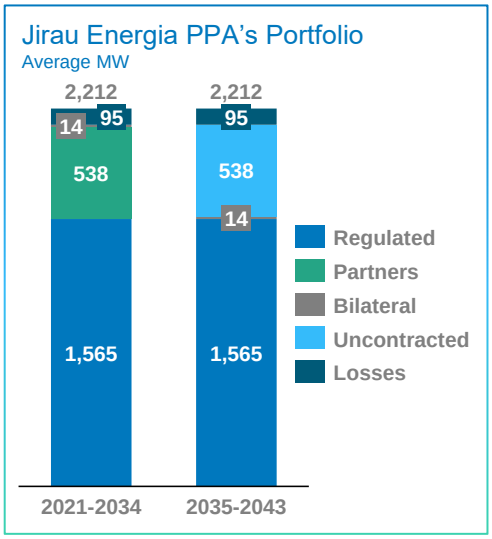


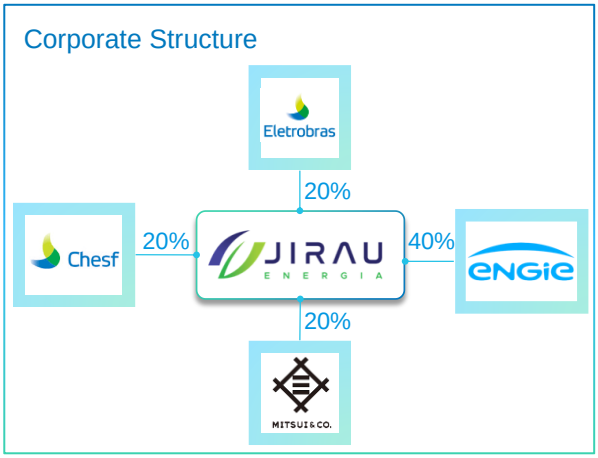
Distributed Solar System installed by EGSD.

Expansion

Jirau Energia. Jirau Energia, new denomination of Energia Sustentável do Brasil (ESBR), is responsible for the maintenance, operation and sale of energy generated by the Jirau Hydroelectric Power Plant, located in the Madeira River, in the city of Porto Velho, state of Rondônia.

Since November 2016, Jirau HPP has 50 generating units in operation, representing a total installed capacity of 3,750 MW. The plant was unveiled on December 16, 2016.





In May 2017, ENGIE Brasil Participações (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (ESBRpar) – holder of 100% of the capital stock of Jirau Energia – and the 100% participation in Geramamoré Participações e Comercializadora de Energia Ltda. The transfer assessment has put on hold, awaiting more favorable conditions for the discussions to resume.

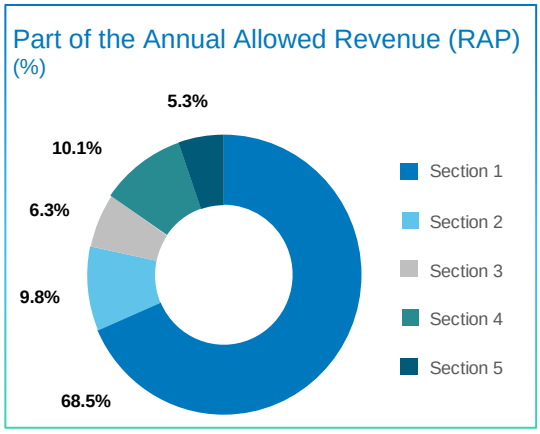
In 1Q21, the plant generated 3,006.1 average MW, 10.5% lower than the 3,358.5 average MW for 1Q20, while the National Electrical System Operator Uptime Ratio (FID) was 99.5% (data subject to final Electric Energy Trade Board (CCEE) booking).

Gralha Azul Transmission System. On December 15, 2017, the Company made a successful bid for Lot 1 of Aneel Transmission Auction 02 for a stretch of about 1,000 kilometers in the state of Paraná (PR), marking EBE's debut into the energy transmission sector in Brazil. The project also includes the installation of five new substations and expansion of another five existing ones. The concession term for the public utility transmission service, including the licensing, the construction, assembly and the operation and maintenance of the transmission line installations will be 30 years as from signature date of the concession agreement, with a maximum cut-off date for entry into operation set for March 9, 2023.

The project's financing contract was signed with the Brazilian Development Bank (BNDES) on March 30, 2020.

Lot	Location	Contracted RAP (R$ million)	Estimated Capex (R$ million)*
1	Paraná (PR)	231.7	1,700.0
Total		**231.7**	**1,700.0**

* Value as of December 2017





Arrival of the transmission lines at the Ponta Grossa substation.

Two injunctions were issued by the Federal Court in October 2020 and March 2021 in the form of two Class Actions (ACP). The first injunction suspended the environmental licenses for the transmission lines in the Ivaiporã – Ponta Grossa C1 and C2 and the Ponta Grossa – Bateias C1 and C2 sections while the second injunction aimed to suspend the work on a specific stretch of the Ponta Grossa - Bateias C1 and C2 transmission line in the vicinity of the devonian scarp.

In the light of the Company's efforts showing the impeccable nature of the processes involving the project's environmental licensing, compensatory measures of a voluntary nature adopted as well as the use of innovative technologies for minimizing clearance of green cover and undertaken in accordance with the Company's policies of sustainability, the injunctions were overturned by the Superior Court of Justice (STJ), on December 9, 2020 and on March 24, 2021, allowing installation work to proceed unimpeded.

Important to note that the second injunction did not have any effect on work in progress since the STJ's decision on the first injunction was extended to cover the second before it could have any effect on the ground. Please also note that besides these ACPs, no other litigation is pending against the project under construction.

Consequently, by the end of 1Q21, the installation of the Transmission System had reached 83% completion with the civil work and electromechanical assembling of the transmission lines and substations running according to the schedule established in the federal concession agreement. The reduction in the estimated timeframe for completion of the project remains unaltered at September 2021, anticipating by 18 months in relation to the established cutoff date and thus predating the eventual solution to energy supplies from Itaipu for the state of Paraná.

The expected reduction in investment in relation to that envisaged by Aneel remains at approximately 15%. This has permitted the realization of a cheaper transmission tariff for Brazilian consumers as a whole and more especially those in the state of Paraná.

Novo Estado Transmission System. In December 2019, through its subsidiary, ENGIE Transmissão de Energia Participações S.A., the Company signed a purchase and sale agreement for the purchase of stock, the issue of Sterlite Novo Estado Energia S.A., held by Sterlite Brasil Participações S.A., as the successful bidder for Lot 3 of Aneel Transmission Auction 002/2017, held in December 2017. The operation closed on March 3, 2020 and on May 29, 2020, the First Amendment Instrument to the respective Concession Agreement was signed, consolidating transfer of ownership.

The object of the concession is the construction, operation and maintenance of approximately 1,800 kilometers of transmission lines, a new substation and upgrades to a further three existing substations in the states of Pará and Tocantins, for a term of 30 years. **The installation license of the project has been issued by the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama).**

On June 26, 2020, a project financing agreement was signed with the BNDES. Subsequently, on August 19, 2020, a financing agreement was signed with the Banco da Amazônia S.A. (BASA), for the funding of part of the installation of the project.

Currently there is a labor force of more than 6,000 mobilized for the construction. The foundations are 74% concluded with 29% of the towers already erected. In 1Q21, work on stringing of the transmission lines cables had advanced by 7% at the end of the period. The supply of materials for the transmission line is well advanced and the forecast is for conclusion in the coming quarter. Work on the Serra Pelada substation saw the beginning of the electro-mechanical phase and ended 1Q21 with the construction phase reporting a 50% advance. Civil work is also progressing on the expansion of the remaining substations. The total work progress was 69.2% at the end of 1Q21.



Serra Pelada Substation

The cutoff date for the transmission systems to go into operation is March 9, 2023, but the Company's forecast is to reduce this period to December 2021.

Lot	Location	Contracted RAP (RS million)	Estimated Capex (R$ million)*
3	Pará (PA) e Tocantins (TO)	313.1	3,000.0
Total		**313.1**	**3,000.0**

* Base March 2020, excluding acquisition cost

Projects under Implementation

Power plants	Source	Location	Installed Capacity (MW) Total	Installed Capacity (MW) Company's Share	Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
Campo Largo II Complex	Wind Farm	Umburanas and Sento Sé (BA)	281.4	281.4	dez/54	149.0
Santo Agostinho Complex - Phase I	Wind Farm	Lajes and Pedro Avelino (RN)	434.0	434.0	-	218.0
Total			**715.4**	**715.4**		**367.0**

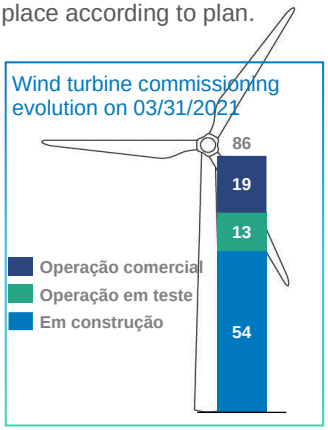
Campo Largo II Wind Complex – Bahia. Activities are underway to implement the Campo Largo II Wind Complex, located in the muncipalities of Umburanas and Sento Sé, approximately 420 km distant from the state capital, Salvador. **Phase II represents 361.2 MW of installed capacity** and 192.5 average MW of assured energy with investments of about R$ 1.6 billion.



Blades assembly

The Project will enjoy the benefits of the synergies with existing structures such as the substation and transmission line, installed by the Company to support both the Campo Largo – Phase I and Umburanas – Phase I wind complexes with a total of 686.7 MW of installed capacity. With the installation of the second phase of Campo Largo, ENGIE Brasil Energia's total installed wind capacity will surpass the mark of 1 gigawatt (GW) in the region. Power output from Campo Largo II will be sold entirely in the Free Contracting Environment (ACL).

All the installation licences for the eleven wind farms comprising the project have been issued thus allowing activities to proceed in all areas of the project. As to operational licensing, wind farms VIII, IX, X, XIV and XVII have already received licenses and the remainder are espected to be forthcomig by July 2021. The financing agreement with the BNDES for the project was signed on April 27, 2020 and disbursements have been taking place according to plan.



In the first quarter of 2021, civil work was concluded as well as the installation of the medium voltage network which connects the wind turbines to the collector substation. Assembling and commissioning of the wind turbines are moving ahead with 36 wind turbines completely assembled and 28 commissioned out of a total of 86. The overall progress of the work reached 86.3% at the end of 1Q21.

During the quarter, wind farms IX, X and XIV went into commercial operations thus adding a further 79.8 MW of installed capacity to the Company's generator park. In April, a further 29.4 MW began commercial operations and on May 4, another 33.6 MW were added. With this, ENGIE Brasil Energia's aggregate installed capacity from wind power surpassed the 1 gigawatt (GW) mark. Wind farms XIX, XX and XXII, totaling 105.0 MW of installed capacity began operations on a test basis. The remainder should go into commercial operations by the end of the third quarter 2021.

Santo Agostinho Wind Complex – Phase I – Rio Grande do Norte. With a **total installed capacity of 434 MW**, the first phase of the complex will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the state of Rio Grande do Norte. In June 2016, the state of Rio Grande do Norte's environmental protection agency, the Environmental and Sustainable Development Institute (Idema), declared the project to be environmentally viable and in June 2020, a request for the installation license was filed with Idema.

In January 2021, ENGIE signed an agreement with Siemens Gamesa for the supply of wind turbines, allowing the initial phase of the Santo Agostinho Wind Complex to proceed. This phase, at an estimated investment of approximately R$ 2.3 billion (base Dec/2020) and responsible for creating about a thousand jobs in the region, involves the supply of a total installed capacity of 434 MW to clients in the free market.

The preliminary activities of the project are already underway such as the process for procuring the principal equipment, elaboration of engineering studies and topographical execution. For the second half, a start is expected to be made on field activities, drilling and preparing access roads.

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Company's Share
Campo Largo Solar Complex	Solar	Umburanas e Sento Sé (BA)	400.0	400.0
Santo Agostinho Complex - Phase II	Wind Farm	Lajes and Pedro Avelino (RN)	366.0	366.0
Umburanas Complex - Phase II	Wind Farm	Umburanas (BA)	250.0	250.0
Campo Largo III Complex	Wind Farm	Umburanas e Sento Sé (BA)	250.0	250.0
Assú - Plants I, II, III e IV	Solar	Assú (RN)	120.0	120.0
Alvorada	Solar	Bom Jesus da Lapa (BA)	90.0	90.0
Total			**1,476.0**	**1,476.0**

Santo Agostinho Wind Complex – Phase II – Rio Grande do Norte. Located next to the first phase, will capture synergies that will assist in the development and viability, such as: accommodation, external access, substation, transmission line and others. In the development phase, it should have a **total installed capacity reaching 366 MW**, subject to variation during the project development, and already has the previous license issued by the Environmental and Sustainable Development Institute (Idema) - an environmental agency in the state of Rio Grande do Norte -, which declared the project environmentally viable. In June 2020, a request for the installation license was filed with Idema.

Umburanas Wind Complex – Bahia (Phase II). The environmental licensing for the Second Phase is already regularized although this is to be updated during the course of 2021 to reflect the new technologies available in the market and to ensure optimum use of the region's wind resources. In due course, the project is to be developed by the Company adjacent to the Campo Largo and Umburanas – Phase I Wind Complex, in this way capturing synergies during the installation and operational stages such as the substation, site accommodation, accesses, teams and others. The project has all the necessary documentation for participation in energy auctions, although this not obviating the potential viability of the project for the sale of energy to corporate clients in the free market. **The currently installed capacity** planned for the project is approximately **250 MW**, taking advantage of the best wind resources in the region.

Campo Largo III Wind Complex – Bahia. The Company intends to add about **250 MW of installed capacity** to the Campo Largo Wind Complex with the development of its third phase. This project already has all the necessary documentation for participating in energy auctions, although this not obviating the potential viability of the project for the sale of energy to corporate clients in the free market. Given its location adjacent to Phases I and II of the Campo Largo Wind Complex, the project will enjoy important synergies for its viability.

Assú Photovoltaic Complex. Located in the Municipality of Assú, state of Rio Grande do Norte, the Complex will have a total **installed capacity of approximately 150 MW**, consisting of five projects, among them Assú V. Assú V went into commercial operations in December 2017. The other solar energy plants under development are also qualified to participate in opportunities in both free and regulated markets.

Alvorada Photovoltaic Complex. ENGIE Brasil Energia has acquired a site in the state of Bahia, – a region with potential for generating solar energy – for the development of three projects comprising the **Alvorada Photovoltaic Complex**. The projects, which **will have a total installed capacity of 90 MW.** The projects are at the development phase and qualify to participate in opportunities in both the free and regulated markets.

Campo Largo Photovoltaic Complex. Situated in the same area as the Campo Largo Wind Complex (Bahia State), the photovoltaic project is to have 12 photovoltaic solar energy plants, these totaling a **potential installation capacity of 400 MW**. The projects are at a development phase and are qualified to participate in opportunities in both free and regulated markets.

Besides the abovementioned projects, the Company is also examining opportunities in areas with hight photovoltaic potential, as well as partnerships which could accelerate the development of this energy source in line with the process of energy transition which is taking place at world level.

OPERATING PERFORMANCE

Energy Generating Park Uptime Operating

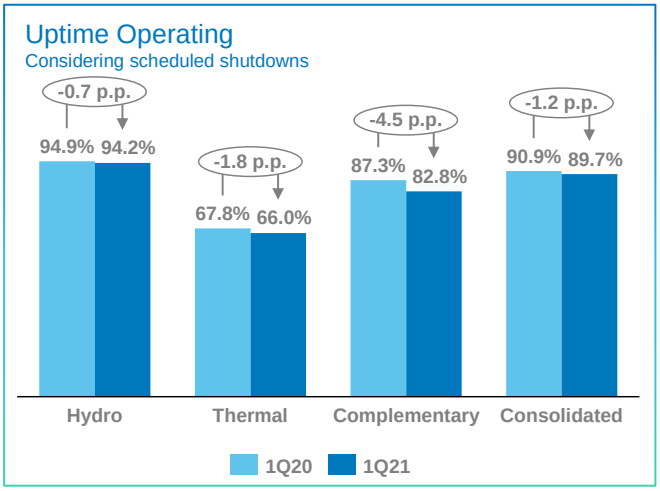
The plants operated by ENGIE Brasil Energia reported uptime working of **95.0% in 1Q21, ignoring scheduled stoppages**: 99.8% for the hydroelectric plants, 66.0% for the thermoelectric plants and 91.1% with respect to the plants fired from complementary energy sources, namely SHPs, biomass, wind and photovoltaics.

If all scheduled shutdowns are taken into account, the aggregate uptime in the 1Q21 was 89.7%: 94.2% for the hydroelectric plants, 66.0% for the thermoelectric and 82.8% for plants operating with complementary energy sources.

Uptime of the hydroelectric plants in the first quarter 2021, considering all scheduled shutdowns, reported a slight reduction (0.7 p.p.) compared with 1Q20, due to the planned maintenance stoppage of the number 2 and 3 Generator Units at the Jaguara Hydro Power Plant.

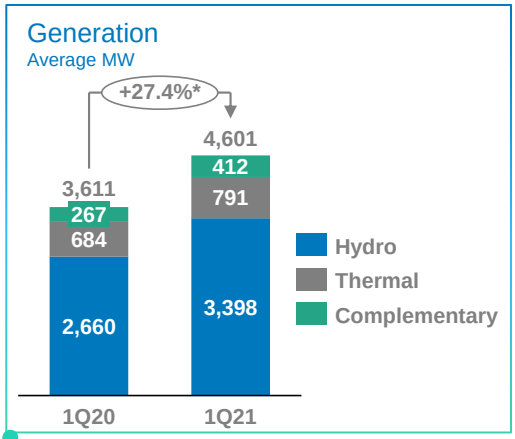
First quarter 2021 uptime at the thermal plants decreased by 1.8 p.p. when compared to the same period of 2020 due to corrective maintenance work on the Jorge Lacerda A and Pampa Sul Thermoelectric Power Plants.

At the plants fired from complementary sources, there was also a year-on-year decline in uptime levels in 1Q21 (4.5 p.p.), compared to the same quarter in 2020, basically due to the continuity of corrective maintenance on the generator at the Lages Co-generation Unit.

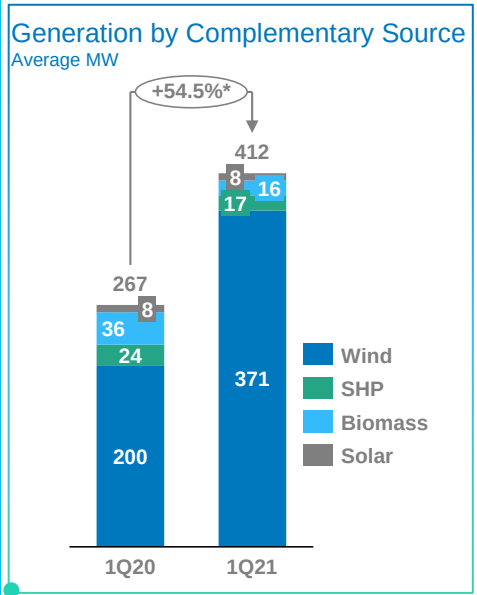


Energy Production

Electricity output from plants operated by ENGIE Brasil Energia was 9,938 GWh (4,601 average MW) in 1Q21. This result is **26.0%* higher** than production for 1Q21. Total output breaks down as follows: hydroelectric plants 7,339 GWh (3,398 average MW), thermoelectric plants 1,708 GWh (791 average MW) and the complementary sourced units 891 GWh (412 average MW). Results point, respectively, to increases of 26.3%, 14.3% and 52.8%* on the hydroelectric, termoelectric and complementary energy sources, in relation to 1Q20.



* The variation between the percentage calculated in GWh and average MW occurs due to 2020 is a leap year.



* The variation between the percentage calculated in GWh and average MW occurs due to 2020 is a leap year.

The year-on-year increase in the total generation from the Company's hydroelectric plants in 1Q21 is due largely to more favorable hydrological conditions in the hydrographic basins in the south of the country where a large part of the Company's hydroelectric plants are located.

With respect to thermoelectric generation, the increase registered in 1Q21 compared to the same period in 2020 reflects the continued dispatch outside the order of merit at the behest of the Electric Sector Monitoring Committee (CMSE), the goal being to guarantee more favorable levels of reservoir storage equivalents, thus reducing risks of a deficit.

Again, the large increase in generation from the complementary plants compared to 1Q20, occurred principally due the greater wind densities in the regions where the wind farms are located, in addition to the entry into commercial operations of new wind farms at the Campo Largo II Wind Complex located in the state of Bahia.

Finally, with the increase in electric energy output from all sources in the period, a caveat is also in order. An increase in the amount of hydroelectric generation does not necessarily feed through to a change in the Company's economic-financial performance due to the application of the Risk Reallocation Mechanism (MRE) which shares the inherent hydrological risks among all participants. In the case of thermoelectric generation, the increase in power output can reduce (due to the level of contracting by the Company) exposure to the Differences Settlement Price (PLD), other variables remaining the same.

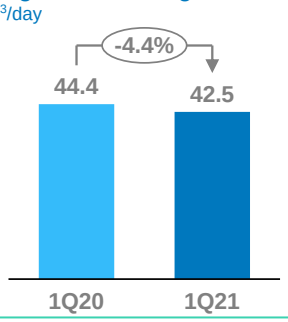
Gas Transportation

Transportadora Associada de Gás - TAG receives natural gas daily at gathering points along its pipeline network and delivers it to the carrier Petrobras at entry points known as city gates, in return being remunerated for the transportation service, comprising a portion for the effective transportation of the natural gas molecule and also a charge for unutilized capacity (ship-or-pay).

On March 16, 2021, the Lower Chamber of Congress approved the Bill proposing Law 4.476/2020, known as the New Gas Law, amending the regulatory framework for the sector. The text received the presidential sanction without veto on April 8, 2021. The aim of the new law is to increase private investment in the sector, promote competition, reduce costs, and increase natural gas consumption.

In 1Q21, TAG transported an average volume of gas of 42.5 million m^3/day (44.4 million m^3/day in the 1Q20).

Average volume of gas transmitted
MM m^3/day

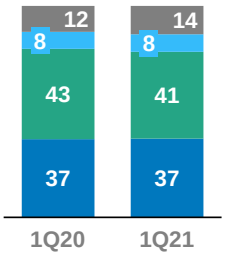


Electric Energy Sales Portfolio

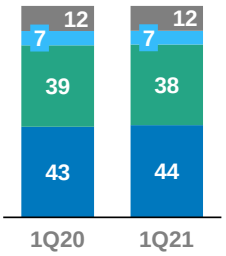
In 1Q21, the free consumer share of the Company's portfolio was 41.0% of total physical sales and 38.0% of the total net operating revenue (except CCEE and other revenues), decreases of 1.7 p.p. and 0.5 p.p., respectively in relation to the same quarter in 2020.

The reduction in the participation of free consumers in physical sales was motivated by the Covid-19 pandemic and by the uncertainties related to the resumption of the economy, with impacts on energy demand. However, the decrease in net operating revenues for the periods under analysis was largely due to reduced consumption on the part of industrial clients affected by the Covid-19 pandemic, a decrease partially mitigated by the monetary correction of existing contracts and by the higher average price for new agreements.

Breakdown of Customers by Physical Sales (%)



Breakdown of Customers in Contracted Sales Comprising Net Operating (%)



Trading Operations
Free Customers
Trading Companies
Distribution Companies

Commercialization Strategy of Electric Energy

The Company pursues a commercial strategy of gradual sales of future energy availability for any given year as a means of mitigating the risk of exposure to spot prices (Price for Settlement of Differences — PLD) for that particular year. Electric energy sales are made during windows of opportunity that open when the market shows a greater buying propensity. ENGIE Brasil Energia's energy balance based on proprietary commercial capacity and power purchasing agreements outstanding as of **March 31, 2021** is as follows:

Energy Balance

(Average MW)

	2021	2022	2023	2024	2025	2026	**Auction Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)	**Net** Price of PIS/COFINS/P&D (R$/MWh)
Own Resources	4,808	4,900	5,062	5,118	5,114	5,112				
+ Purchases for Resale	1,030	794	579	403	343	307				
= Total Resources (A)	**5,838**	**5,694**	**5,641**	**5,521**	**5,457**	**5,419**				
Government Auction Sales[1]	2,012	2,012	2,012	2,007	1,994	1,984				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	243.5	218.7
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	267.2	240.0
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	279.5	251.1
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	251.3	225.8
Proinfa	19	19	19	19	19	19	147.8	Jun-04	305.3	294.2
1st Reserve Energy Auction	14	14	14	14	2	-	158.1	Aug-08	311.5	300.1
Auction Mix (New Energy / Reserve / DG)	14	14	14	9	8	-	-	-	295.8	285.0
2014-NE-2019-25	295	295	295	295	295	295	183.5	Mar-14	270.0	242.6
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	283.8	273.4
2014-NE-2019-20	82	82	82	82	82	82	139.3	Nov-14	192.3	174.5
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	241.1	218.8
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	370.2	336.0
2014-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	220.5	200.1
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	153.4	146.3
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	174.0	166.0
+ Bilateral Sales	3,155	2,919	2,443	1,835	1,295	860				
= Total Sales (B)	**5,167**	**4,931**	**4,455**	**3,842**	**3,289**	**2,844**				
Balance (A - B)	**671**	**763**	**1,186**	**1,679**	**2,168**	**2,575**				
Sales average **net** price (R$/MWh) [2, 3]:	201.2	204.3	202.3							
Purchases average **net** price (R$/MWh) [4]:	181.8	177.2	166.1							

[1] XXXX-YY-WWW-ZZ, where:
XXXX ➔ year of auction
YY ➔ EE = existing energy or NE = new energy
WWWW ➔ year of delivery start
ZZ ➔ supply contract duration (in years)

[2] Sales price, including trading operations, is net of ICMS and taxes over revenue (PIS/Cofins, R&D), i.e. future inflation is not considered.

[3] Desconsidering sales for quota regime (Jaguara and Miranda HPPs).

[4] Purchase net prices, considering trading operations and benefits from PIS/Cofins credits, i.e. future inflation is not considered.

Notes:
- The balance refers to the settlement point (net of losses of internal consumption of the plant).
- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.

ECONOMIC-FINANCIAL PERFORMANCE

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

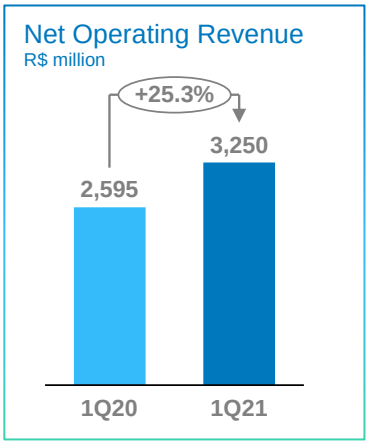
The Company's financial result is not allocated by segment since Management administers the cash flow on a consolidated and corporate basis.

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

Net Operating Revenue

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

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



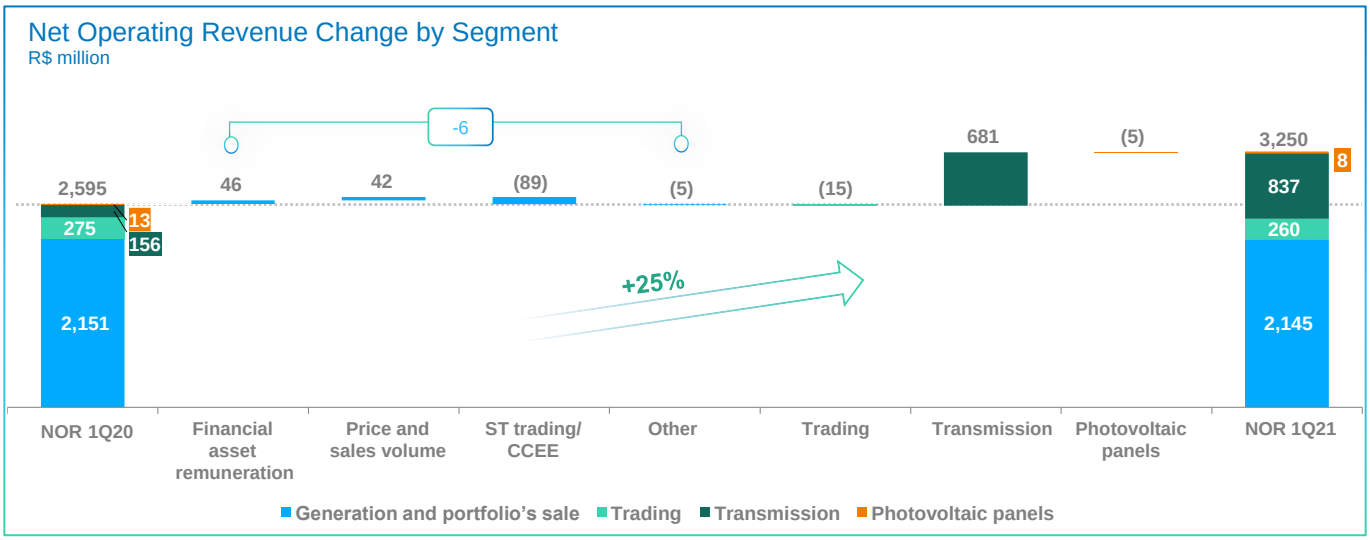
Transmission: an increase of R$ 681 million in construction revenue, largely due to progress in executing work on the Gralha Azul and Novo Estado transmission sytems, demonstrated in the accounts as revenue flowing from cost of construction plus a construction management margin in favor of the Company.

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

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

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

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



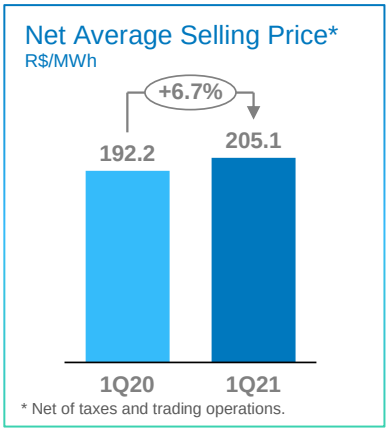
Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

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

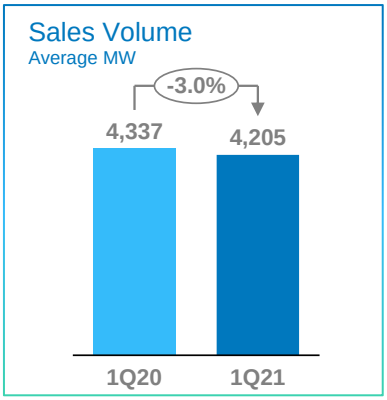
Price increases were largely driven by the monetary restatement of prevailing agreements and by average selling prices for new agreements with free consumers. These effects were partially attenuated by fresh agreements with trading companies at lower average prices than for existing or terminated agreements.



➢ Sales Volume

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

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



➢ Revenue from Sale of Electric Energy

- Distribution Companies:

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

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

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

- Free Consumers:

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

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

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

- Trading Companies:

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

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

➢ Transactions in the Short-term Energy Market

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

➢ Remuneration of Concession Financial Assets

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

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

➢ Solar Panels

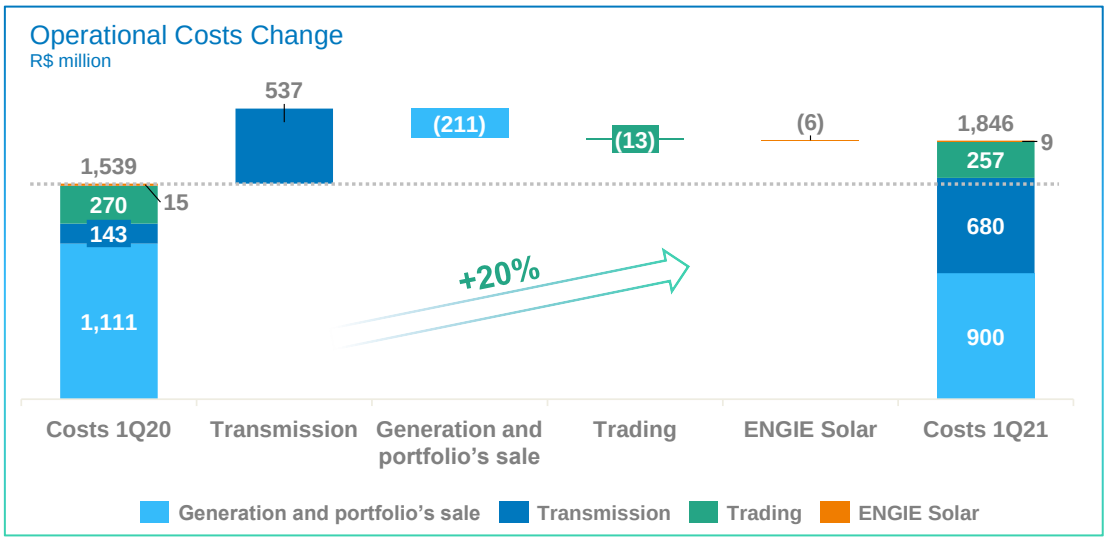
Revenues from the sale and installation of solar panels through the ENGIE Geração Solar Distribuída S.A. (EGSD) subsidiary between the quarters under analysis **fell by R$ 5 million (38.5%)** from R$ 13 million in 1Q20 to **R$ 8 million in 1Q21**. This reduction in large part is the result of a change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

Operational Costs

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

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

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



Comments on Variations in Operational Costs

➢ Generation and Energy Sales from the Portfolio

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

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

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

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

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

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

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

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

➢ Solar Panels

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

Operational Result from the Energy Transmission Segment

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

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

Operational Result of the Energy Trading Segment

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

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

Details of Short-Term Operations

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

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

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

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

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

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

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

Selling, General and Administrative Expenses

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

Equity Income – Gas Transportation

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

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

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

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

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

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

Balance Sheet

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

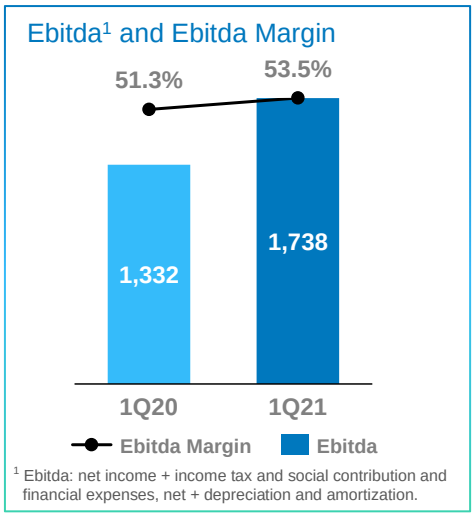
Balance Sheet	3/31/2021	12/31/2020
ASSETS		
Current assets	**3,449**	**2,220**
Cash and cash equivalents	769	437
Accounts receivables from clients	1,685	1,556
Unrealized gains on hedging transactions	79	19
Other current assets	916	208
Non-current assets	**32,204**	**35,660**
Accounts receivables from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

Ebitda and Ebitda Margin

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

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

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



Generation Ebitda Margin

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

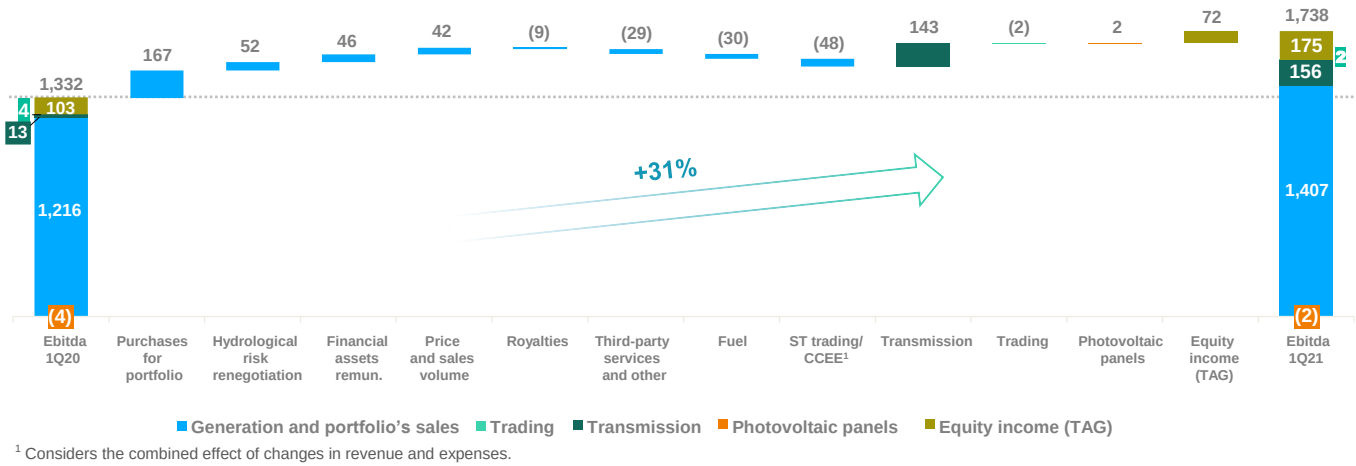
Consolidated Ebitda Margin

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

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

The following table reconciles net income with Ebitda:

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



[1] Considers the combined effect of changes in revenue and expenses.

Financial Result

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

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

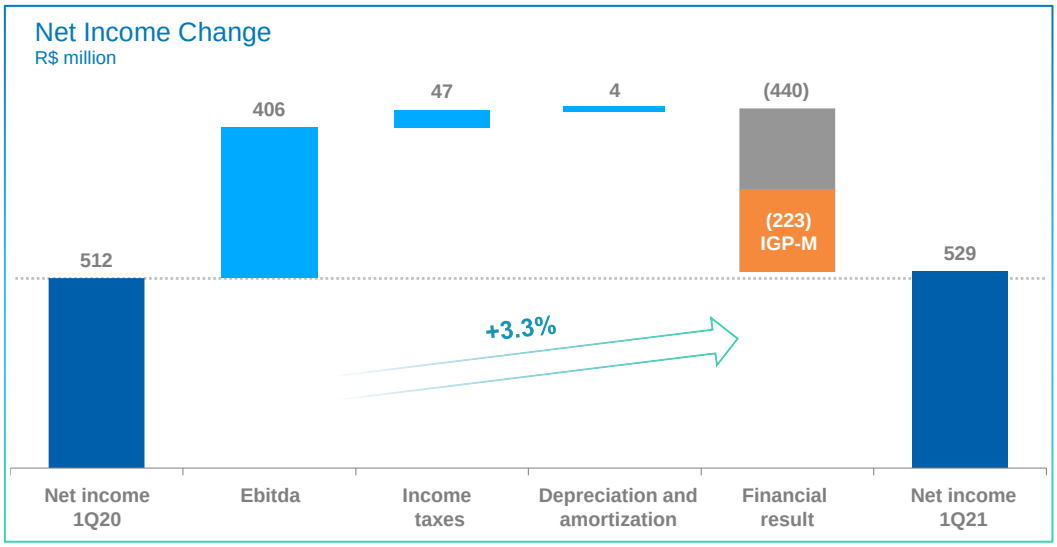
It is worth mentioning that all energy sales contracts have inflation adjustment clauses, with the application of IGP-M or IPCA, which represents a long-term natural hedge for debts and obligations indexed to inflation indexes.

Income Tax and Social Contribution

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

Net Income

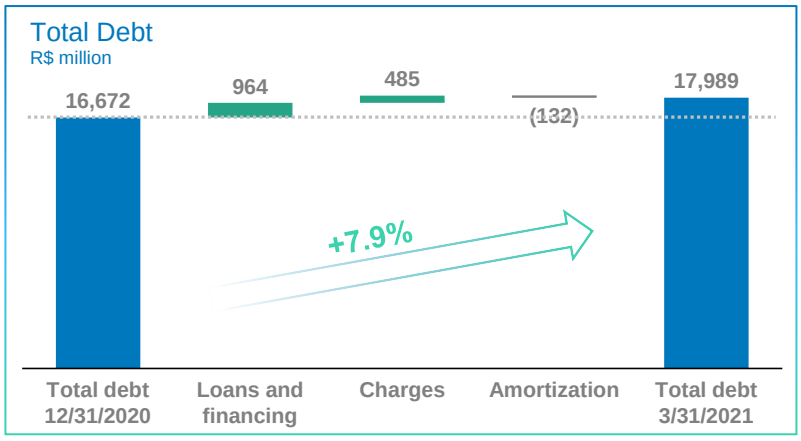
Net income for 1Q21 was R$ 529 million, R$ 17 million or 3.3% higher than the R$ 512 million reported for the same quarter in 2020. This growth is the result of the following effects: (i) an increase of R$ 406 million in Ebitda; (ii) an increase of R$ 440 million in net financial expenses; (iii) decrease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

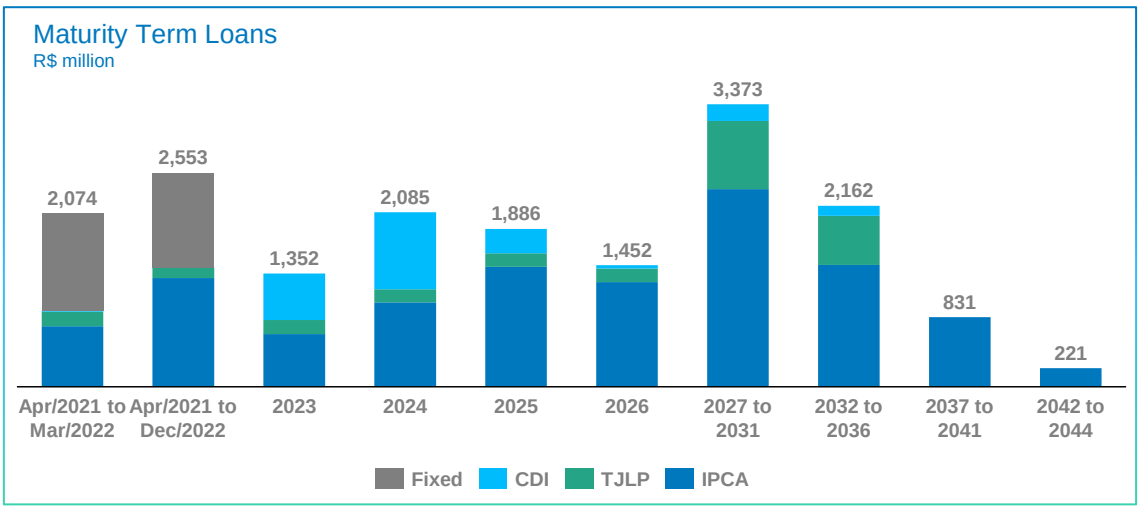


Debt

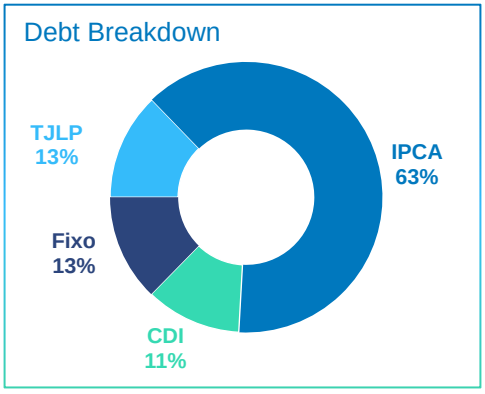
As of March 31, 2021, **total consolidated gross debt,** representing principally loans, financing, debentures and preferred shares redeemable, net of hedging operations, **totaled R$ 17,989 million — an increase of 7.9%** (R$ 1,317 million) compared to the position as of December 31, 2020. The average debt maturity at the end of 1Q21 was 6.4 years.

The variation in the Company's debt is related essentially to a combination of the following events during the 1Q21: (i) drawdowns from the Brazilian Development Bank (BNDES) and on-lending banks amounting R$ 964 million, largely for the construction of the Novo Estado Transmission System and the Campo Largo II Wind Complex; (ii) generation of R$ 485 million in charges to be paid and monetary restatement; and (iii) R$ 132 million in amortizations of loans and financing.





The **average weighted nominal cost of debt** at the end of the first quarter of 2021 was **8.7%** (6.1% at the end of the 1Q20). The increase in relation to the previous year is mainly due to the acceleration of the IPCA index in the period and the new contracts for financing projects under construction linked to this index, which accounts for the indexation of 63%.



On March 31, 2021, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 13,235 million**, **as increase of 12.3%** compared with the end of 2020.

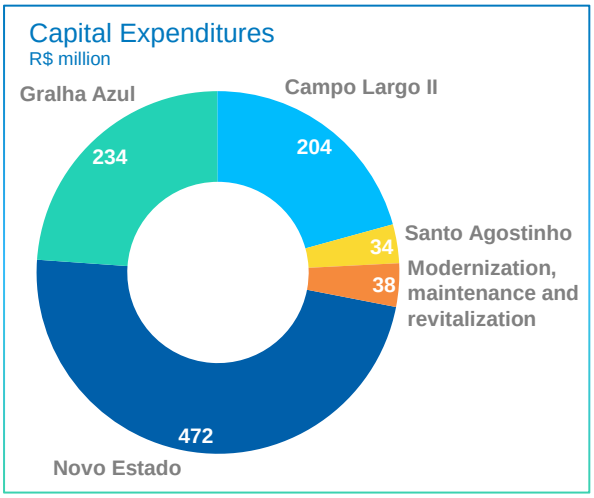
Net Debt

R$ million

	3/31/2021	12/31/2020	Chg. %
Gross debt	18,833	17,246	9.2
Result of derivatives operations	(844)	(574)	47.1
Deposits earmarked for the payment of debt	(439)	(347)	26.7
Cash and cash equivalents	(4,314)	(4,539)	100.0
Total net debt	**13,235**	**11,786**	**12.3**
Net debt/Ebitda last 12 months	**1.9X**	**1.8X**	

Capital Expenditures

Total investments at ENGIE Brasil Energia in 1Q21 were R$ 982 million, of which (i) R$ 944 million was invested in the construction of the new projects, being: (i.i) R$ 472 million concentrated in the Novo Estado Transmission Line; (i.ii) R$ 234 million in the Gralha Azul Transmission Line; (i.iii) R$ 204 million in the Campo Largo II Wind Complex; and (i.iv) R$ 34 million in the Santo Agostinho Wind Complex; (ii) R$ 26 million dedicated to maintenance and revitalization projects in the generator park; and (iii) R$ 12 million destinated for the modernization of Salto Osório Hydroelectric Power Plant.



COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable Management

ENGIE's ambition is to spearhead the carbon-neutral transition process worldwide, supporting our clients in their journey of reducing emissions and associated to differentiated socio-environmental offers, thereby encouraging sustainable development with positive impacts both locally and globally. Through our medium term Strategic ESG Goals, we endeavor to address the trinomial of "People, Planet and Prosperity", with a focus on the commitment for reducing CO_2 emissions by 46% between 2019 and 2030 which is a Science Based Target.

All plants under the Company's responsibility adhere to ENGIE Brasil Energia Sustainable Management Policy, which covers the areas of Quality, Energy Management, Environment, Climate Change, Occupational Health and Safety, Social Responsibility and Engagement of Related Parties. On March 31, 2021, out of the 63 plants installed in 13 states of Brazil's five regions, 12 are certified in accordance with NBR ISO 9001 (for Quality), NBR ISO 14001 (for the Environment) and NBR OHSAS 18001 (for Occupational Health and Safety) standards, with an aggregate capacity of 77.3% of the total operated by the Company. The Jorge Lacerda Thermoelectric Complex, the three plants of which, are among the 12 which are certified according to the NBR ISO 50001 standard for Energy Efficiency.

In addition to the Sustainable Management Policy mentioned above, other commitments to sustainable development can be accessed from Company's website, covering such themes as Human Rights and Ethics. The Sustainability Reports are published annually according to the recommendations of the Global Reporting Initiative (GRI), *Sustainability Accounting Standard Board* (SASB) and the framework of International Integrated Reporting Council (IIRC).

Sustainability Forum

ENGIE Brasil Energia Sustainability Forum was set up in 2007 and is currently made up of 12 members drawn from different areas, more especially those related most closely to stakeholders, such as shareholders, clients, suppliers, employees, the media and communities. Coordination is the responsibility of the Administrative Director's Office while one of the Committee members is the Board employees' representative. Among others, the Forum has as its objectives to:

- Contribute towards maintaining the balance of interests of the different stakeholders in relation to the Company;
- Develop awareness programs to propagate concepts and practices of sustainability among both internal and external audiences;
- Contribute to the use of best corporate governance practices; and
- Propose, obtain approval from the Management Board and work on a coordinated basis with the organizational units to achieve the annual corporate sustainability goals ("ENGIE Brasil Energia Sustainability Goals"). These goals are based on four Programs — Cultural Development, Environmental Improvement, Social Inclusion and Education for Sustainability —, with initiatives linked to indicators and weightings so permitting an evaluation at the end of each year.

Highlights of the Quarter

- In February, the Company renewed its commitment to the Ethos Institute's Corporate Pact for Integrity and Against Corruption of which it has been a signatory since inception in 2013. This is a voluntary commitment adopted by private and public sector companies, the aim being to promote a more integral and ethical market, eradicating bribery and corruption, based on the Anti-Corruption Law (12.846/2013).

- In partnership with Recode, an organization specialized in creating opportunities through digital inclusion and facilitating access to technology, ENGIE Brasil Energia is to install a Digital Empowerment Center (CED) in the city of Umburanas, state of Bahia (adjacent to the Umburanas and Campo Largo wind complexes) with fiber optic internet access, 100MB velocity and capacity for 300 connections. The project aims to train local youth through courses in technology, creating opportunities for learning, generating income, entrepreneurship and civic engagement to the benefit of the community.
- To mark the International Day of the Woman (March 08) in Brazil, the Company joined the *#ChooseToChallenge* movement, the campaign theme of the global International Women's Day organization, to advance the combating of gender inequality, with a program of webinars and events for raising awareness and recognition throughout the month of March.
- Evolution in the Environmental Plan of Conservation and Use of the Artificial Reservoir Surroundings – PACUERA of the Miranda and Cana Brava hydroelectric power plants. In the case of the first plant, this at an early stage, the plan has been filed with the environmental licensing authority (SUPRAM). With Cana Brava, at a more advanced stage, Ibama has authorized the beginning of public hearings following its approval of the Communication Plan.
- On April 29, 2020, the Company launched its Sustainability Report, an important tool for rendering accountability to society, compliant with the guidelines of the Global Reporting Initiative (GRI) and with Bureau Veritas assurance. This year, the emphasis was on strategies for confronting the sanitary crisis with its various ramifications and also the strategic context both present and future, corporate governance and socio-environmental performance. Access the full content here.



Health and Safety – Covid-19

- The crisis committee for overseeing and monitoring Covid-19 has been reactivated both on the national front, in the communities surrounding our operations and also internally, among employees and service providers.
- New test protocol for detecting Covid-19 in employees and service providers in the Company's installations with the use of the nasal swab instead of the antigen type tests and with frequency enhanced from biweekly to weekly. Due to the increase in frequency and the worsening of the situation nationwide, 36,967 Covid-19 tests were conducted in the first quarter alone (throughout the entire year of 2020, approximately 59,000 tests were conducted).

Social Responsibility – Covid-19

- Participation in the Alliance for Life Project – Greater Florianópolis – SC – R$ 500 thousand:

Structuring of a large screening center for patients with suspected Covid-19 infections for reducing pressure on hospital capacity in the region. Establishing of a 30-day operation (extendable) involving a contract with HELP Emergências Médicas for home attendance (about 25 daily) and 200 attendances daily via telemedicine through the medical partnership with Hospital SOS Cárdio.

- An oxygen plant in Ponta Grossa (PR) rendered viable thanks to a contribution of R$ 750 thousand + a further R$ 750 thousand from the BNDES:

Through the so-called Saving Lives project, the BNDES matches an equal value to that donated by ENGIE Brasil Energia. In 2020, the same partnership was established directed to the acquisition and distribution of PPEs. This year funds have been allocated for the construction and operation of the Oxygen Plant in the city of Ponta Grossa.

- Campaign for raising resources from the employees (ongoing):

We are conducting a fourth campaign for raising funds from the Company's employees for acquiring basic basket of goods for distribution to communities in the areas neighboring the plants. ENGIE Brasil Energia is to double the amount donated by the employees.

- Adherence to the United By Vaccine movement:

The movement has the objective of acquiring refrigerators, syringes, gloves, alcohol gel, etc., for avoiding bottlenecks in the vaccination process. Currently, demand indicated by the municipalities is being assessed to evaluate the best means of support.

Sustainability Indices

Since 2012, it has been standard practice of the Company to include the principal sustainability indicators for each period in its quarterly and annually results presentations. The following table shows the indicators for 1Q21 X 1Q20, associating each indicator with GRI Standards recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index	Material themes	GRI disclosure[4]	1Q21	1Q20	Change
1	Quality	Operating plants	- Prioritization of renewable sources for energy generation - Emissions Managemen	102-7, EU1	63	60	3
2		Installed capacity		102-7, EU1	10,511	10,431	0.8%
3		Proprietary capacity		102-7, EU1	8,790	8,710	0.9%
4		Number of certified plants		102-16, EU6	12	12	0
5		Certified installed capacity (MW)		102-16, EU6	8,127	8,127	0.0%
6		Certified installed capacity in relation to the total		102-16, EU6	77.3%	77.9%	-0.6 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,309	9,229	0.9%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	88.6%	88.5%	0.1 p.p.
9		Energy generation (GWh)		EU2	9,938	7,886	26.0%
10		Certified energy generation		102-16, EU6	8,031	6,065	32.4%
11		Certified energy generation in relation to the total		102-16, EU6	80.8%	76.9%	3.9 p.p.
12		Energy generation from renewable sources (GWh)		EU2	8,230	6,392	28.8%
13		Energy generation from renewable sources in relation to the total		EU2	82.8%	81.1%	1.8 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	95.0%	96.8%	-1.8 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	89.7%	91.0%	-1.4 p.p.
16	Environment and climate change	Saplings donated and planted (sum-total of planted and donated saplings)	- Emissions Management - Boost of prosperity on local communities - Biodiversity	304-2, 413-1	93,976	15,857	492.6%
17		Number of visitors at the plants and environmental education		413-1	3,824	1,659	130.5%
18		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	0.932	0.952	-2.0%
19		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)		D305-1, D305-2, D305-3	0.160	0.180	-11.2%
20	Occupatio-nal Heath and Safety (OH&S)[3]	Frequency Rate (FR) operation and maintenance [5]	- Teams and community safety - Foster good social and environmental practices between suppliers and customers.	403-2	0.000	N.D	-
21		Severity Rate (SR)) own employees[6]		403-2	0.000	0.000	-
22		Frequency Rate (FR) construction[5]		403-2	0.572	N.D	-
23		Managerial Safety Visits - VGS		403-2	452	201	Not Applic.
24		Registry of Risky and Near Accident Situation		403-2	1,429	1,106	Not Applic.
25	Social Responsibi-lity[7]	Non-incentivized investments	- Generation of economic result and value sharing with society - Boost of prosperity on local communities	203-2, 413-1	1,639.5	268.2	511.3%
26		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	244.0	596.4	-59.1%
27		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	810.8	1,877.5	-56.8%
28		Investments through the Sport Incentive Law		203-2, 413-1	147.1	184.0	-20.1%
29		Investments through National Program of Support to Oncology Care (Pronon)		203-2, 413-1	0.0	0.0	-
30		Investments through the National Care Support Program for People with Special Needs (Pronas/PCD)		203-2, 413-1	0.0	0.0	-
31		Investments through the Municipal Fund for the Elderly		203-2, 413-1	0.0	300.8	-

Notes:
[1] Additional information regarding the sustainability at the Company are available at Sustainability Report (www.engie.com.br/en/investors/financial-information).
[2] Reference: ENGIE Sustainable Management Policy.
[3] The Health and Safety indicators underwent a methodological change at the beginning of 2021, which is why there are no comparisons with previous periods.
[4] GRI: Global Reporting Initiative, Standards version and sector supplement version G4.
[5] TF = number of occupational accidents for every million hours of exposure to hazards.
[6] TG = number of days lost due to occupational accidents for every thousand hours of exposure to hazards.
[7] Amounts in thousands of reais.

CORPORATE GOVERNANCE

The Company seeks to regularly improve its management mechanisms, with optimization of control procedures, compliance and transparency. It is a component of the Novo Mercado, the listing segment for companies with the highest level of corporate governance trading their shares on the Stock Exchange. This segment was subject to a revision in 2017 to increase the general requirements of the segment's regulations. Since then, the Company has endeavored to use our best efforts to implement the changes as soon as possible. A multidisciplinary working party was constituted to address the theme and in the light of the first results, an Audit Committee was established composed of three members, two of whom are independent members of the Board of Directors. The aim of the Committee is to advise the Board of Directors on the financial statement's evaluation, ethical matters, internal controls, the internal and external audit and risk management. On another related front, the management of corporate compliance procedures was improved, implementing three policies to give greater transparency to the activities and procedures of senior management: Nomination, Remuneration and Evaluation.

Additionally, the Company is a component of the Stock Exchange Sustainability Index (ISE). ENGIE Brasil Energia's Board of Directors comprises nine effective members, one representing the employees while three are independent directors. None of the Board members hold executive positions in the Company and consequently the Chairman of the Board does not occupy the position of Chief Executive Officer. With the exception of the member chosen by the employees, all are elected by the shareholders at the Annual General Meeting.

A Code of Ethics provides the basis of conduct at the Company: a public document available from its website. The Company also has an Ethics Forum responsible for constantly updating the Code and for evaluating ethical issues. **In 2013, ENGIE Brasil Energia signed up to the Brazilian Business Pact for Integrity and against Corruption:** an initiative of the Ethos Institute, in association with the United Nations Global Compact, of which ENGIE Brasil Energia has been a signatory since launch. In 2020, ENGIE Brasil's ISO 37001 certification was ratified, this evaluating the requirements and providing guidance in order to establish, implement, maintain, revise, and improve the corporate antibribery management system.

ENGIE Brasil Energia's dividend policy establishes a minimum mandatory dividend of 30% of net income for the fiscal year, adjusted pursuant to Law 6,404/76. In addition, the Company policy determines the intention of paying in each calendar year dividends and/or interest on shareholders' equity for a value of not less than 55% of adjusted net income in the form of semi-annual payouts.

With respect to the asset transfer model and other transactions with related parties, ENGIE Brasil Energia and its controlling shareholder understand that its existing corporate governance standards should be raised even further. Among the initiatives implemented stands out the creation, by means of adaptation to the Company's Bylaw, of the Special Independent **Committee for Valuation of Transactions with Related Parties**, a non-permanent body, which, when called, will be composed in its majority by independent directors of the ENGIE Brasil Energia's Board. This Committee was instrumental in the acquisition of the stake in Transportadora Associada de Gás (TAG).

CAPITAL MARKETS

Since its listing on B3's Novo Mercado, ENGIE Brasil Energia has become a component of the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG), incorporating those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake. The Company's shares are also included in the Corporate Sustainability Stock Index (ISE), comprising companies with a recognized commitment to social and corporate responsibility, as well as the Electric Energy Stock Index (IEE), which is a sector index made up of the more significant listed companies in the industry. The Company' shares are also traded on B3's leading stock index – the Ibovespa and on Euronext-Vigeo EM 70 — a stock index made up of companies with a premium performance in corporate responsibility in developing countries. Vigeo is the leading constituent agent for ratings of corporate social responsibility and analyzes approximately 330 indicators.

ENGIE Brasil Energia's shares are traded on the B3 under the **EGIE3** symbol. On the United States Over-The-Counter (OTC) market, the Company's Level 1 American Depositary Receipts (ADR) are traded under the **EGIEY Code**, one ADR being equivalent to one common share.

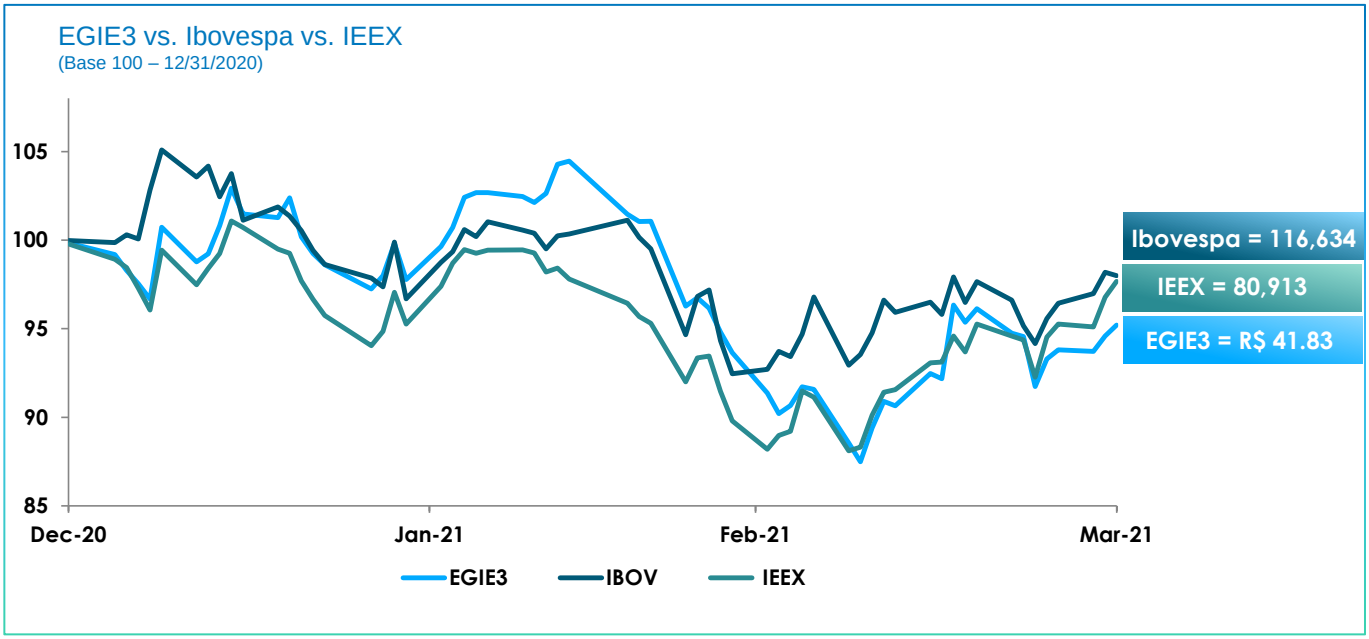
Share Performance – EGIE3

A year after the outbreak of the Covid-19 pandemic, instability continues to pervade the international financial markets. In Brazil, the permanent concerns with the fiscal and political scenario as well as the more evident impacts of the second coronavirus wave have generated volatility in the Ibovespa, the leading stock market index in Brazil. Following successive declines in January and February, in March, the index recovered and closed 6% up at 116 thousand points.

ENGIE Brasil Energia's registered a depreciation of 4.8% in the first quarter of 2021, following the falls in the Electric Energy Sector Stock Index (IEEX) and the Ibovespa of 2.3% and 2.0%, respectively.

EGIE3 recorded an average daily trading volume of R$ 76.6 million in the 1Q21, 16.1% lower than in 1Q20, when the volume was R$ 91.3 million.

On the last trading day in March 2021, the closing price of the Company's shares was R$ 41.83/share**, translating into a market capitalization of R$ 34.1 billion.**



Upcoming Events

ENGIE Brasil Energia will be holding the following events to discuss the earnings results:

Earnings Release Video Conference
(In Portuguese — simultaneous translation into English)

Date: May 6, 2021
Time: 10:00 a.m. (EDT) / 11:00 a.m. (BRT)
Link to the connection in English: https://vcasting.voitel.com.br/?transmissionId=8847

Connection numbers:
Participants in the USA: +1 (516) 300-1066 / 1-866-866-2673 (Toll Free)
Participants in the UK: + 44 (20) 3478-5282
Participants in Brazil: +55 (11) 3127-4971 / (11) 3728-5971
Access code: ENGIE

Important

This release contains information and opinions on future events subject to risks and uncertainties, which are based on current forecasts, projections and tendencies in relation to the Company´s businesses. Innumerous factors can affect the estimates and assumptions on which these opinions are based. For this reason, the estimates and forward looking statements in this release may not become a reality. In the light of these restrictions, shareholders and investors should not adopt any decisions based on estimates, projections and forward looking statements contained in this release.

ATTACHMENT I
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET — ASSETS

(In thousands of R$)	03/31/2021	12/31/2020
Current Assets	**7,291,161**	**7,733,297**
Cash and cash equivalents	4,314,022	4,538,946
Accounts receivables from clients	1,506,536	1,723,101
Credit of income tax and social contribution	118,542	140,785
Dividends receivable from subsidiaries	-	32,500
Inventory	188,105	189,428
Unrealized gains on hedging transactions	28,172	14,475
Unrealized gains on trading transactions	193,083	320,309
Restricted deposits	167,600	174,048
Renegotiation of hydrological risk to appropriate	15,089	15,089
Concession financial assets	312,972	305,626
Contractual assets	171,215	-
Other current assets	271,248	274,413
Non current asset held for sale	4,577	4,577
Non Current Assets	**28,646,573**	**27,452,951**
Long Term Assets	**7,938,873**	**6,829,060**
Unrealized gains on hedging transactions	1,042,446	719,380
Unrealized gains on trading transactions	70,705	54,385
Restricted deposits	327,755	235,819
Deposits in court	77,174	82,539
Renegotiation of hydrological risk to appropriate	96,825	100,597
Concession financial assets	2,547,330	2,499,170
Contractual assets	3,630,212	2,961,419
Other non current assets	146,426	175,751
Investments	**2,416,225**	**2,425,062**
Property, Plant and Equipment	**15,587,791**	**15,537,837**
Intangible	**2,559,018**	**2,513,990**
Right of use of leases	**144,666**	**147,002**
Total	**35,937,734**	**35,186,248**

ATTACHMENT II
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET — LIABILITIES

(In thousands of R$)	03/31/2021	12/31/2020
Current Liabilities	**4,067,742**	**5,380,926**
Suppliers	794,615	861,752
Dividends and interest on shareholder´s equity	160,252	1,385,056
Loans and financing	1,545,608	1,375,627
Debentures	526,466	449,376
Lease liabilities	18,667	19,144
Concessions payable	237,908	228,865
Tax and social contribution obligations payable	62,598	198,541
Other fiscal and regulatory obligations	112,966	113,901
Labor obligations	150,941	130,097
Unrealized losses on trading transactions	193,940	321,654
Provision	15,913	15,159
Obligations related to retirement benefits	43,067	43,067
Other current liabilities	204,801	238,687
Non Current Liabilities	**23,778,255**	**22,063,324**
Loans and financing	11,029,090	9,825,881
Debentures	5,245,273	5,113,171
Redeemable preferred shares	486,220	482,088
Lease liabilities	103,442	104,828
Concessions payable	4,087,542	3,783,453
Unrealized losses on trading transactions	47,593	36,405
Provision	308,924	305,845
Obligations related to retirement benefits	406,591	407,846
Deferred income taxes and social contribution	1,559,168	1,523,222
Other non current liabilities	504,412	480,585
Shareholders' Equity	**8,091,737**	**7,741,998**
Share capital	4,902,648	4,902,648
Net income reserves	3,546,496	3,546,496
Adjustment on fixed asset	(902,648)	(709,615)
Retained earnings	542,463	-
Non controlling interests	2,778	2,469
Total	**35,937,734**	**35,186,248**

ATTACHMENT III
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(In thousands of R$)	1Q21	1Q20	Chg. %
Net Operational Revenue	**3,249,940**	**2,594,594**	**25.3**
Operational Costs	**(1,846,405)**	**(1,538,974)**	**20.0**
Electric power purchases	(432,452)	(605,421)	-28.6
Transactions in the short term energy market	(71,270)	(118,061)	-39.6
Charges for the use of and connection to the electricity grid	(142,209)	(141,049)	0.8
Fuel expenses	(125,388)	(95,174)	31.7
Financial compensation for use of hydro resources (royalties)	(25,774)	(17,372)	48.4
Personnel	(68,176)	(73,789)	-7.6
Materials and third-party services	(92,301)	(84,067)	9.8
Depreciation and amortization	(224,975)	(230,244)	-2.3
Insurance	(20,768)	(20,091)	3.4
Reversals of operating provisions	7,114	7,190	-1.1
Cost of implementing transmission infrastructure	(680,416)	(142,815)	376.4
Cost of selling photovoltaic solar panels	(4,973)	(8,993)	-44.7
Energy costs recovery - Hydrological risk renegotiation	51,961	-	100.0
Others	(16,778)	(9,088)	84.6
Gross Income	**1,403,535**	**1,055,620**	**33.0**
Operating Income (Expenses)	**(70,676)**	**(61,997)**	**14.0**
Selling, general and administrative expenses	(70,101)	(62,116)	12.9
Other operating (expenses) revenues, net	(575)	119	-583.2
Result of corporate participations	**174,529**	**102,901**	**69.6**
Equity income	174,529	102,901	69.6
Income Before Financial Result and Taxes	**1,507,388**	**1,096,524**	**37.5**
Net Financial Result	**(832,306)**	**(392,256)**	**112.2**
Financial income	24,903	44,105	-43.5
Financial expenses	(857,209)	(436,361)	96.4
Income Before Taxes	**675,082**	**704,268**	**-4.1**
Income tax	(102,712)	(139,345)	-26.3
Social contribution	(43,260)	(52,903)	-18.2
Net Income for the Period	**529,110**	**512,020**	**3.3**
Income allocated to:			
ENGIE Brasil Energia's shareholders	528,801	511,558	3.4
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	309	462	-33.1
Number of Ordinary Shares	**815,927,740**	**815,927,740**	
Net Income per Share	**0.6481**	**0.6270**	**3.4**

ATTACHMENT IV
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOW

(In thousands of R$)	1Q21	1Q20
Cash Flow from Operating Activities		
Income before taxes on income	675,082	704,268
Reconciliation of net income with operating cash flow:		
Equity loss	(174,529)	(102,901)
Depreciation and amortization	230,675	235,388
Renegotiation of hydrological risk	(51,961)	-
Monetary variation	507,957	130,716
Interests	335,077	289,283
Remuneration of financial concession asset	(127,678)	(82,165)
Contract asset remuneration	(137,766)	(9,325)
Unrealized losses (gains) on trading operations, net	(5,620)	(1,664)
Others	(4,458)	(6,575)
Adjusted Net Income	**1,246,779**	**1,157,025**
(Increase) reduction in assets		
Accounts receivables from clients	220,318	(26,303)
Tax credits recoverable	41,224	64,381
Inventory	1,323	22,473
Deposits in court and restricted deposits	13,478	(44,248)
Renegotiation of hydrological risk to appropriate	3,773	3,772
Financial concession asset	72,172	70,665
Contract assets	(702,242)	(146,309)
Other assets	11,769	33,127
(Reduction) increase in liabilities		
Suppliers	(34,376)	(18,057)
Other fiscal and regulatory obligations	(595)	(10,228)
Labor obligations	20,844	17,534
Obligations related to retirement benefits	(8,593)	(6,656)
Other liabilities	(20,458)	3,678
Cash Generated from Operating Activities	**865,416**	**1,120,854**
Payment of interests on debt, net of hedge	(64,080)	(71,988)
Payment of income tax and social contribution	(190,297)	(135,096)
Net Cash from Operating Activities	**611,039**	**913,770**
Investments Activities	**(233,319)**	**(598,297)**
Dividends received from joint ventures	32,500	-
Capital increase at joint ventures	-	(316,776)
Used in fixed assets and intangibles	(265,845)	(281,521)
Others	26	-
Financing Activities	**(602,644)**	**2,316**
Loans and financing contracted	871,039	632,153
Debentures contracted	-	499,127
Payment of loans and financing, net of hedge	(67,899)	(119,899)
Payments of concessions payable	(59,380)	(36,417)
Payments of dividends and interest on shareholders' equity	(1,250,462)	(940,155)
Payments of leases	(5,532)	(5,143)
Debt servicing deposits	(90,684)	(27,830)
Others	274	480
Increase in Cash and Cash Equivalents	**(224,924)**	**317,789**
Reconciliation of Cash and Cash Equivalents		
Opening balance	4,538,946	3,870,261
Closing balance	4,314,022	4,188,050
Increase in Cash and Cash Equivalents	**(224,924)**	**317,789**
Transactions that do Not Affect Cash and Cash Equivalents		
Net assets of subsidiaries acquired	-	136,093
Supplier's of fixed assets and intangibles	(34,179)	1,962
Capitalized interest, monetary variation and depreciation	37,934	8,155
Unclaimed dividends and interest on equity	6,829	1,881
Provisions for expropriations without cash effect in the construction of transmission	1,997	-
Credit of income tax and social contribution	328	1,321