Earnings Release 2Q21

For Immediate Release

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Video Conference
On 8/6/2021 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

Índice de Ações com Governança Corporativa Diferenciada IGC

ITAG B3

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Florianópolis, Brazil, August 5, 2021. ENGIE Brasil Energia S.A. (“ENGIE” or “Company”) – B3: EGIE3, ADR: EGIEY - announces earnings for the Second Quarter and six-months period ending June 30, 2021 (2Q21, 6M21/1H21). 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.

Set against a challenging hydrological scenario, ENGIE Brasil Energia recorded an increased adjusted Ebitda in 2Q21

The Board of Directors approved the distribution of R$ 0.9676/share as intermediate dividends representing 100% of the distributable net income for the first half of 2021.

Highlights

- Net operating revenue reached R$ 3,133 million in the 2Q21, 16.6% (R$ 446 million) higher than recorded in the 2Q20.
- In 2Q21, the Company reported an impairment of R$ 163 million, following an adjustment to book value with respect to the Jorge Lacerda Thermoelectric Complex.
- The Company posted Ebitda[1] of R$ 1,369 million in the 2Q21, a decrease of 4.4% (R$ 63 million) compared to the 2Q20. Excluding non-recurring effects of impairment in 2Q21 and gain in lawsuit and extemporaneous tax credits in 2Q20, the variation in Ebitda would have posted an increase of R$ 252 million or 19.7% rather than a decrease of R$ 63 million.
- Net income was R$ 319 million (R$ 0.5224/share) in the 2Q21, 58.4% (R$ 447 million) lower than posted in the 2Q20. Excluding non-recurring effects mentioned above, net income fell by R$ 166 million (28.0%) between the second quarters 2020 x 2021.
- The average price of the energy sales agreements, net of taxes on revenues and trading operations, was R$ 205.35/MWh in the 2Q21, 4.9% higher than registered in the 2Q20.
- Excluding trading operations, the energy sales volume was 8,856 GWh (4,055 average MW), 0.4% lower than sold in the 2Q20.
- The Company remains committed to social initiatives in support of the communities through outreach programs for income creation and the donation of inputs for healthcare establishments tackling the Covid-19 pandemic.
- ENGIE launched a Modulation Swap for Generators, a product which provides the security of a hedge against hourly price variations by switching its curve with a generation profile for a flat curve.
- In 2Q21, Campo Largo II Wind Complex received authorization from the National Electric Energy Agency (Aneel) to begin commercial operations at the VIII, XVII, XIX, XX and XXII wind farms amounting to 168.0 MW of installed capacity. At the end of 2Q21, 247.8 MW (68.6%) out of a total of 361.2 MW were in commercial operation.
- In June 2021, WEG and ENGIE Brasil Energia concluded the implementation of the first Brazilian large-sized wind turbine, with 4.2 MW of installed capacity, integrating the photovoltaic plant in Tubarão, Santa Catarina State.
- Law 14.182/21 was approved confirming Aneel's previous interpretation extending reimbursement for GSF hydrological losses (i) for plants which renegotiated the hydrological risk for the period prior to 2015 and (ii) for the large, strategic hydroelectric plants. ENGIE will await Aneel's confirmation on the final amounts for booking the expected effects in the upcoming quarter.

Subsequent Events

- On July 22, ENGIE reported an all-time record for wind generation (five minutes average), with a total of 1,105.19 MW, equivalent to a capacity factor of 89.2%.
- As a result of the accident on July 16, 2021, at the erection of transmission lines for the Novo Estado project, the Company is demanding the inspection and testing of 100% of the foundations of its transmission towers to ensure the best safety practices and prevent risks of future accidents.
- The 230kV – Ponta Grossa – São Mateus do Sul transmission line comprising the Gralha Azul Transmission System received the Release Agreement for Tests from the National System Operator valid from July 18, 2021, a landmark event for ENGIE with respect to its operation in the transmission segment.
- In the light of progress in the negotiations with FRAM Capital, the Company expects signature of the agreement for the sale of the Jorge Lacerda Thermoelectric Complex by the end of August 2021, with precedent conditions still to be completed.
- With the purpose of replacing thermal capacity, a Special Independent Committee for Transactions with Related Parties has been installed to evaluate the acquisition of photovoltaic complexes with a total installed capacity of 259,8 MWp.
- The Board of Directors approved the distribution of R$ 789.5 million as intermediate dividends (R$ 0.9676321449/share) representing 100% of the distributable net income reported in the first half of 2021. Shares will become ex-dividend as from August 17, 2021 and will be paid on a date to be determined later by the Management Board.

Summary of Financial and Operational Indicators

Consolidated (In millions of R$)	2Q21	2Q20	Chg.	6M21	6M20	Chg.
Net Operating Revenue (NOR)	3,133	2,687	**16.6%**	6,383	5,281	**20.9%**
Results from Operations (EBIT)	1,132	1,199	**-5.6%**	2,639	2,295	**15.0%**
Ebitda (1)	1,369	1,432	**-4.4%**	3,107	2,764	**12.4%**
Adjusted Ebitda (2)	1,532	1,280	**19.7%**	3,218	2,612	**23.2%**
Ebitda / NOR - (%) (1)	43.7	53.3	**-9.6 p.p.**	48.7	52.3	**-3.6 p.p.**
Adjusted Ebitda / NOR - (%) (2)	48.9	49.1	**-0.2 p.p.**	50.4	50.2	**0.2 p.p.**
Net Income	319	766	**-58.4%**	848	1,278	**-33.6%**
Return On Equity (ROE) (3)	29.0	35.5	**-6.5 p.p.**	29.0	35.5	**-6.5 p.p.**
Return On Invested Capital (ROIC) (4)	23.4	19.1	**4.3 p.p.**	23.4	19.1	**4.3 p.p.**
Net Debt (5)	13,078	10,772	**21.4%**	13,078	10,772	**21.4%**
Gross Power Production (avg MW) (6)	3,316	2,190	**51.4%**	3,955	2,901	**36.3%**
Energy Sold (avg MW) (7)	4,055	4,073	**-0.4%**	4,130	4,205	**-1.8%**
Average Net Sales Price (R$/MWh) (8)	205.35	195.79	**4.9%**	205.24	193.92	**5.8%**
Number of Employees - Total	1,598	1,645	**-2.9%**	1,598	1,645	**-2.9%**
EBE Employees	1,473	1,575	**-6.5%**	1,473	1,575	**-6.5%**
Employees on Under Construction Plants	125	70	**78.6%**	125	70	**78.6%**

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

MESSAGE FROM THE MANAGEMENT

ENGIE Brasil Energia continues reporting a consistent performance in spite of the prolonged pandemic and set against a backdrop of hydrological stress which is proving still more rigorous than what had been initially forecast for the year. The startup in partial operations of Campo Largo II, together with the high incidence of winds in the Northeast region, has contributed to the increase in wind generation in the period under review. Additionally, in alignment to the ethics inherent to its business model, the Company also remained committed to outreach intiatives through its programs for income creation, education and culture as well as donations made to heatlhcare institutions tackling the Covid-19 pandemic.

We closed the quarter with net operating revenue at R$ 3.1 billion, a result 16.6% higher than 2Q20 and +20.9% for the first half of 2021. Revenue accruing from the implementation of the transmission systems grew by R$ 342 million (+79%) in the period — as a result of the advancing work, representing 25% of the consolidated revenue and 10% of our adjusted Ebitda. Consolidated Ebitda totaled R$ 1.4 billion in 2Q21, 4.4% less than 2Q20, and R$ 3.1 billion, +12.4% in the first six months of the year. If the non-recurrent ajusts of impairment in 2Q21, and tax clawbacks and extemporaneous tax credits in 2Q20, are not taken into accout, the Ebitda variation would go from a negative effect of R$ 63 million to a positive effect of R$ 252 million – a growth of 19.7% - even in the face of a challenging hydrological scenario.

Net income continued to be negativelly impacted mainly by the effect of restatement at IGP-M of concessions payable, and by the non-reccurring effects, totaling R$ 319 million in the quarter (-58.4% vs 2Q20) and R$ 848 million in the semester (-33.6% vs 1H20). Excluding the non-recurring effects mentioned above, net income decreased by 28.0% and 13.5%, respectivelly, between the quarters and semesters under comparison.

The acceleration of inflation which impacts the restatement of concessions is positively influencing the average energy sales price. We are already implementing adjustments to the agreements, mitigating the loss and driving revenue. Average selling prices rose 4.9% in 2Q21, bringing in an extra R$ 77 million to results in spite of the effects of new contracts with free consumers at prices below the average for prevailing or expired contracts.

We continue to run a comfortable cash position of approximately R$ 5.1 billion and the net debt/Ebitda ratio stands at 1.9x. We maintain an outlook for expenditures with investments by R$ 3.7 billion during 2021.

The Board of Directors approved the distribution of 100% of the first half 2021 adjusted net income in the form of intermediate dividends worth R$ 790 million (R$ 0.9676/share). Shares will trade ex-dividends from August 17, 2021 and payout will be effected on a date to be established in due course by the Management Board.

During the quarter, the Company launched the new Modulation Swap for Generators product and a tool used for negotiating energy agreements, acting as a hedge compared with contracting with flat profiles and mitigating generators' risk exposure, notably those plants powered from renewable sources such as wind and solar.

Work on our new assets also proceeded apace during the period. At the end of 2Q21, implementation work on the Gralha Azul Transmission System had reached 89% overall completion. The startup in commercial operations of the 230kV – Ponta Grossa – São Mateus do Sul Transmission Line (TL) is scheduled to take place gradually from August 2021, thus ensuring fulfillment of the planned anticipation of delivery of the asset in relation to the deadline for the concession agreement and in so doing, bringing forward the solution to energy supplies from the Itaipu HPP to the state of Paraná. With the National System Operator's authority, tests began on July 18.

"The Board of Directors approved the distribution of 100% of the first half 2021 adjusted net income in the form of intermediate dividends worth R$ 790 million (R$ 0.9676/share)."

In the case of the Novo Estado Project in the state of Pará where a work force of more than 8,500 has been mobilized for its construction, we have to report that on July 16 there was a tragic accident, seven employees of Sigdo Koppers Ingeniería y Construcción (SKIC) losing their lives. The latter company is one of the leaders in South America in the execution of heavy duty construction and industrial assembly with more than 7,000 kilometers of installed transmission line to its name and engaged by Novo Estado Transmissora de Energia S.A., an entity under the indirect control of the Company, for executing the work in the northern section of the project. The Company is demanding the inspection and testing of 100% of the foundations of its transmission towers to ensure the best safety practices and prevent risks of future accidents. Work resumed gradaully the following week, initially not involving high level work or otherwise risky activities. Based on the findings of the investigaton, it will be possible to determine eventual impacts on the construction schedule. At the end of 2Q21, 85% of the tower foundations had been concluded, 60% of the assembly and 21%, the stringing of the transmission line conductor cables. The phase of electromechanical assembly of the Serra Pelada (PA) substation is nearing conclusion and the intial activities of the commissioning stage are underway.

Installation licenses for the eleven wind farms comprising the Campo Largo II Wind Complex have been issued, thus freeing up activities in all areas of the project. Eight wind farms are already in commercial operations, adding 247.8 MW (68.6% of a total of 361.2 MW) of installed capacity to ENGIE Brasil Energia's overall generator park, in so doing surpassing the mark of 1 gigawatt (GW) of the Company's total energy output from wind in Brazil. Implementation work at the Santo Agostinho Wind Complex also recorded progress in the period. As well as obtaining all installation licenses and five authorizations for brush clearance, in July the project was also granted authority for the installation of the works patio.

We continue to move forward with the diversification of our businesses, developing our proposal for accelerating the energy transition in alignment with the ENGIE group's global strategy for investment in renewable energy and infrastructure. In this context, negotiations with FRAM Capital for the sale of Jorge Lacerda Thermoelectric Complex are advancing with the expectation of signing the contract by the end of August 2021, with conditions precedent still to be met. In parallel, there was also progress in the sale process of Pampa Sul Thermoelectric Power Plant, which continues to follow its schedule with the expectation of closing this year.

In order to promote the gradual replacement of thermoelectric capacity by generation from renewable sources, an Special Independent Committee for Transactions with Related Parties was installed by the Board os Directors to evaluate the acquisition of the Paracatu and Floresta Photovoltaic Complexes, located in the states of Minas Gerais and Rio Grande do Norte, respectively, with a total installed capacity of 259.8 MWp. The assets were contracted for a period of 20 years in the 2nd Reserve Energy Auction of 2015 by Solaire Direct, a company acquired by the ENGIE Group in that year.

We believe that with activities concentrated on people, the planet and performance of our assets, we contribute to the improvement of sector practices, paving the way for success in our businesses over the long term and creating value for our shareholders and for society as a whole - without leaving any one behind. We will continue working with transparency, financial discipline, respect for the environment, support for communities and with a focus on operational efficiency as enablers of our growth.



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 2Q21 had 8,958.3 MW of installed capacity and operates a generating complex with 10,679.0 MW, comprised of 68 plants (11 hydro, four thermal and 53 complementary energy source plants — biomass, SHP, wind powered and solar), 64 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 June 30, 2021

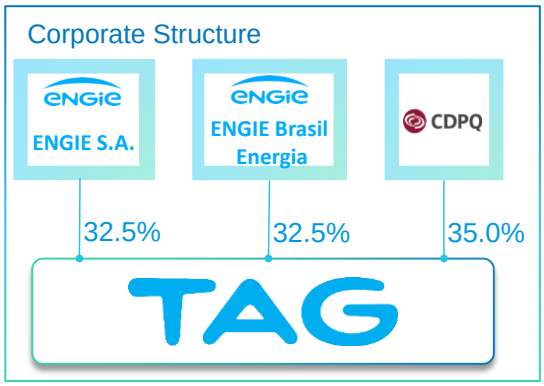
Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date *	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Oct/30	564.7
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Sep/28	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)	247.8	247.8	Dec/54	133.7
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			**1,374.7**	**1,364.6**		**709.3**
Total			**10,679.0**	**8,958.3**		**5,100.4**

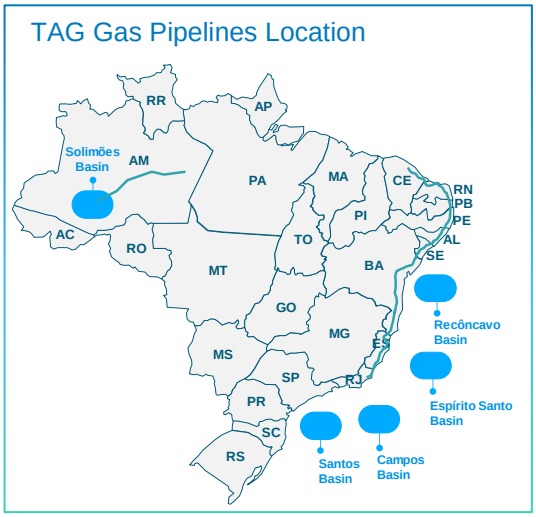
* It does not consider the extension of concessions of certain plants, resulting from adherence to the renegotiation of the hydrological risk referred to in Law 14.052/2020.
[1] Complex comprised of three power plants.
[2] Complex comprised of 18 power plants.
[3] Complex comprised of 11 power plants.
[4] Complex comprised of 11 power plants and 8 under commercial operation on 06/30/2021.
[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). 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, 14 active gas entry points (including two Liquified Natural Gas (LNG) terminals) and a further 91 gas exit points as well as 11 compressor stations for supplying refineries, fertilizer plants and thermoelectric power plants.





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).

In January 2021, TAG and Proquigel, a company in the Unigel Group, signed an interruptible gas transmission agreement for supplying two fertilizer plants operated by the petrochemical poles in the states of Bahia and Sergipe. Forecasts are for delivery of 2.3 million cubic meters (Mm³) of gas per day for a period of up to a year. This is the first significant gas transmission agreement with a new agent in the context of sector deverticalization and the opening up of the gas market in Brazil. It is part of the company's efforts to ensure the viability of access to new clients in the TAG network, - fundamental to growth of the sector and for the attraction of more investments along the supply chain.

In 2021, TAG signed an agreement with Transportadora Brasileira de Gasoduto Brasil-Bolívia (TBG) and Nova Transportadora do Sudeste (NTS) for sharing the Capacity Offer Portal marketplace (POC). The digital platform simplifies access to the Brazilian natural gas transportation system, facilitating the coordination and visibility of capacity offers of the gas transmission companies and introducing greater dynamism to the sector.

Fitch Ratings announced its first risk evaluation for the company, assigning TAG with a Long Term National Scale Rating of AAA(bra) and BB for IDR (Issuer Default Ratings), a notch higher than Brazil sovereign risk, and the best classification possible for a Brazilian company with exclusively local activities.

Contracts Breakdown

Gas Pipelines	Size (km)	Contract Maturity	Volumes Contracted (MM m³/day)	% Projected of Net Operating Revenue*	Readjustment index
Gasene	1,400	Nov-33	30.3	37.8%	IGPM/CPI/FX
Malha NE	2,000	Dec-25	21.6	22.4%	IGPM
Pilar-Ipojuca	200	Nov-31	15.0	5.9%	IGPM
Urucu-Coari-Manaus	800	Nov-30	6.7	33.9%	IGPM/IPCA
Lagoa Parda-Vitória	100	Under negotiation		0.0%	IGPM
Total	**4,500.0**		**73.6**	**100.0%**	

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

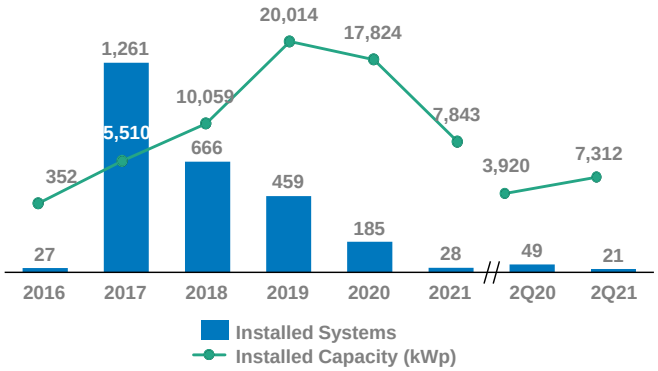
Distributed Solar Generation

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 second quarter 2021 saw the conclusion of the implementation of 7.3 MWp, representing the capacity of 21 photovoltaic plants. In addition, EGSD has begun the building of 14 new plants, equal to a total of 13 MWp, accounting for a further 8.6 MWp in agreements pending completion.

Since the outset of its operations, ENGIE Geração Solar Distribuída has installed 2,626 systems with an installed capacity of 61.6 MWp.

Number of systems and installed capacity





Distributed Solar System installed by EGSD.

Expansion

Paracatu e Floresta Photovoltaic Complexes. The ENGIE Brasil Energia's Board of Directors has installed a Special Independent Committee for Transactions with Related Parties (CRP) to evaluate the potential acquisition of the Paracatu and Floresta (Paracatu and Floresta) Photovoltaic Complexes. Paracatu and Floresta were contracted at the Second Reserve Energy Auction 2015, held by Aneel (Aneel Auction 009/2015), by the company Solaire Direct, under the control of the ENGIE Group and later renamed ENGIE Solar. The total solar energy sold was 59.1 average MW for the term of 20 years.

Pursuant to the Regulations, the CRP will be composed of members of the Board of Directors, the majority of them Independent Directors, the remainder being drawn from the Company's Officers.

Paracatu Photovoltaic Complex: located in Paracatu, state of Minas Gerais, the plant has an installed capacity of 158.3 MWp with a sales agreement of 34,0 average MW, in the amount of R$ 364.13/MWh (base Nov/2020) restated according to the IPCA inflation index. Commercial operations began in February of 2019.



Floresta Photovoltaic Complex.

Floresta Photovoltaic Complex: located in the city of Areia Branca, state of Rio Grande do Norte, the plant has an installed capacity of 101.5 MWp, having contracted 25.1 average MW in the amount of R$ 357.78/MWh (base Nov/2020) restated at the IPCA inflation index. Commercial operations began in December of 2017.

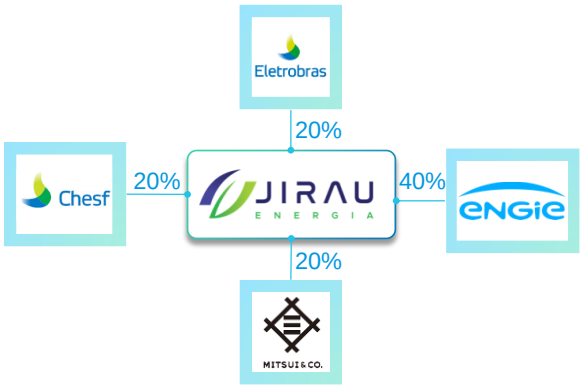


Paracatu Photovoltaic Complex.

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.

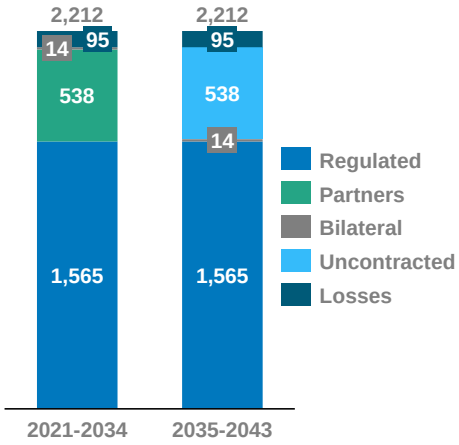
Since November 2016, Jirau HPP has 50 generating units in operation, representing a total installed capacity of 3,750 MW. The plant was unveiled on December 16, 2016.

Corporate Structure



Jirau Energia PPA's Portfolio

Average MW

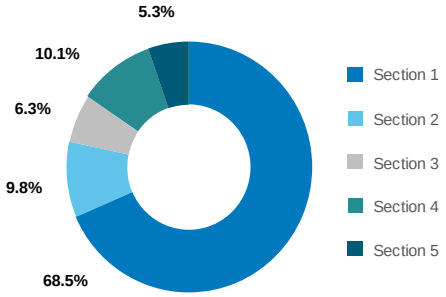


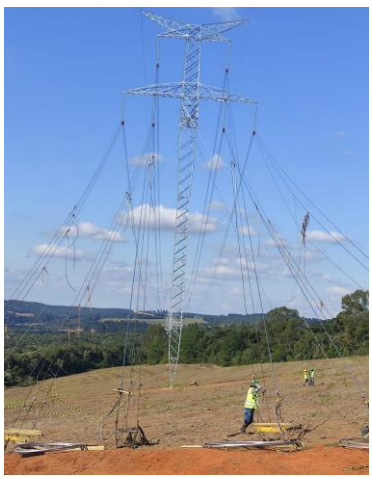
In May 2017, ENGIE Brasil Participações (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (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 2Q21, the plant generated 2,791.9 average MW, 27.0% higher than the 2,199.2 average MW for 2Q20, while the National Electrical System Operator Uptime Ratio (FID) was 99.2% (data subject to final Electric Energy Trade Board (CCEE) booking).

Gralha Azul Transmission System. With about 1,000 kilometers in the state of Paraná (PR), 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 is 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.

Part of the Annual Allowed Revenue (RAP) (%)





Gralha Azul Transmission Line assembly.

At the end of 2Q21, overall work on the Gralha Azul Transmission System reported completion as having reached 89% with civil works and electromechanical assembly of the transmission lines and substations meeting the deadlines enshrined in the federal concession contract. The Company continues to maintain its plan of anticipating the project's entry into commercial operations. The 230kV – Ponta Grossa – São Mateus do Sul Transmission Line (LT) was granted the Release for Tests Instrument as from July 18, 2021. Entry into commercial operations is scheduled to occur gradaully from August 2021, ensuring anticipation in relation to the contractual deadline and bringing forward the solution to Itaipu energy supplies to the state of Paraná.

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

* Value as of December 2017

Novo Estado Transmission System. 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).** 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.



Novo Estado Transmission Line.

At the end of 2T21, a labor force of more than 8,500 was mobilized for work on the construction of the project. During the quarter, 85% of the powerline tower foundations, 60% of assembly work and 21% of transmission line conductor cable stringing had been completed. The supply of materials and equipment is at a final stage and work on the Serra Pelada Substation (PA) involving electromechanical assembly nearing completion with the first phase of commissioning activities begun. Expansion work on existing substations is at the electromechanical assembly stage. The total work progress was 84.5% at the end of 2Q21.

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

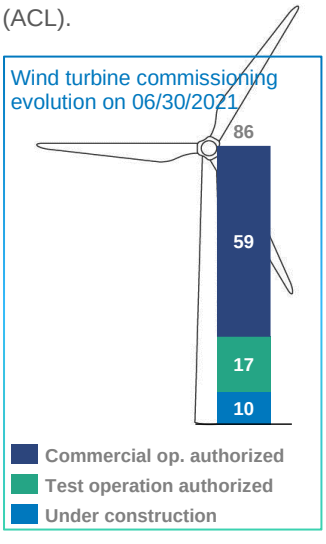
Subsequent to the foregoing, regrettably on July 16, 2021 there was an accident involving employees of Sigdo Koppers Ingeniería y Construcción ("SKIC"). This company is one of the leaders in South America in the execution of large-scale industrial assembly and construction projects, subcontracted by Novo Estado Transmissora de Energia S.A., an entity under the direct control of the Company, for the implementation of a section of the Novo Estado Project's transmission lines in the municipality of Pacajá, state of Pará.

To ensure best safety practices and prevent future accident risks, the Company is requiring 100% inspection and testing of transmission tower foundations. Work was gradually resumed initially in activities that do not involve working at heights or with high risks. From this, it will also be possible to determine any impacts on the schedule.

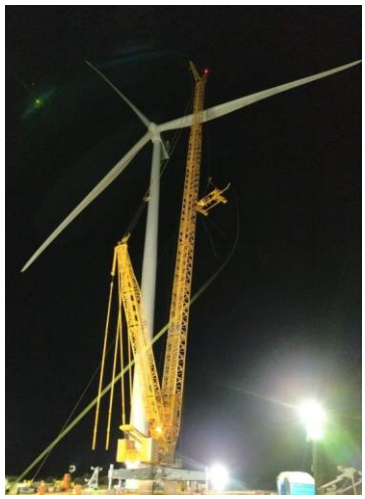
Projects under Implementation

Power plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	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. Located in the muncipalities of Umburanas and Sento Sé, approximately 420 km distant from the Bahia state capital, Salvador, the **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. Power output from Campo Largo II will be sold entirely in the Free Contracting Environment (ACL).



With the conclusion of civil work and installation of medium voltage networks connecting the wind turbines to the collector substation, in the second quarter of 2021 assembling and commissioning of the wind turbines proceeded apace. Out of a total of 86 machines, 71 wind generators were completely assembled and 66 had been commissioned by the end of the 2Q21, overall completion of the work having reached 97%.



Wind turbine assembly

Wind farms VIII, IX, X, XIV, XVII, XIX, XX and XXII are already in operation, adding 247.8 MW of installed capacity to the Company's total generator complex, in so doing ensuring that installed capacity from wind power has now surpassed the 1 gigawatt (GW) level. Wind Farms XII and XIII, representing a total output of 96.6 MW of installed capacity, have already begun test operations, and the three remaining wind parks should go into commercial operations by August 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 earthworks at the collector substation site and the topographic, drilling and vegetation suppression works started for the construction of the parks that make up the wind complex. The engineering and main equipment acquisition stage of the project is also in progress. The companies engaged for the construction of the project are at the mobilization stage prior to the start of construction.

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 an installation license was filed with Idema. The license is expected to be issued by the end of the year.

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. In March 2021, the Institute for the Environment and Water Resources (Inema), the environmental protection agency for the state of Bahia, issued a Preliminary Environmental license for the project which is located adjacent to Phases I and II of the Campo Largo Wind Complex, the relative synergies being important for ensuring the viability of Phase III.

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

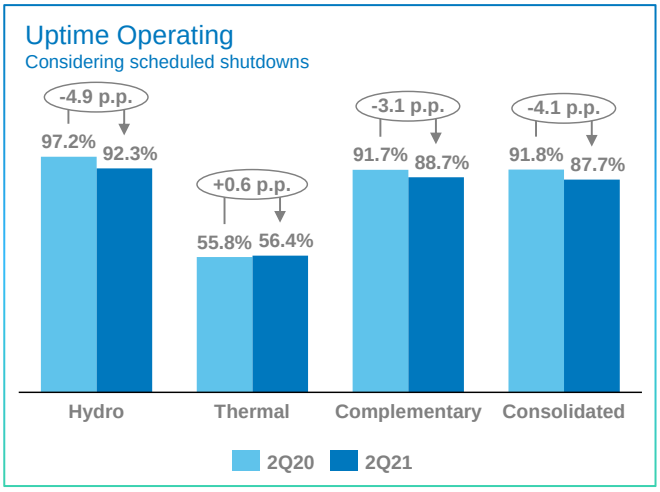
Energy Generating Park Uptime Operating

The plants operated by ENGIE Brasil Energia reported uptime working of **97.3% in 2Q21, ignoring scheduled stoppages**: 99.9% for the hydroelectric plants, 85.8% for the thermoelectric plants and 92.1% 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 2Q21 was 87.7%: 92.3% for the hydroelectric plants, 56.4% for the thermoelectric and 88.7% for plants operating with complementary energy sources.

The uptime of the hydroelectric plants, **discounting scheduled stoppages**, was 0.2 p.p. greater than recorded for the second quarter 2020. **If programmed stoppages are considered as well**, uptime reported a reduction of 4.9 p.p., principally due to maintenance work on the Jaguara (Unit 02) and Estreito (Unit 01) Hydroelectric Power Plants.

In relation to the thermoelectric plants, **discounting programmed stoppages**, there was an increase of 7.2 p.p in uptime compared with 2Q20, when there were shutdowns at the Jorge Lacerda A (Unit 2), Jorge Lacerda B (Unit 6), Jorge Lacerda C (Unit 7) plants as well as the Pampa Sul Thermoelectric Plant. **Considering all scheduled stoppages** and despite maintenance work in progress on the Jorge Lacerda C Thermoelectric Power Plant, there was an improvement in uptime of 0.6 p.p compared to the same quarter in 2020.

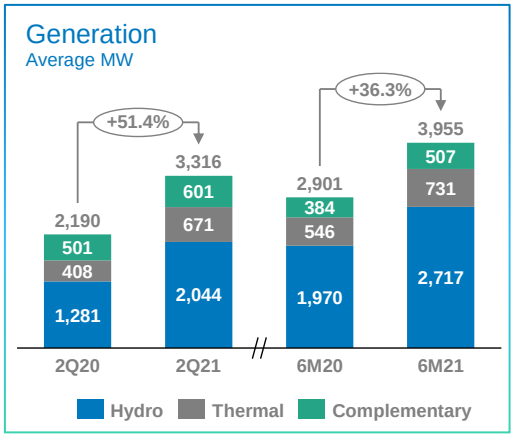


Finally in the case of complementary plants, compared with 2Q20, there was a reduction of 2.3 p.p. in uptime, **excluding programmed stoppages,** and 3.1 p.p. **considering scheduled stoppages,** principally due to corrective maintenance work in progress on the Lages Co-generation Plant generator.

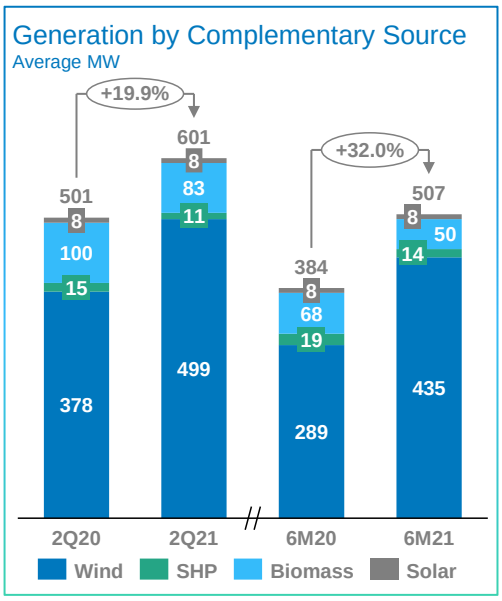
Energy Production

Electricity output from plants operated by ENGIE Brasil Energia was 7,242 GWh (3,316 average MW) in 2Q21. This result is **51.4% higher** than production for 2Q20. Total output breaks down as follows: hydroelectric plants 4,464 GWh (2,044 average MW), thermoelectric plants 1,466 GWh (671 average MW) and the complementary sourced units 1,312 GWh (601 average MW). Results point, respectively, to increases of 59.5%, 64.5% and 19.9% on the hydroelectric, termoelectric and complementary energy sources, in relation to 2Q20.

Increased generation from the **hydroelectric plants** in 2Q21, compared with 2Q20, resulted basically from the increase in the global load of the National Interconnected System (SIN). Worthy of mention is that in the same period last year, there was a reduction in consumption due to the onset of the Covid-19 pandemic.



Meanwhile, the increase in generation reported for the **thermoelectric power plants** in 2Q21 compared to the same period in 2020, is due to the continued dispatch to meet energy guarantee requirements as ordained by the CMSE – Electric Sector Monitoring Committee, due to less favorable hydrological conditions. Particular mention should be made of the operational performance of the Pampa Sul Thermoelectric Plant which saw the operation ramp up production by 119.8% when compared with 2Q20.

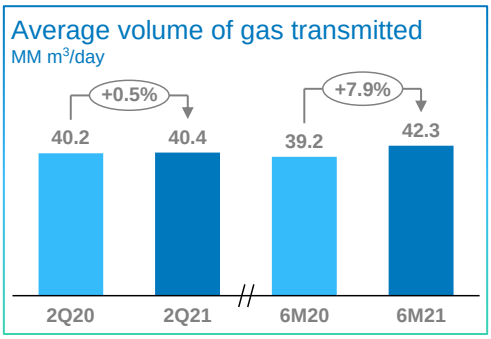


At the complementary plants, the increase in generation was principally due to improved wind conditions along the coast of the state of Ceará where the Trairi and Santa Mônica Wind Complexes are located, these accounting for an output 33.5% higher than the same period in 2020. In addition, various wind generators began commercial operations at Campo Largo II Wind Complex, an operation responsible for producing nearly 200,000 MWh in 2Q21.

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 a charge for unutilized capacity (ship-or-pay).



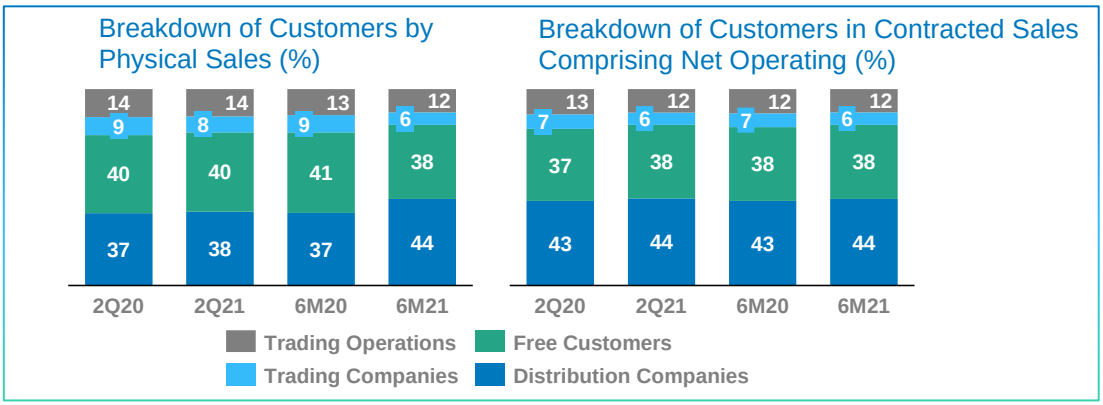
On March 16, 2021, the Lower Chamber of Congress approved the Bill proposing Law 4.476/2020, known as the New Gas Law, amending the regulatory framework for the sector. The text received the presidential sanction without veto on April 8, 2021. The aim of the new law is to increase private investment in the sector, promote competition, reduce costs, and increase natural gas consumption. In addition, the new legislation gives transparency, independence, and isonomy of information to industry agents, legal security to existing contracts and agility in contracting transportation capacity. It also gives more autonomy to the National Petroleum Agency (ANP) to regulate the industry's activities.

In 2Q21, TAG transported an average volume of gas of 40.4 million m^3/day (40.2 million m^3/day in the 2Q20).

Electric Energy Sales Portfolio

In 2Q21, the free consumer share of the Company's portfolio was 40.4% of total physical sales and 37.5% of the total net operating revenue (except CCEE and other revenues), increases of 0.7 p.p. and 0.8 p.p., respectively in relation to the same quarter in 2020.

The increase in the participation of free consumers in physical sales was driven mainly by the reduction in clients' consumption due to the onset of the Covid-19 pandemic in 2Q20, and by new agreements executed in 2Q21. Increased net operating revenue between periods was essentially due to the effect of monetary restatement of existing agreements, partially attenuated by new agreements at lower average prices than the average for terminated agreements.



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 **June 30, 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$/MWh)
Own Resources	4,821	4,899	5,061	5,117	5,113	5,111				
+ Purchases for Resale	1,085	829	587	413	353	307				
= Total Resources (A)	**5,906**	**5,728**	**5,648**	**5,530**	**5,466**	**5,418**				
Government Auction Sales[1]	2,012	2,012	2,012	2,007	1,994	1,984				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	249.4	224.1
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	274.1	246.3
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	286.0	256.9
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	257.8	231.6
Proinfa	19	19	19	19	19	19	147.8	Jun-04	418.4	403.1
1st Reserve Energy Auction	14	14	14	14	2	-	158.1	Aug-08	311.5	300.1
Auction Mix (New Energy / Reserve / DG)	14	14	14	9	8	-	-	-	301.0	290.0
2014-NE-2019-25	295	295	295	295	295	295	183.5	Mar-14	270.0	242.6
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	283.8	273.4
2014-NE-2019-20	82	82	82	82	82	82	139.3	Nov-14	192.3	174.5
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	241.1	218.8
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	370.2	336.0
2014-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	220.5	200.1
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	153.4	146.3
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	174.0	166.0
+ Bilateral Sales	3,181	2,953	2,500	1,982	1,413	932				
= Total Sales (B)	**5,193**	**4,965**	**4,512**	**3,989**	**3,407**	**2,916**				
Balance (A - B)	**713**	**763**	**1,136**	**1,541**	**2,059**	**2,502**				
Sales average **net** price (R$/MWh) [2, 3]:	202.3	206.9	204.1							
Purchases average **net** price (R$/MWh) [4]:	190.5	184.4	168.3							

[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 – 2Q21 x 2Q20 (in R$ million)					
	Electric energy					
	Generation[1]	Transmission[2]	Trading	Solar panels	Gas transportation	Consolidated
2Q21						
Net operating revenue	2,049	776	298	10	-	3,133
Operational costs	(988)	(617)	(293)	(12)	-	(1,910)
Gross income (loss)	**1,061**	**159**	**5**	**(2)**	**-**	**1,223**
Selling, general and administrative expenses	(74)	-	(1)	(1)	-	(76)
Impairment	(163)	-	-	-	-	(163)
Equity income	-	-	-	-	147	147
Income (loss) before financial results and taxes	**824**	**159**	**4**	**(3)**	**147**	**1,131**
2Q20						
Net operating revenue	1,990	434	254	9	-	2,687
Operational costs	(908)	(413)	(251)	(11)	-	(1,583)
Gross income	**1,082**	**21**	**3**	**(2)**	**-**	**1,104**
Selling, general and administrative expenses	(65)	-	(1)	(1)	-	(67)
Equity income	-	-	-	-	162	162
Income (loss) before financial results and taxes	**1,017**	**21**	**2**	**(3)**	**162**	**1,199**
Variation						
Net operating revenue	59	342	44	1	-	446
Operational costs	(80)	(204)	(42)	(1)	-	(327)
Gross income (loss)	**(21)**	**138**	**2**	**-**	**-**	**119**
Selling, general and administrative expenses	(9)	-	-	-	-	(9)
Impairment	(163)	-	-	-	-	(163)
Equity income	-	-	-	-	(15)	(15)
Income (loss) before financial results and taxes	**(193)**	**138**	**2**	**-**	**(15)**	**(68)**

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

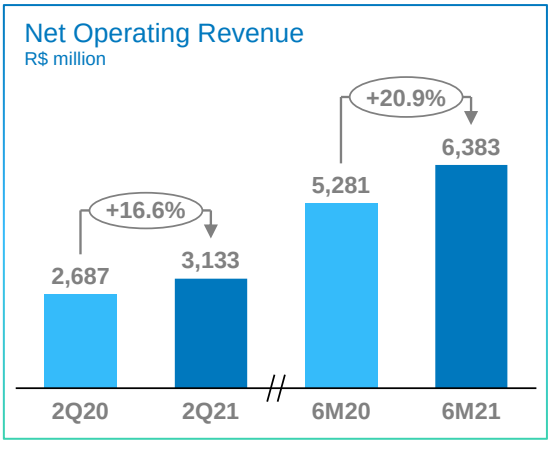
[1] Generation and sale of electric energy from the Company's portfolio ("Generation").
[2] Segment represented by the Gralha Azul Transmission System and Novo Estado Transmissora de Energia, both under construction.

Net Operating Revenue

	Operating revenue by segment – 2Q21 x 2Q20 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
2Q21					
Distribution companies	916	-	-	-	916
Free consumers	774	-	-	-	774
Construction revenue	-	624	-	-	624
Remuneration of concession financial assets	120	152	-	-	272
Energy trading operations	-	-	244	-	244
Trading companies	129	-	-	-	129
Transactions in the short-term market	71	-	6	-	77
Unrealized gains on trading operations	-	-	48	-	48
Services rendered revenue	31	-	-	-	31
Other revenues	8	-	-	10	18
Net operating revenue	**2,049**	**776**	**298**	**10**	**3,133**
2Q20					
Distribution companies	861	-	-	-	861
Free consumers	733	-	-	-	733
Construction revenue	-	423	-	-	423
Remuneration of concession financial assets	53	11	-	-	64
Energy trading operations	-	-	258	-	258
Trading companies	148	-	-	-	148
Transactions in the short-term market	59	-	1	-	60
Unrealized gains on trading operations[3]	-	-	(5)	-	(5)
Services rendered revenue	30	-	-	-	30
Gain of lawsuit	80	-	-	-	80
Revenue from indemnities	20	-	-	-	20
Other revenues	6	-	-	9	15
Net operating revenue	**1,990**	**434**	**254**	**9**	**2,687**
Variation					
Distribution companies	55	-	-	-	55
Free consumers	41	-	-	-	41
Construction revenue	-	201	-	-	201
Remuneration of concession financial assets	67	141	-	-	208
Energy trading operations	-	-	(14)	-	(14)
Trading companies	(19)	-	-	-	(19)
Transactions in the short-term market	12	-	5	-	17
Unrealized gains on trading operations	-	-	53	-	53
Services rendered revenue	1	-	-	-	1
Gain of lawsuit	(80)	-	-	-	(80)
Revenue from indemnities	(20)	-	-	-	(20)
Other revenues	2	-	-	1	3
Net operating revenue	**59**	**342**	**44**	**1**	**446**

In 2Q21, net operating revenue increased 16.6% (R$ 446 million) when compared to 2Q20 rising from R$ 2,687 million to R$ 3,133 million. This variation reflects the following factors:

Generation and sale of energy from the portfolio: an increase of R$ 59 million (3.0%), due mainly from the increases of: (i) R$ 77 million corresponding to the increase in net average selling price; (ii) R$ 67 million in remuneration of financial assets relative to the portion of payment of the Jaguara and Miranda Hydroelectric Power Plants concession grants for energy allocated for sale under the Regulated Contracting Environment (ACR); and (iii) R$ 12 million in transactions executed across the short-term market, principally the CCEE. This effect was partially attenuated by the following decreases: (iv) a non-recurring amount of R$ 80 million from a tax clawback in 2Q20; and (v) R$ 20 million relating substantially to the booking in 2Q20 of revenues from indemnities for delays in conclusion of construction work and the collection of a contractual fine for plant downtime.



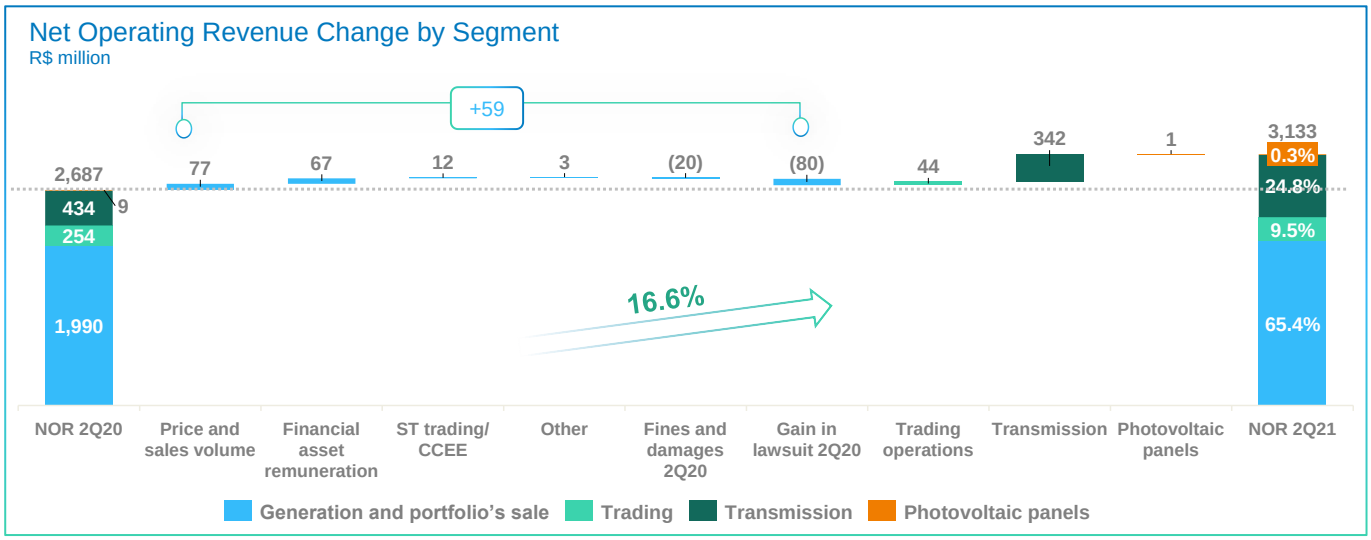
[3] In 2Q20, the Company recorded a reduction in unrealized gains in trading operations through the subsidiary ENGIE Brasil Energia Comercializadora Ltda ("EBC").

Discounting the non-recurring impact mentioned in item (iv), net operating revenue from the energy generation and sales from the Company's portfolio segment recorded an increase of R$ 139 million (7.3%) in 2Q21 compared to 2Q20.

Transmission: an increase of R$ 342 million (78.8%), a consequence of progress of work on the Gralha Azul and Novo Estado Transmission Systems shown in the accounts as revenue arising from the cost of construction plus a management margin in favor of the Company, of which R$ 201 million relates to an increase in construction revenue and R$ 141 million reflecting higher remuneration of concession financial assets.

Trading: an increase of R$ 44 million (17.3%) as a result of positive marking to market of future sales and an increase in revenues from short-term transactions, partially offset by the reduction in revenue from executed operations.

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".



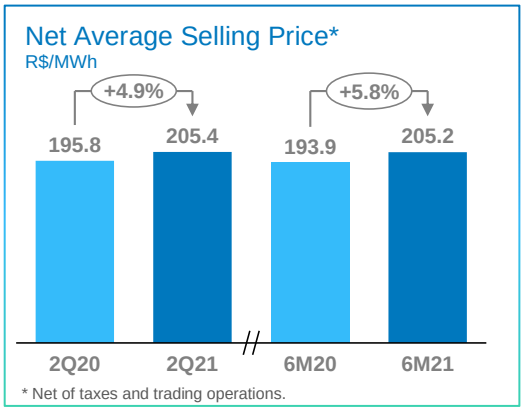
Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

The average selling price of energy, net of revenue charges, was **R$ 205.35/MWh in 2Q21, 4.9% higher** than reported for 2Q20, when average selling prices were R$ 195,79/MWh.

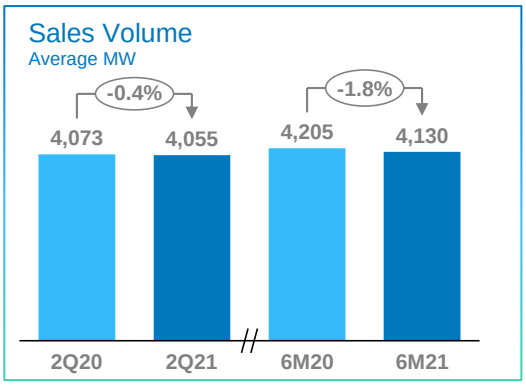
Higher prices were largely driven by monetary restatement on outstanding agreements. These effects were partially attenuated by new agreements with free consumers at lower prices than those either prevailing or expired.



➢ Sales Volume

Energy sales volume under agreements remained stable between the comparable periods, reporting a reduction of 39 GWh (18 average MW) or 0.4% from 8,895 GWh (4,073 average MW) in 2Q20 to **8,856 GWh (4.055 average MW) in 2Q21**.

Between the quarters in comparison, there is a higher volume of sales at distribution companies and free consumers, offset by a lower volume at trading companies.



➢ Revenue from Sale of Electric Energy

- Distribution Companies:

Revenue from sales to distributors was R$ 916 million in 2Q21, R$ 55 million (6.4%) higher than the R$ 861 million reported in 2Q20. This increase reflected the following effects: (i) R$ 41 million — an increase of 4.8% in net average selling prices; and (ii) R$ 14 million — an increase of 59 GWh (27 average MW) in sales volume.

Price increases were largely a result of monetary restatement on outstanding agreements and increased energy consumption reflecting principally the effects of seasonal energy allocations between the compared quarters.

- Free Consumers:

Revenues from sales to free consumers increased by R$ 41 million (5.6%) between the quarters under analysis from R$ 733 million in 2Q20 to R$ 774 million in 2Q21. The following events contributed to this variation: (i) R$ 35 million — growth of 4.7% in net average selling price; and (ii) R$ 6 million — increase of 34 GWh (15 average MW) in energy sales volume.

The price increase was largely due to the impact of monetary restatement on existing agreements, partially attenuated by new agreements with average prices lower than those of expired contracts.

The increase in energy sales volume was largely driven by reduced consumption by clients observed in 2Q20 with the onset of the Covid-19 pandemic, and fresh agreements signed in 2Q21.

- Trading Companies:

In 2Q21, revenue from sales to trading companies was R$ 129 million, R$ 19 million (12.8%) lower than revenue reported for 2Q20 at R$ 148 million. This decrease was a combination of the following aspects: (i) R$ 20 million — a reduction of 132 GWh (60 average MW) in energy sales volume; and (ii) R$ 1 million — representing a 1.1% rise in average net selling prices.

The decrease in volume between the periods analyzed was due mainly to the finalization of existing agreements between the quarters analyzed.

➢ Remuneration of Concession Financial Assets

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

Remuneration of the financial assets of concessions increased from R$ 53 million in 2Q20 to R$ 120 million **in 2Q21, an increase of R$ 67 million (126.4%)**. The increase was driven largely by variation in the IPCA and the increase in average outstanding balances between the periods.

➢ Transactions in the Short-term Energy Market

In 2Q21, revenue raised from transactions in the short-term market was R$ 71 million while in 2Q20 it was R$ 59 million, representing a **growth of R$ 12 million (20.3%)** between the compared quarters. Further explanations on these operations and on the variations can be found under the heading “Details of short-term operations”.

➢ Legal Action Found in Favor of the Company – Tax Recovery

On May 18, 2020, the Company obtained a favorable court ruling no longer subject to further appeal, guaranteeing clawback rights, either via compensation or reimbursement, of federal tax credits, duly restated at the basic Selic interest rate. As a result, the Company booked R$ 80 million in 2Q20. The amount in question was restated monetarily impacting the financial result for 2Q20 by R$ 73 million.

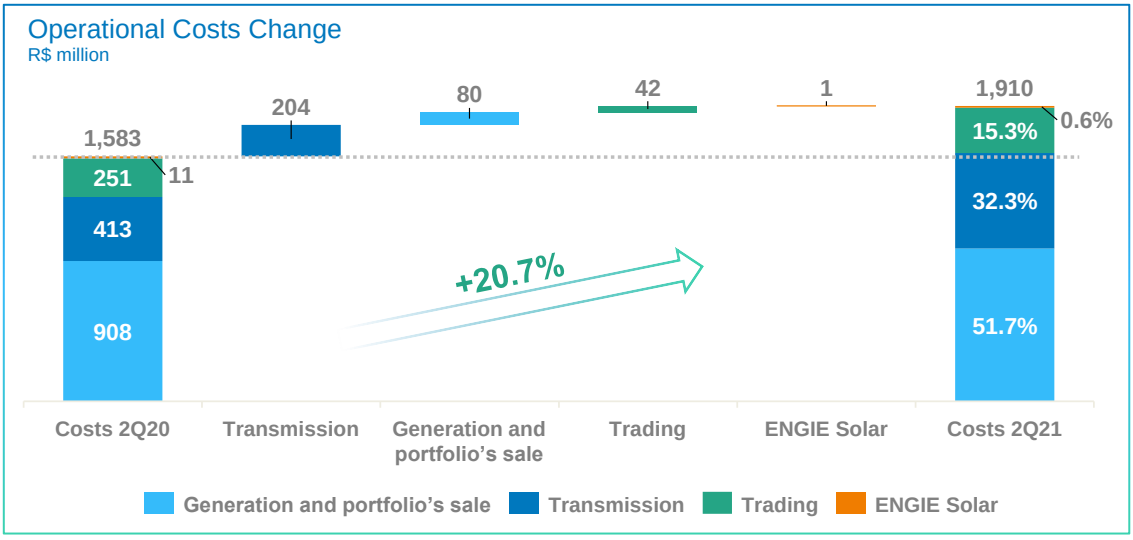
➢ Solar Panels

Sales and installation revenues through the ENGIE Geração Solar Distribuída S.A. (EGSD) on a year-on-year comparison basis, **increased R$ 1 million (11.1%)** from R$ 9 million in 2Q20 to **R$ 10 million in 2Q21**.

Operational Costs

	Costs by segment – 2Q21 x 2Q20 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
2Q21					
Construction costs	-	617	-	-	617
Electric power purchases	208	-	250	-	458
Depreciation and amortization	231	-	-	-	231
Charges for the use of and connection to the power grid	146	-	-	-	146
Transactions in the short-term market	128	-	-	-	128
Materials and third-party services	109	-	-	2	111
Personnel	71	-	-	1	72
Fuel for generation	46	-	-	-	46
Unrealized losses on trading operations	-	-	43	-	43
Insurance	22	-	-	-	22
Royalties	11	-	-	-	11
Operating provisions, net	3	-	-	-	3
Other operational costs, net	13	-	-	9	22
Operational costs	**988**	**617**	**293**	**12**	**1,910**
2Q20					
Construction costs	-	413	-	-	413
Electric power purchases	337	-	242	-	579
Depreciation and amortization	228	-	-	-	228
Charges for the use of and connection to the power grid	136	-	-	-	136
Transactions in the short-term market	57	-	-	-	57
Materials and third-party services	72	-	-	3	75
Personnel	64	-	-	3	67
Fuel for generation	(10)	-	-	-	(10)
Unrealized losses on trading operations	-	-	9	-	9
Insurance	19	-	-	-	19
Royalties	4	-	-	-	4
Operating provisions, net	(13)	-	-	-	(13)
Other operational costs, net	14	-	-	5	19
Operational costs	**908**	**413**	**251**	**11**	**1,583**
Variation					
Construction costs	-	204	-	-	204
Electric power purchases	(129)	-	8	-	(121)
Depreciation and amortization	3	-	-	-	3
Charges for the use of and connection to the power grid	10	-	-	-	10
Transactions in the short-term market	71	-	-	-	71
Materials and third-party services	37	-	-	(1)	36
Personnel	7	-	-	(2)	5
Fuel for generation	56	-	-	-	56
Unrealized losses on trading operations	-	-	34	-	34
Insurance	3	-	-	-	3
Royalties	7	-	-	-	7
Operating provisions, net	16	-	-	-	16
Other operational costs, net	(1)	-	-	4	3
Operational costs	**80**	**204**	**42**	**1**	**327**

Operational costs increased by R$ 327 million (20.7%) between the same quarters for successive years from R$ 1,583 million in 2Q20 **to R$ 1,910 million in 2Q21**. This variation reflected the following increases: (i) R$ 204 million (49.4%) of costs in the transmission segment; (ii) R$ 80 million (8.8%) for the energy generation and sales from the Company's portfolio segment; (iii) R$ 42 million (16.7%) in the costs of energy trading operations; and (iv) R$ 1 million (9.1%) in the case of solar panel installation and sales costs.



Comments on Variations in Operational Costs

➢ Generation and Energy Sales from the Portfolio

» **Energy purchases:** between 2Q20 and 2Q21, there was a reduction of R$ 129 million (38.3%) in purchase operations for energy portfolio management, motivated by: (i) R$ 138 million — decrease of 763 GWh (350 average MW) in purchased volumes; and (ii) R$ 9 million — an increase of 4.4% in net average energy purchase price, which includes short-term purchases, from R$ 180.66/MWh in 2Q20 to R$ 188.52/MWh in 2Q21.

The decrease in purchase volumes reflected in large part the energy generated by entry into commercial operations of the Company's Campo Largo II Wind Complex.

» **Charges for use of electric energy network and connections:** increase of R$ 10 million (7.4%) between the quarters under analysis, above all due to the annual tariff readjustment for both transmission and distribution and the entry into commercial operations of the Campo Largo II Wind Complex, the latter having a R$ 4 million impact.

» **Transactions in the short-term energy market:** between the quarters under analysis, costs with these transactions were R$ 71 million higher (124.6%). Further explanations on these operations and on the variations can be found under the heading "Details of short-term operations".

» **Material and third-party services:** an increase of R$ 37 million (51.4%) in 2Q21 in relation to the same quarter in 2020, resulting substantially from the increases of R$ 21 million in the costs of operations and maintenance of the generator complex due to contractual restatement and of R$ 10 million with replacement and consumption materials.

» **Personnel:** increase of R$ 7 million (10.9%) in 2Q21 in relation to the same quarter in 2020, resulting mainly from the annual salary adjustment, increased expenses with medical accreditation, reimbursement of medical expenses and expenses with health insurance plans.

» **Fuels for generation:** growth of R$ 56 million (560.0%) comparing 2Q21 with 2Q20 due basically to the higher consumption of proprietary coal resources on the back of the year-on-year increase of thermal generation between the periods.

» **Financial compensation for use of water resources (Royalties):** an increase of R$ 7 million (175.0%) between the compared quarters due in large part to greater generation from the hydroelectric plants between quarters.

» **Operational provisions, net:** negative effect of R$ 16 million (123.1%) in 2Q21 compared to the same quarter in 2020, resulting mainly from the reversal of provisions for estimated losses on delinquent credits of R$ 12 million in 2Q20, the result of a court adjudicated agreement between the Company and a client.

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.

Gross operational profit from the transmission segment reported an increase of R$ 138 million in 2Q21 in relation to the same quarter in 2020 due mainly to the evolution in the execution of construction work on the Gralha Azul and Novo Estado Transmission Systems. In addition, remuneration revenue from 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.

Year-on-year gross profit for the quarter was up by R$ 2 million (66.7%), driven by the following positive effects: (i) R$ 19 million from a positive marking to market — difference between contracted and market prices — of net contracted operations pending on June 30, 2020, and 2021; and (ii) an increase of R$ 5 million in the result from transactions in the short-term energy market. These effects were attenuated by the reduction of R$ 22 million in gross result from executed energy purchase and sale transactions.

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 2Q21 and in 2Q20, **net results** (difference between revenues and costs — less taxes) from short-term transactions — more especially those executed across the CCEE — **were negative at R$ 51 million** and positive at R$ 3 million, respectively. The amount represents a **year-on-year reduction of R$ 54 million**, combining a R$ 59 million decrease from transactions in the energy generation and sales from the Company's portfolio segment and an increase of R$ 5 million in the result from energy trading transactions.

The variation was basically the combination of the following factors: (i) a negative impact of the MRE Adjustment Factor (GSF) — already adjusted for renegotiation of the hydrological risk; (ii) an increase in short-term operations by virtue of the active management of the portfolio and variation of PLD between quarters under analysis; and (iii) reduced MRE overheads.

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	2Q21	2Q20	Chg. (%)
South	233.36	75.47	209.2%
Southeast/Center-West	229.44	75.47	204.0%
Northeast	202.21	49.40	309.3%

Selling, General and Administrative Expenses

Selling, general and administrative expenses rose by R$ 9 million (13.4%) from R$ 67 million in 2Q20 to R$ 76 million in 2Q21, due to movement in the energy generation and sales from the Company's portfolio segment, this driven by the following effects: (i) an increase of R$ 13 million in personnel expenses, in large part due to the annual readjustment and the impact of bonus payments and PLR; and (ii) a reduction of R$ 4 million in outlay for materials, third party services and donations, due principally to lower pandemic-related expenditures in 2Q21.

Provision for Impairment of Assets

In 2Q21, the Company booked a R$ 163 million for impairment in the light of the intended divestment of the Diamante Geração de Energia Ltda subsidiary – a company holding all the assets comprising the Jorge Lacerda Thermoelectric Complex - and reflecting a preliminary evaluation of the eventual sale amount of less than the book value of this subsidiary. Given the current stage of the process, the prerequisites for classification as held for sale are not affected.

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	2Q21		2Q20	
	100%	Company's share	100%	Company's share
TAG				
Net operational revenue	1,730	562	1,414	414
Costs of services provided	(549)	(178)	(563)	(165)
Gross income	**1,181**	**384**	**851**	**249**
General and administrative expenses	(51)	(17)	(31)	(9)
Income before financial result and taxes	**1,130**	**367**	**820**	**240**
Financial result	(440)	(143)	(346)	(101)
Income before taxes	**690**	**224**	**474**	**139**
Income tax and social contribution	(237)	(77)	(168)	(49)
Extemporaneous credits with tax incentives	-	-	246	72
TAG's net income	**453**	**147**	**552**	**162**
Equity income – TAG	**147**		**162**	

Between 2Q21 and 2Q20, equity income fell by R$ 15 million (9.3%) from R$ 162 million in 2Q20 to R$ 147 million in 2Q21. This net decrease was a combination of the following effects: (i) R$ 138 million increase in Ebitda mainly due to the restatement of gas transportation tariffs, in large part adjusted according to the IGP-M inflation index as well as to exchange variation in the case of one gas transportation agreement; (ii) a R$ 72 million non-recurring positive effect in 2Q20, relative to the booking of extemporary tax incentive credits on profits generated from operations in the region covered by the Sudene governmental agency; (iii) increase of R$ 42 million in net financial expenses; (iv) growth of R$ 28 million in Income Tax and Social Contribution, mainly the result of higher pretax profits; and (v) an increase of R$ 11 million in depreciation and amortization overheads. Worthy of note is that part of the year-on-year variations stem from changes in corporate participation. Ignoring the non-recurring effect mentioned above, the equity income result would have recorded an increase of R$ 57 million (63.3%), between second quarters 2020 x 2021.

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

Ebitda – in R$ million	2Q21 100%	2Q20 100%
Income before financial result and taxes	**1,130**	**820**
Depreciation and amortization	161	156
Amortization of *mais valia*	217	227
Ebitda	**1,508**	**1,203**

Balance Sheet

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

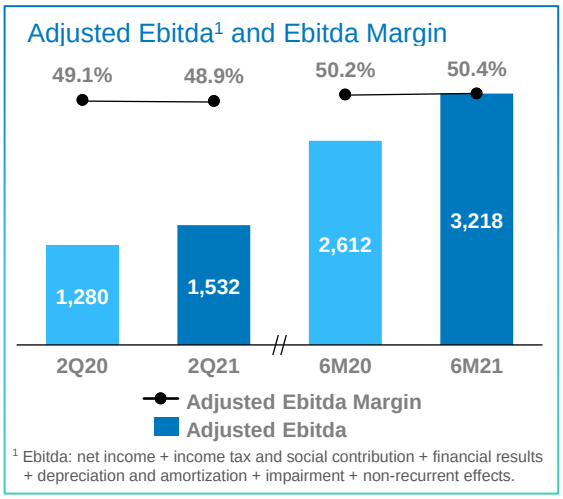
Balance Sheet	6/30/2021	12/31/2020
ASSETS		
Current assets	**2,125**	**2,220**
Cash and cash equivalents	457	437
Accounts receivables from clients	1,409	1,556
Unrealized gains on hedging transactions	43	19
Other current assets	216	208
Non-current assets	**31,846**	**35,660**
Accounts receivables from clients	545	49
Restricted deposits	118	203
Unrealized gains on hedging transactions	3	29
Other non-current assets	5	3,475
Property, plant and equipment	28,437	29,185
Intangible	2,738	2,719
Total	**33,971**	**37,880**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**3,537**	**3,874**
Loans, financing and debentures	2,959	3,250
Unrealized losses on hedging transactions	243	298
Other current liabilities	335	326
Non-current liabilities	**23,004**	**27,079**
Loans, financing and debentures	19,970	22,519
Unrealized losses on hedging transactions	496	910
Deferred income taxes and social contribution	1,907	1,073
Other non-current liabilities	631	2,577
Shareholders' equity	**7,430**	**6,927**
Total	**33,971**	**37,880**

Ebitda and Ebitda Margin

	Ebitda by segment – 2Q21 x 2Q20 (in R$ million)					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
2Q21						
Income (loss) before financial results and taxes	824	159	4	(3)	147	1,131
Depreciation and amortization	238	-	-	-	-	238
Ebitda	**1,062**	**159**	**4**	**(3)**	**147**	**1,369**
Impairment	163	-	-	-	-	163
Adjusted Ebitda	**1,225**	**159**	**4**	**(3)**	**147**	**1,532**
Adjusted Ebitda Margin	**59.8%**	**20.5%**	**1.3%**	**(30.0%)**	**-**	**48.9%**
2Q20						
Income (loss) before financial results and taxes	1,017	21	2	(3)	162	1,199
Depreciation and amortization	233	-	-	-	-	233
Ebitda	**1,250**	**21**	**2**	**(3)**	**162**	**1,432**
Non-recurrent effects						
Gain in lawsuit	(80)	-	-	-	-	(80)
Extemporaneous tax incentive credits	-	-	-	-	(72)	(72)
Adjusted Ebitda	**1,170**	**21**	**2**	**(3)**	**90**	**1,280**
Adjusted Ebitda Margin	**61.3%**	**4.8%**	**0.8%**	**(33.3%)**	**-**	**49.1%**
Variation						
Income (loss) before financial results and taxes	(193)	138	2	-	(15)	(68)
Depreciation and amortization	5	-	-	-	-	5
Ebitda	**(188)**	**138**	**2**	**-**	**(15)**	**(63)**
Non-recurrent effects						
Impairment	163	-	-	-	-	163
Gain in lawsuit	80	-	-	-	-	80
Extemporaneous tax incentive credits	-	-	-	-	72	72
Adjusted Ebitda	**55**	**138**	**2**	**-**	**57**	**252**
Adjusted Ebitda Margin	**(1.5 p.p.)**	**15.7 p.p.**	**0.5 p.p.**	**-**	**-**	**(0.2 p.p.)**

There was a 2Q21 x 2Q20 increase in adjusted Ebitda of R$ 252 million (19.7%) from R$ 1,280 million in 2Q20 to R$ 1,532 million in 2Q21. The variation was a combination of the following **positive effects**: (i) R$ 138 million from the energy transmission segment; (ii) R$ 57 million (63.3%) due to the variation in the results from the corporate stake in TAG; (iii) R$ 55 million (4.7%) in the energy generation and sales from the Company's portfolio segment; and (iv) R$ 2 million from the trading segment.

The Company's main business segment, in the electricity sector, is the energy generation and sales from the Company's portfolio, with the variation indicated in item (iii) above, whose main effects were: (i) reduction of R$ 129 million in energy purchase costs; (ii) R$ 77 million driven by the increase of revenue from energy sale agreements to both regulated and free market environments and a reflection of a higher net average selling price; (iii) increase of R$ 67 million in remuneration revenue and monetary restatement on concession assets; (iv) a decrease of R$ 59 million in the result from transactions conducted in the short-term market; (v) an increase of R$ 56 million in fuel costs; (vi) an increase of R$ 37 million in costs of material inputs and third-party services; (vii) R$ 20 million decrease in revenue from indemnifications for delays in the conclusion of construction work and the collection of a contractual fine for plant downtime and recorded in the accounts for 2Q20; (viii) R$ 16 million driven by the increase in costs involving operational provisions; (ix) an increase of R$ 10 million in costs with charges for the use of the electric energy network and connections; (x) R$ 7 million increase in the cost of royalties; and (xi) an increase of R$ 13 million with other operational costs and expenses.



Generation Adjusted Ebitda Margin

The adjusted Ebitda margin for the generation segment posted a reduction of 1.5 p.p. from 61.3% in 2Q20 to 49.8% in 2Q21.

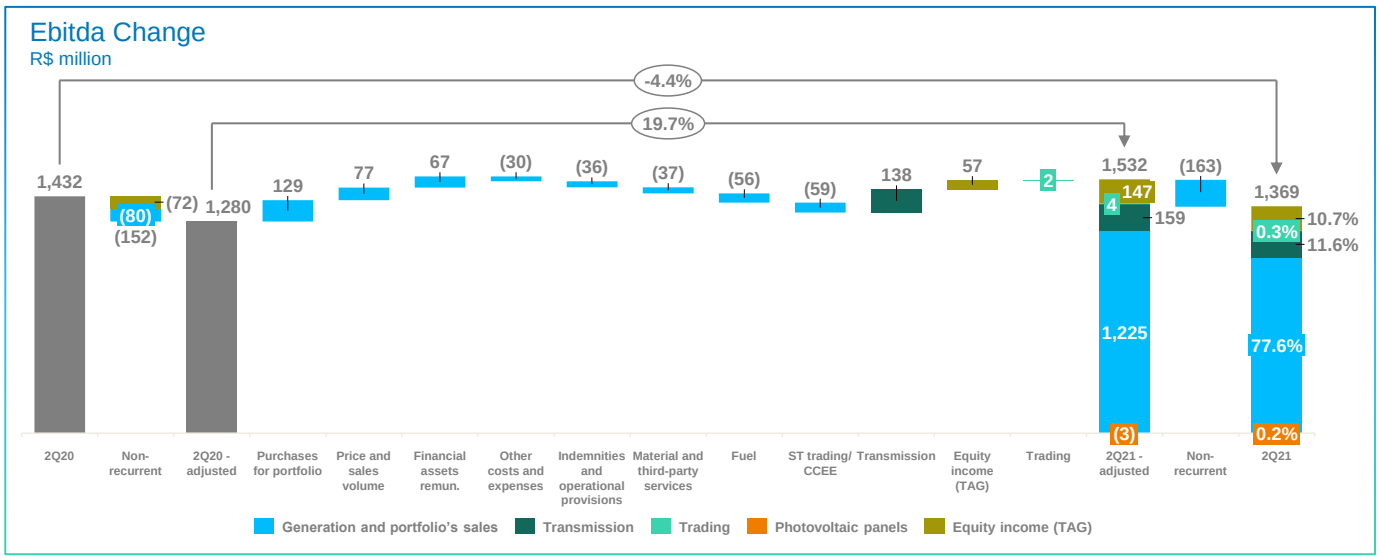
Consolidated Adjusted Ebitda Margin

The consolidated adjusted Ebitda margin posted a reduction of 0.2 p.p. from 49.1% in 2Q20 to 48.9% in 2Q21.

Important to note that the consolidated adjusted Ebitda margin is partially reduced by the impacts from energy trading operations, recognition of revenue and costs relative to the construction of the transmission systems as well as operations executed by the EGSD subsidiary, the latter presenting lower margins to those of the other Company operations.

The following table reconciles net income with Ebitda:

(In millions of R$)	2Q21	2Q20	Chg. %	6M21	6M20	Chg. %
Net income	319	766	-58.4	848	1,278	-33.6
(+) Income tax and social contribution	56	264	-78.8	203	457	-55.6
(+) Net financial result	756	169	347.3	1,588	561	183.2
(+) Depreciation and amortization	238	233	2.2	468	468	0.0
Ebitda	**1,369**	**1,432**	**-4.4**	**3,107**	**2,764**	**12.4**
Non-recurrent effects						
(+) Impairment	163	-	-	163	-	-
(+) Gain in lawsuit	-	(80)	-	-	(80)	-
(+) Extemporaneous tax incentive credits	-	(72)	-	-	(72)	-
(+) Hidrological risk renegotiation	-	-	-	(52)	-	-
Adjusted Ebitda	**1,532**	**1,280**	**19.7**	**3,218**	**2,612**	**23.2**



Financial Result

Financial income: in 2Q21, the Company reported financial income of R$ 63 million, R$ 48 million or 43.2% lower than the R$ 111 million posted for the same quarter 2020, mainly the result of lower interest on taxes and social contributions worth R$ 73 million, principally with respect to financial restatement of the amount of the tax clawback in 2Q20. This effect was partially attenuated from income on the sale of securities and bonds in 2Q21 worth R$ 23 million.

Financial expenses: expenses in 2Q21 were R$ 819 million, that is, R$ 539 million or 192.5% more than reported in the same quarter for 2020 when the amount in question was R$ 280 million. The increase was due to the following factors: (i) an increase of R$ 231 million in monetary restatement of debt to reflect inflation; (ii) increases of R$ 223 million on concessions payable between the quarters under analysis, of which: (ii.i) R$ 195 million was monetary restatement due to growth in the rate of inflation, especially IGP-M; and (ii.ii) R$ 28 million of interest; and (iii) R$ 74 million of interest on debt due principally to the issue of debentures by the Company's subsidiaries in 2020 and the contracting of loans and financing during the course of 2020 and 2021.

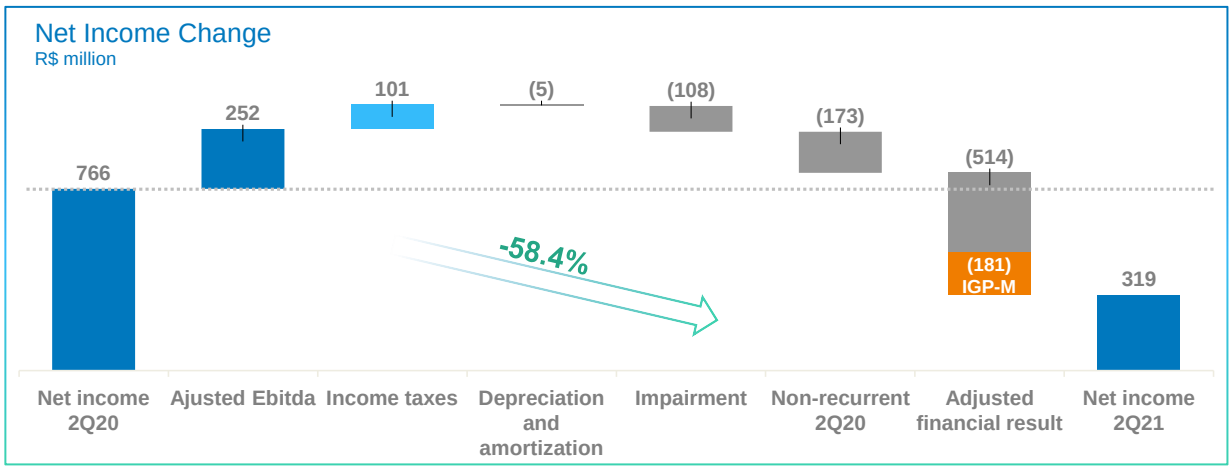
Worthy of note is that all energy sales agreements contain inflation clauses for readjustment either against the IPCA or IGP-M, thus representing a natural long-term hedge for debt and liabilities earmarked to inflation indices.

Income Tax and Social Contribution

Income Tax and Social Contribution in 2Q21 were R$ 56 million, R$ 208 million (78.8%) lower than reported in the same quarter 2020 of R$ 264 million, mainly due to lower pre-tax profit posted for 2Q21 when compared with 2Q20 as well as the variation in the subsidiaries' tax regimes. The effective rate of Income Tax and Social Contribution, excluding equity income effects, was 5.9 p.p. lower, decreasing from 30.4% in 2Q20 to 24.6% in 2Q21. Excluding the non-recurring effects, the variation between the quarters analyzed was R$ 101 million (47.6%).

Net Income

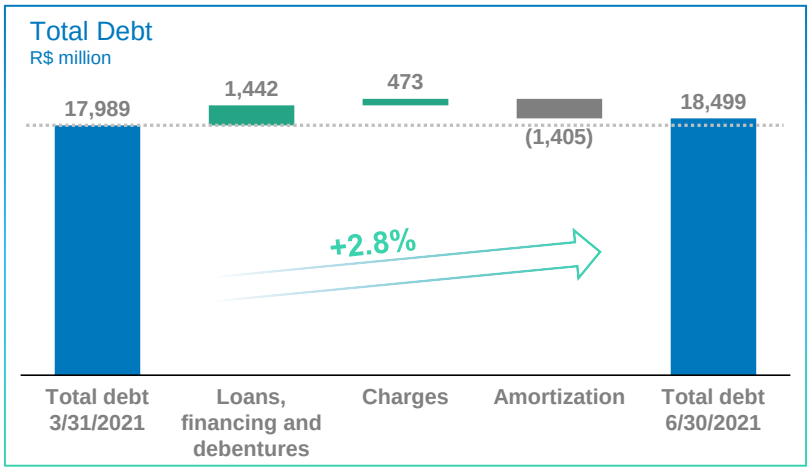
Net income in 2Q21 was R$ 319 million, R$ 447 million or 58.4% lower than the R$ 766 million recorded for the same quarter for the preceding year. Excluding the non-recurring effects, whose impacts on net income for 2Q21 and 2Q20 were R$ 108 million and R$ 173 million, respectively, net income decreased R$ 166 million (28.0%) between the quarters in comparison. This decrease is the result of the following factors: (i) an increase of R$ 252 million in adjusted Ebitda; (ii) increase of R$ 5 million in depreciation and amortization expenses; (iii) an increase in R$ 514 million in net financial expenses; and (iv) a reduction of R$ 101 million in income tax and social contribution.

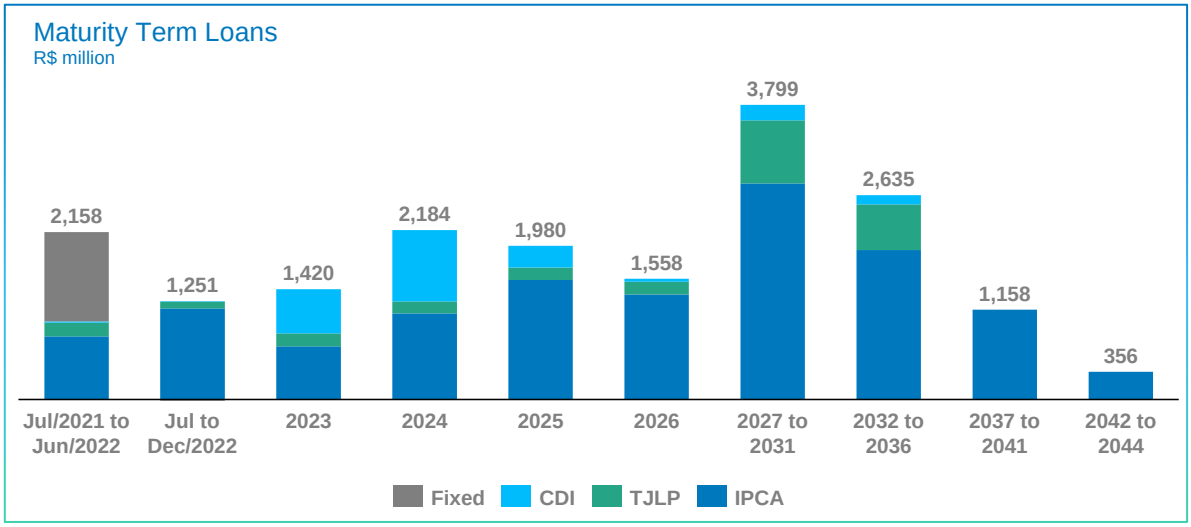


Debt

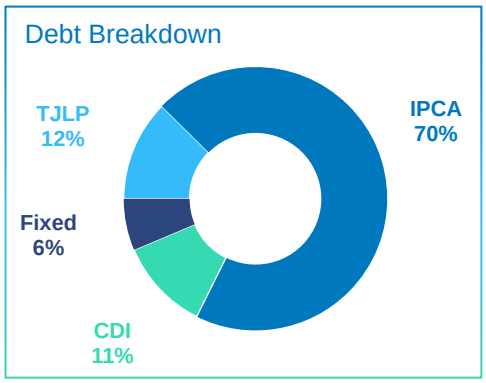
As of June 30, 2021, **total consolidated gross debt,** representing principally loans, financing, debentures and preferred shares redeemable, net of hedging operations, **totaled R$ 18,499 million — an increase of 2.8%** (R$ 510 million) compared to the position as of March 31, 2021. The average debt maturity at the end of 2Q21 was 6.9 years.

The variation in the Company's debt is related essentially to a combination of the following events during the 2Q21: (i) drawdowns from the Brazilian Development Bank (BNDES) and on-lending banks amounting R$ 1,153 million, largely for the construction of the Gralha Azul and Novo Estado Transmission Systems; (ii) R$ 289 million from the 1st debentures issue of Pampa Sul TPP; (iii) generation of R$ 473 million in charges to be paid and monetary restatement; and (iv) R$ 1,405 million in amortizations of loans, financing and debentures.





The **average weighted nominal cost of debt** at the end of the second quarter of 2021 was **11.2%** (5.8% at the end of the 2Q20). 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 70% of the total debt.



On June 30, 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$ 13,078 million**, **as decrease of 1.2%** compared with the end of the 1Q21.

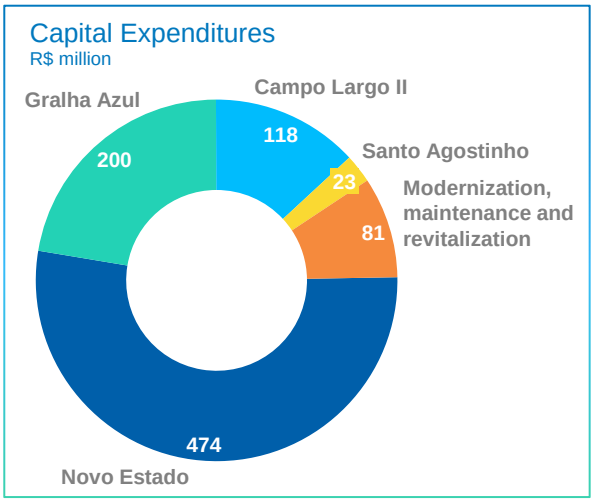
Net Debt

R$ million

	6/30/2021	3/31/2021	Chg. %
Gross debt	18,840	18,833	0.0
Result of derivatives operations	-341	-844	(59.6)
Deposits earmarked for the payment of debt	-346	-439	(21.2)
Cash and cash equivalents	-5,074	-4,314	100.0
Total net debt	**13,078**	**13,235**	**(1.2)**
Net debt/Ebitda last 12 months	**1.9X**	**1.9X**	

Capital Expenditures

Total investments at ENGIE Brasil Energia in 2Q21 were R$ 896 million, of which (i) R$ 815 million was invested in the construction of the new projects, being: (i.i) R$ 474 million concentrated in the Novo Estado Transmission Line; (i.ii) R$ 200 million in the Gralha Azul Transmission Line; (i.iii) R$ 118 million in the Campo Largo II Wind Complex; and (i.iv) R$ 23 million in the Santo Agostinho Wind Complex; (ii) R$ 77 million dedicated to maintenance and revitalization projects in the generator park; and (iii) R$ 4 million destinated for the modernization of Salto Osório Hydroelectric Power Plant.



Credit of Equity Capital and Intermediate Dividends

At its meeting of August 5, ENGIE Brasil Energia's Board of Directors approved the credit of **intermediate dividends based on the financial statements raised on June 30, 2021 in the amount of R$ 789.5 million (R$ 0.9676321449 per share)**, representing a **payout of 100%** for the first half of 2021 on the basis of the distributable net income.

The Company's shares will be traded **ex-dividends as from August 17, 2021**. Payout to shareholders will take place on a date to be established by the Management Board in due course and will be announced through a Notice to Shareholders.

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, and achieving neutrality of emissions by 2045.

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 June 30, 2021, out of the 68 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 ISO 45000 (for Occupational Health and Safety) standards, with an aggregate capacity of 76.1% 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

- The Group's Innovation Festival event was held on a worldwide basis between June 14 and 18 and included talks, exchange of experiences and awards for global innovative initiatives on a wide range of themes. In Brazil, an especially dedicated event was held on June 17, Innovation Day and open to the public. It can be accessed on Youtube - https://www.youtube.com/watch?v=IKgyber36Zo.
- To commemorate Environment Day, every year in June, ENGIE Brasil Energia holds its Sustainable Management Seminar for sharing sustainability-related concepts and practices with the employees and value chain. This year, the event included four presentations on the ESG theme, in addition to one day especially dedicated to ethics with Mario Cortella. A total of 1,671 participated in the event and the same number of which were offset through the planting of indigenous tree seedlings surrounding our operations.
- The wind generator of Aneel's Strategic Development and Research Project, a partnership with WEG and Centrais Elétricas de Santa Catarina (Celesc), began test operations in June 2021. With a 4.2 MW capacity, the plant is designed to develop Brazilian technology and the manufacturing chain. It has been installed in the experimental Research and Development park in Tubarão (SC) at the Cidade Azul Photovoltaic Plant, 600 meters from another small wind turbine (2.1 MW), a prototype also built by WEG.
- ENGIE Brasil Energia, the Campo Largo II Consortium and the Brejo da Brásida Residents' Association signed an agreement under the Brazilian Waters Program, sponsored by the Ministry for Regional Development, for the implementation of the "Brejo da Brásida Community Headwater Springs' Restoration" project in the region of the Campo Largo and Umburanas wind complexes in the state of Bahia.
- On April 28, the General Pause for Reflecting on Safety, part of World Occupational Health and Safety Day was held. In addition, 140 professionals both from operation and maintenance as well as those involved in project implementation received specific training in the analysis of incidents for enhancing preventive actions in Occupational Health and Safety
- ENGIE has established its goal of becoming carbon neutral by 2045 thereby reaching neutrality in all our direct and indirect emissions (scopes 1, 2 and 3).

Social Responsibility – Covid-19

- Estímulo SC – the Company in partnership with LIDE Santa Catarina (*Líderes Empresariais* Group), created the Estímulo SC fund for granting credit to small and medium businesses, particularly in the light of the economic fallout from the pandemic, ENGIE Brasil Energia injected R$ 1 million in the fund.
- Donation of PPEs – through the *Salvando Vidas* (Saving Lives) project instrumental in the donation of personal protection equipment (PPEs) to four hospitals in the states of Sergipe, Rio de Janeiro, Pará and Rondônia. ENGIE Brasil Energia contributed R$ 100 thousand, the BNDES in turn contributing a matching amount.

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 2Q21 X 2Q20, associating each indicator with GRI Standards recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index	Material themes	GRI disclosure[4]	2Q21	2Q20	Change	6M21	6M20	Change
1	Quality	Operating plants	- Prioritization of renewable sources for energy generation - Emissions Management	102-7, EU1	68	60	8	68	60	8
2		Installed capacity		102-7, EU1	10,679	10,431	2.4%	10,679	10,431	2.4%
3		Proprietary capacity		102-7, EU1	8,958	8,710	2.8%	8,958	8,710	2.8%
4		Number of certified plants		102-16, EU6	12	12	0	12	12	0
5		Certified installed capacity (MW)		102-16, EU6	8,127	8,127	0.0%	8,127	8,127	0.0%
6		Certified installed capacity in relation to the total		102-16, EU6	76.1%	77.9%	-1.8 p.p.	76.1%	77.9%	-1.8 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,477	9,229	2.7%	9,477	9,229	2.7%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	88.7%	88.5%	0.3 p.p.	88.7%	88.5%	0.3 p.p.
9		Energy generation (GWh)		EU2	7,242	4,784	51.4%	17,179	12,669	35.6%
10		Certified energy generation		102-16, EU6	4,672	2,813	66.1%	12,703	8,879	43.1%
11		Certified energy generation in relation to the total		102-16, EU6	64.5%	58.8%	5.7 p.p.	73.9%	70.1%	3.9 p.p.
12		Energy generation from renewable sources (GWh)		EU2	5,776	3,892	48.4%	14,006	10,284	36.2%
13		Energy generation from renewable sources in relation to the total		EU2	79.8%	81.4%	-1.6 p.p.	81.5%	81.2%	0.4 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	97.3%	96.7%	0.6 p.p.	96.2%	96.8%	-0.6 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	87.7%	91.8%	-4.0 p.p.	88.7%	91.4%	-2.7 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	65,954	3,917	1583.8%	166,169	27,746	498.9%
17		Number of visitors at the plants and environmental education		413-1	13,891	340	3985.6%	35,018	3,113	1024.9%
18		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	1.080	0.920	17.4%	1.090	0.935	16.5%
19		CO2 Emissions from ENGIE Brasil Energia's generation complex(t/MWh)		D305-1, D305-2, D305-3	0.200	0.171	16.7%	0.180	0.176	2.2%
20	Occupational 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	0.423	0.000	▲	0.262	0.851	▼
21		Severity Rate (SR)) own employees[6]		403-2	0.000	0.000	-	0.000	0.000	-
22		Frequency Rate (FR) construction[5]		403-2	0.966	0.425	▲	0.859	0.257	▲
23		Managerial Safety Visits - VGS		403-2	426	257	Not applic	890	458	Not applic
24		Registry of Risky and Near Accident Situation		403-2	1,561	808	Not applic	2,989	1,825	Not applic
25	Social Responsibility[7]	Non-incentivized investments	- Generation of economic result and value sharing with society - Boost of prosperity on local communities	203-2, 413-1	2,010.4	2,593.8	-22.5%	3,635.7	3,090.5	17.6%
26		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	245.0	0.0	-	584.2	596.4	-2.0%
27		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	1,426.0	318.0	348.4%	2,236.8	2,525.4	-11.4%
28		Investments through the Sport Incentive Law		203-2, 413-1	265.1	0.0	-	412.2	184.0	124.0%
29		Investments through National Program of Support to Oncology Care (Pronon)		203-2, 413-1	0.0	0.0	-	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	-	0.0	0.0	-
31		Investments through the Municipal Fund for the Elderly		203-2, 413-1	30.0	0.0	-	30.0	300.8	-90.0%

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 2021, 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.

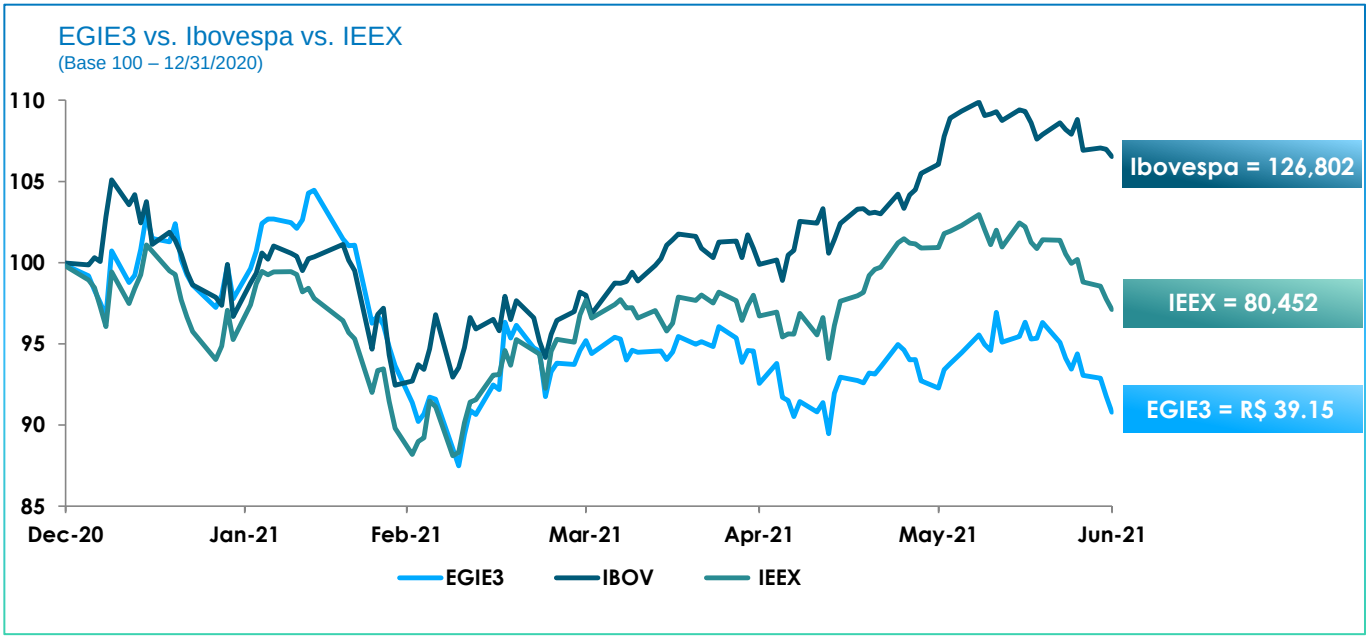
Share Performance – EGIE3

Progress made in vaccinating the population during the second quarter of 2021 as well as the outlook for increased economic activity in sectors exposed to Covid-19 restrictions, triggered a wave of optimism both in Brazil and also the international markets although new variants have raised concerns as a barrier to a return to normalcy. Notwithstanding, forecasts for growth in Gross Domestic Product have been revised upwards both for Brazil and elsewhere.

The tense political climate arising from the Parliamentary Inquiry (CPI) into the federal administration's management of the pandemic and the presentation of the proposal for tax reform at the end of the quarter both negatively impacted the Ibovespa, the principal index of the Brazilian stock exchange. Even so, the index posted an appreciation of 8.7%, reaching close to 127 thousand points. **ENGIE Brasil Energia's securities registered a devaluation of 4.6%** in the second quarter of 2021, while the Electric Energy Sector Index (IEEX) reported a depreciation of 0.6%, driven by growing concern with the developing hydric crisis.

EGIE3 recorded an average daily trading volume of R$ 57.9 million in the 2Q21, 28.1% lower than in 2Q20, when the volume was R$ 80.6 million.

On the last trading day in June 2021, the closing price of the Company's shares was R$ 39.15/share**, translating into a market capitalization of R$ 31.9 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: August 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=8849**

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$)	06/30/2021	12/31/2020
Current Assets	**8,718,941**	**7,733,297**
Cash and cash equivalents	5,074,016	4,538,946
Accounts receivables from clients	1,265,461	1,723,101
Credit of income tax and social contribution	121,523	140,785
Dividends receivable from subsidiaries	-	32,500
Inventory	183,881	189,428
Unrealized gains on hedging transactions	158,454	14,475
Unrealized gains on trading transactions	969,128	320,309
Restricted deposits	6,346	174,048
Renegotiation of hydrological risk to appropriate	15,089	15,089
Concession financial assets	322,520	305,626
Contractual assets	262,630	-
Other current assets	335,316	274,413
Non current asset held for sale	4,577	4,577
Non Current Assets	**29,109,548**	**27,452,951**
Long Term Assets	**8,367,382**	**6,829,060**
Unrealized gains on hedging transactions	423,534	719,380
Unrealized gains on trading transactions	321,773	54,385
Restricted deposits	396,858	235,819
Deposits in court	81,069	82,539
Renegotiation of hydrological risk to appropriate	93,052	100,597
Concession financial assets	2,585,680	2,499,170
Contractual assets	4,307,686	2,961,419
Other non current assets	157,730	175,751
Investments	**2,588,374**	**2,425,062**
Property, Plant and Equipment	**15,462,603**	**15,537,837**
Intangible	**2,547,573**	**2,513,990**
Right of use of leases	**143,616**	**147,002**
Total	**37,828,489**	**35,186,248**

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

(In thousands of R$)	06/30/2021	12/31/2020
Current Liabilities	**5,709,206**	**5,380,926**
Suppliers	779,013	861,752
Dividends and interest on shareholder´s equity	618,017	1,385,056
Loans and financing	1,668,897	1,375,627
Debentures	605,940	449,376
Lease liabilities	18,821	19,144
Concessions payable	253,373	228,865
Tax and social contribution obligations payable	121,403	198,541
Other fiscal and regulatory obligations	95,564	113,901
Labor obligations	109,531	130,097
Unrealized losses on trading transactions	965,035	321,654
Provision	19,428	15,159
Obligations related to retirement benefits	43,067	43,067
Other current liabilities	411,117	238,687
Non Current Liabilities	**23,949,584**	**22,063,324**
Loans and financing	10,568,961	9,825,881
Debentures	5,505,195	5,113,171
Redeemable preferred shares	490,612	482,088
Lease liabilities	103,225	104,828
Concessions payable	4,355,658	3,783,453
Unrealized losses on trading transactions	299,366	36,405
Provision	331,584	305,845
Obligations related to retirement benefits	404,622	407,846
Deferred income taxes and social contribution	1,511,427	1,523,222
Other non current liabilities	378,934	480,585
Shareholders' Equity	**8,169,699**	**7,741,998**
Share capital	4,902,648	4,902,648
Net income reserves	2,942,691	3,546,496
Adjustment on fixed asset	(544,866)	(709,615)
Retained earnings	866,192	-
Non controlling interests	3,034	2,469
Total	**37,828,489**	**35,186,248**

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

(In thousands of R$)	2Q21	2Q20	Chg. %	6M21	6M20	Chg. %
Net Operational Revenue	**3,133,065**	**2,686,515**	**16.6**	**6,383,005**	**5,281,109**	**20.9**
Operational Costs	**(1,909,579)**	**(1,582,366)**	**20.7**	**(3,755,984)**	**(3,121,340)**	**20.3**
Electric power purchases	(500,506)	(587,995)	-14.9	(932,958)	(1,193,416)	-21.8
Transactions in the short term energy market	(128,247)	(57,383)	123.5	(199,517)	(175,444)	13.7
Charges for the use of and connection to the electricity grid	(146,023)	(136,367)	7.1	(288,232)	(277,416)	3.9
Fuel expenses	(45,971)	10,477	-538.8	(171,359)	(84,697)	102.3
Financial compensation for use of hydro resources (royalties)	(11,166)	(3,694)	202.3	(36,940)	(21,066)	75.4
Personnel	(71,678)	(66,681)	7.5	(139,854)	(140,470)	-0.4
Materials and third-party services	(111,199)	(74,821)	48.6	(203,500)	(158,888)	28.1
Depreciation and amortization	(231,106)	(227,904)	1.4	(456,081)	(458,148)	-0.5
Insurance	(21,673)	(18,519)	17.0	(42,441)	(38,610)	9.9
Reversals of operating provisions	(2,675)	12,809	-120.9	4,439	19,999	-77.8
Cost of implementing transmission infrastructure	(617,083)	(413,125)	49.4	(1,297,499)	(555,940)	133.4
Cost of selling photovoltaic solar panels	(8,558)	(5,300)	61.5	(13,531)	(14,293)	-5.3
Energy costs recovery - Hydrological risk renegotiation	-	-	-	51,961	-	100.0
Others	(13,694)	(13,863)	-1.2	(30,472)	(22,951)	32.8
Gross Income	**1,223,486**	**1,104,149**	**10.8**	**2,627,021**	**2,159,769**	**21.6**
Operating Income (Expenses)	**(239,340)**	**(66,846)**	**258.0**	**(310,016)**	**(128,843)**	**140.6**
Selling, general and administrative expenses	(76,956)	(66,658)	15.4	(147,057)	(128,774)	14.2
Impairment	(162,809)	-	100.0	(162,809)	-	100.0
Other operating (expenses) revenues, net	425	(188)	-326.1	(150)	(69)	117.4
Result of corporate participations	**147,418**	**161,518**	**-8.7**	**321,947**	**264,419**	**21.8**
Equity income	147,418	161,518	-8.7	321,947	264,419	21.8
Income Before Financial Result and Taxes	**1,131,564**	**1,198,821**	**-5.6**	**2,638,952**	**2,295,345**	**15.0**
Net Financial Result	**(755,804)**	**(168,538)**	**348.4**	**(1,588,110)**	**(560,794)**	**183.2**
Financial income	63,329	111,060	-43.0	88,232	155,165	-43.1
Financial expenses	(819,133)	(279,598)	193.0	(1,676,342)	(715,959)	134.1
Income Before Taxes	**375,760**	**1,030,283**	**-63.5**	**1,050,842**	**1,734,551**	**-39.4**
Income tax	(36,370)	(191,447)	-81.0	(139,082)	(330,792)	-58.0
Social contribution	(20,346)	(73,076)	-72.2	(63,606)	(125,979)	-49.5
Net Income for the Period	**319,044**	**765,760**	**-58.3**	**848,154**	**1,277,780**	**-33.6**
Income allocated to:						
ENGIE Brasil Energia's shareholders	426,242	765,710	-44.3	955,043	1,277,268	-25.2
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	256	50	412.0	565	512	10.4
Number of Ordinary Shares	**815,927,740**	**815,927,740**		**815,927,740**	**815,927,740**	
Net Income per Share	**0.5224**	**0.9385**	**-44.3**	**1.1705**	**1.5654**	**-25.2**

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

(In thousands of R$)	6M21	6M20
Cash Flow from Operating Activities		
Income before taxes on income	1,050,842	1,734,551
Reconciliation of net income with operating cash flow:		
Equity loss	(321,947)	(264,419)
Depreciation and amortization	468,582	468,142
Impairment	162,809	-
Renegotiation of hydrological risk	(51,961)	4,900
Monetary variation	951,954	146,561
Interests	695,279	471,938
Adjustments to market value of securities	(23,390)	-
Remuneration of financial concession asset	(247,747)	(135,194)
Contract asset remuneration	(289,405)	(19,898)
Unrealized losses (gains) on trading operations, net	(9,865)	12,583
Others	(340)	(20,421)
Adjusted Net Income	**2,384,811**	**2,398,743**
(Increase) reduction in assets		
Accounts receivables from clients	467,192	62,385
Inventory	5,547	(43,216)
Deposits in court and restricted deposits	9,711	(44,049)
Renegotiation of hydrological risk to appropriate	7,545	7,545
Tax credits recoverable	15,129	(5,751)
Financial concession asset	144,343	141,330
Contract assets	(1,319,292)	(569,531)
Other assets	(47,707)	(208,751)
(Reduction) increase in liabilities		
Suppliers	(334)	(39,705)
Other fiscal and regulatory obligations	(16,918)	88,709
Labor obligations	(20,566)	(19,836)
Obligations related to retirement benefits	(17,902)	(14,992)
Other liabilities	(34,757)	34,669
Cash Generated from Operating Activities	**1,576,802**	**1,787,550**
Payment of interests on debt, net of hedge	(244,186)	(229,294)
Payment of income tax and social contribution	(252,150)	(167,340)
Net Cash from Operating Activities	**1,080,466**	**1,390,916**
Investments Activities	**(126,476)**	**(451,398)**
Dividends received from joint ventures	390,000	321,750
Capital increase at joint ventures	-	(328,195)
Used in fixed assets and intangibles	(541,033)	(444,953)
Sales of marketable securities	24,531	-
Others	26	-
Financing Activities	**(418,920)**	**(5,397)**
Loans and financing contracted	2,111,551	1,216,744
Debentures contracted	288,898	499,110
Cost of preferred shares issued	(1,331)	-
Payment of loans and financing, net of hedge	(1,182,324)	(460,653)
Payment of debentures, net of hedge	(110,273)	(96,129)
Payments of concessions payable	(118,829)	(72,871)
Payments of dividends and interest on shareholders' equity	(1,402,289)	(1,211,434)
Payments of leases	(10,580)	(10,163)
Debt servicing deposits	5,054	129,000
Others	1,203	999
Increase in Cash and Cash Equivalents	**535,070**	**934,121**
Reconciliation of Cash and Cash Equivalents		
Opening balance	4,538,946	3,870,261
Closing balance	5,074,016	4,799,482
Increase in Cash and Cash Equivalents	**535,070**	**929,221**
Transactions that do Not Affect Cash and Cash Equivalents		
Additional dividends related 2020	609,594	-
Dividends intended by subsidiaries	357,500	321,750
Unclaimed dividends and interest on equity	10,177	3,978
Credit of income tax and social contribution	(13,006)	3,577
Supplier's of fixed assets and intangibles	(84,437)	(61,103)
Capitalized interest, monetary variation and depreciation	60,785	16,889
Provision for divestment without cash in assets and intangibles	17,099	-
Provisions for expropriations without cash effect in construction of transmission	200	-
Net assets of subsidiaries acquired	-	136,093
Fair value of acquired project rights	-	236,021
Goodwill	-	80,247
Fixed assets credit of PIS and COFINS	-	(29,413)