Earnings Release 3Q21

For Immediate Release

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Video Conference
On 11/5/2021 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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Florianópolis, Brazil, November 4, 2021. ENGIE Brasil Energia S.A. (“ENGIE” or “Company”) – B3: EGIE3, ADR: EGIEY - announces earnings for the Third Quarter and nine-months period ending September 30, 2021 (3Q21, 9M21). 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.

Inside ENGIE Dec 10, 2021

ENGIE Brasil Energia concludes the sale of Jorge Lacerda Thermoelectric Complex, begins partial commercial operations of Gralha Azul Transmission System and reaches 100% commercial capacity at Campo Largo II

The Company booked R$ 372 million recovered through hydrological risk renegotiation.

Highlights

- In 3Q21, the Company booked R$ 372 million from hydrological risk renegotiations under Law 14.182/2021.
- Net operating revenue reached R$ 3,389 million in the 3Q21, 5.6% (R$ 180 million) higher than recorded in the 3Q20.
- In 3Q21, the Company reported a non-recurrent effect of impairment reversal of R$ 51 million, due to the revaluation of the Jorge Lacerda Thermal Power Complex and the Lages Co-Generation Plant.
- The Company posted Ebitda[1] of R$ 1,749 million in the 3Q21, an increase of 22.1% (R$ 316 million) compared to the 3Q20.
- Net income was R$ 639 million (R$ 0.7828/share) in the 3Q21, 30.4% (R$ 149 million) higher than posted in the 3Q20.
- The average price of the energy sales agreements, net of taxes on revenues and trading operations, was R$ 217.52/MWh in the 3Q21, 11.5% higher than registered in the 3Q20.
- Excluding trading operations, the energy sales volume was 8,270 GWh (3,745 average MW), 14.6% lower than sold in the 3Q20.
- The Gralha Azul Transmission System was given commercial startup authorization for its 230 kV – Ponta Grossa – São Mateus do Sul and Ponta Grossa – Ponta Grossa Sul lines beginning on August 21.
- On August 30, the Company executed a Shares Sale Agreement with FRAM Capital for the sale of its entire equity stake in subsidiary Diamante, the holder of the assets forming the Jorge Lacerda Thermal Power Complex, for an amount up to R$ 325 million, subject to certain conditions precedent. The deal was closed on October 18.
- Beginning on September 2, Aneel authorized commercial startup of the remaining wind power units of the Campo Largo II Wind Complex, with 361.2 MW in total installed capacity.
- The Company won, for the 12th time, the Transparência Trophy given by Anefac-Fipecafi, recognizing companies with the best transparency practices for publicly disclosed financial statements.
- Execution of the purchase agreement for the Assú Sol Photovoltaic Complex, in the municipality of Assú, state of Rio Grande do Norte, with total estimated installed capacity of 750 MW. Operation close is contingent on the fulfillment of certain conditions precedent.
- Completion of upgrades to Generator Unit 05 of the Salto Osório Hydroelectric Plant, which added 7 MWa in guaranteed energy.

Subsequent Events

- The Company was named one of the 14 most transparent companies in Brazil in the sustainability area, out of more than 70 companies reviewed by the Observatório da Transparência, at the initiative of the Global Reporting Initiative's (GRI) Advisory Board in Brazil.
- ENGIE was the winner of the 2021 Exame Melhores & Maiores prize in the Energy category.

Summary of Financial and Operational Indicators

Consolidated (In millions of R$)	3Q21	3Q20	Chg.	9M21	9M20	Chg.
Net Operating Revenue (NOR)	3,389	3,209	**5.6%**	9,772	8,490	**15.1%**
Results from Operations (EBIT)	1,509	1,209	**24.8%**	4,148	3,505	**18.4%**
Ebitda (1)	1,749	1,433	**22.1%**	4,857	4,196	**15.8%**
Adjusted Ebitda (2)	1,698	1,433	**18.5%**	4,969	4,044	**22.9%**
Ebitda / NOR - (%) (1)	51.6	44.7	**6.9 p.p.**	49.7	49.4	**0.3 p.p.**
Adjusted Ebitda / NOR - (%) (2)	50.1	44.7	**5.5 p.p.**	50.9	48.1	**2.8 p.p.**
Net Income	639	490	**30.4%**	1,487	1,768	**-15.9%**
Return On Equity (ROE) (3)	31.9	33.4	**-1.5 p.p.**	31.9	33.4	**-1.5 p.p.**
Return On Invested Capital (ROIC) (4)	23.7	19.0	**4.8 p.p.**	23.7	19.0	**4.8 p.p.**
Net Debt (5)	14,173	11,207	**26.5%**	14,173	11,207	**26.5%**
Gross Power Production (avg MW) (6)	5,460	5,559	**-1.8%**	4,462	3,793	**17.6%**
Energy Sold (avg MW) (7)	3,745	4,386	**-14.6%**	4,000	4,266	**-6.2%**
Average Net Sales Price (R$/MWh) (8)	217.52	195.13	**11.5%**	209.11	194.08	**7.7%**
Number of Employees - Total	1,577	1,584	**-0.4%**	1,577	1,584	**-0.4%**
EBE Employees	1,461	1,460	**0.1%**	1,461	1,460	**0.1%**
Employees on Under Construction Plants	116	124	**-6.5%**	116	124	**-6.5%**

[1] Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization.
[2] Adjusted 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

If on the one hand the backdrop for the third quarter of 2021 was reduced uncertainty in connection with the pandemic, particularly due to rising vaccination rates, on the other we faced the most challenging hydrological scenario in 91 years. The period also stood as an important time to strengthen our position, due in particular to alignment with regulatory authorities leading to the enactment of Law 14.182/21, confirming the National Electric Energy Agency's (Aneel) interpretation for extending the compensation of hydrological losses from the Guaranteed Energy Adjustment Factor (GSF) endured by plants that renegotiated the hydrological risk of the pre-2015 period and for structuring plants, thereby affording increased regulatory stability for electric energy generators. We also began to reap the fruit of business diversification and remain focused on hedging our generation portfolio and efficient asset operation.

Electric energy production at the plants that ENGIE Brasil Energia operates was down 1.8% from 3Q20, mainly due to the hydrological crisis that directly affected hydroelectric generation which was down 7.5%. As a consequence, dispatching from thermal power plants all across the National Interconnected System increased to meet the demand for energy, leading to an 11.2% increase in the output from the thermal power plants that the Company operates. By its turn, the 20.1% increase at complementary plants was a direct consequence of the commercial startup of the Campo Largo Wind Complex II.

Net operating revenue was R$ 3.4 billion, up 5.6% from 3Q20 and 15.1% in the first nine months, reflecting a combination of the 11.5% increase in the average selling price and the 13.2% decrease in revenues from transmission segment.

As anticipated in the second quarter of 2021, in 3Q21 we recognized the effects of Law Lei 14.182/21, as mentioned above. As an immediate effect of the recovery of past energy costs at plants where we hold a 100% equity stake, we booked compensation in the amount of R$ 372 million. Soon, this recognition will also extend to plants where ENGIE holds a partial stake, that is, the Itá, Machadinho and Estreito Hydroelectric Power Plants.

Ebitda was R$ 1.7 billion, up 22.1% from 3Q20 – in 9M21, Ebitda was R$ 4.9 billion. Net earnings were up 30.4% from the same period last year, at R$ 639 million – in nine months, net earnings were R$ 1.5 billion. Ex- the non-recurring effect of the reversal of the impairment associated with the revaluation of the Jorge Lacerda Thermal Power Complex and the Lages Co-Generation Plant, Ebitda would have been up 18.5%, and net earnings up 23.5%.

> "In line with the ENGIE Group's global strategy to decarbonize the portfolio and therefore allocate investments to renewables and infrastructure, ENGIE Brasil Energia made progress on negotiations for the sale of its coal-burning assets in Brazil."

We also made way implementing new projects. In the transmission segment, two of the Gralha Azul Transmission System's lines were energized on August 21, 2021, commencing operations on the project which reached 95% overall progress in 3Q21. In addition, implementation of the Novo Estado Project's transmission lines was at 89% overall progress by the end of 3Q21 and, although complete implementation has been moved up to the end of 1H22, energization of the project's first systems remains on schedule for the last quarter of 2021. This portion will correspond to approximately 55% of the project's Annual Permitted Revenue (RAP).

As for the wind power generation projects, on September 2 Campo Largo II reached 100% of its 361.2 MW installed capacity operating commercially, and at the Santo Agostinho Wind Complex – Phase I, activates have begun on access construction, wind turbine base foundation excavations, and implementation of the medium-voltage grids and construction of the collector substation.

In line with the ENGIE Group's global strategy to decarbonize the portfolio and therefore allocate investments to renewables and infrastructure, ENGIE Brasil Energia made progress on negotiations for the sale of its coal-burning assets in Brazil. As a subsequent event, October 18 saw the closing of the sale of the Jorge Lacerda Thermal Power Complex's assets to FRAM Capital. In addition, the Company continues to evaluate proposals for the Pampa Sul Thermal Power Plant.

Looking forward, we also executed in September the purchase of the project of Assú Sol Photovoltaic Complex, in the municipality of Assú state of Rio Grande do Norte, adding 750 MW to our pipeline of projects in advanced development stages, which now adds up to 2.2 GW, confirming our commitment to work for accelerating the Brazilian energy matrix's transition.

Our forecast investment for 2021 is R$ 3.5 billion, and investments amounted to R$ 881 million in 3Q21. Our cash position, of approximately R$ 4.6 billion and the net debt/Ebitda ratio of 2,0x keep the Company at a comfortable position.

The portfolio diversification strategy and the appetite for growth remains the driving forces of what we do, consolidating ENGIE Brasil Energia as a solid and robust platform for investments in the sector. We have ahead of us the prospect of even greater market openness, in addition to a challenging hydrology that requires excellence in managing our assets and in our trading strategy. We remain watchful of trends and continue to work to add even more value to our relationships with customers and other stakeholders, operating based on active listening to develop actions and solutions to address their main requirements.

Fully aware of the relevance of our role and in pursuit of serving as protagonists of the Brazilian energy transition, we stand by our commitment to transparency, financial discipline, respect for the environment, support to communities and a focus on operational efficiency as long-term enablers of business success. We regard sustainability and the ESG (Environmental, Social and Governance) principles as competitive advantages that drive the Company's future vision and we will continue to contribute to the planet, going beyond the energy that we generate, transmit and trade.



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 3Q21 had 9,075.7 MW of installed capacity and operates a generating complex with 10,796.4 MW, comprised of 71 plants (11 hydro, four thermal and 56 complementary energy source plants — biomass, SHP, wind powered and solar), 67 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.

On August 30, the Company executed a Sale Agreement for the Jorge Lacerda Thermal Power Complex. Closing took place on October 18. The operation is in line with the ENGIE Group's decarbonization process, but the asset will remain part of the Company's generation plant until Aneel authorizes the transfer.

Generating Complex as of September 30, 2021

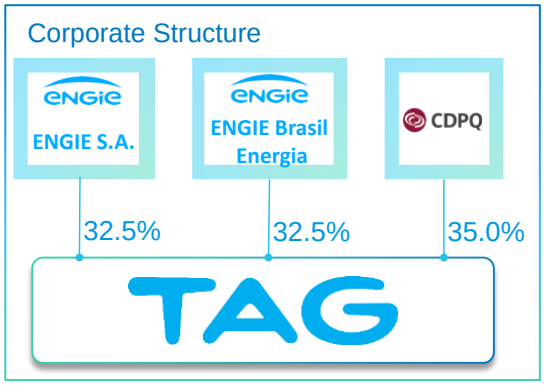
Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization expiration date *	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Oct/30	564.7
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Nov/30	733.3
Machadinho	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	Apr/31	502.6
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	Jan/36	260.8
Jaguara	Hydro	Grande River (MG)	424.0	424.0	Jun/48	341.0
Miranda	Hydro	Araguari River (MG)	408.0	408.0	Jun/48	198.2
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	Jun/40	148.2
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	Apr/31	113.1
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	Mar/37	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)	361.2	361.2	Dec/54	192.5
Trairi Complex[5]	Wind Farm	Trairi (CE)	212.6	212.6	Sep/41	97.2
Ferrari	Biomass	Pirassununga (SP)	80.5	80.5	Jun/42	35.6
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr/30	13.6
Assú V	Solar	Assú (RN)	34.0	34.0	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			**1,492.1**	**1,482.0**		**768.1**
Total			**10,796.4**	**9,075.7**		**5,159.2**

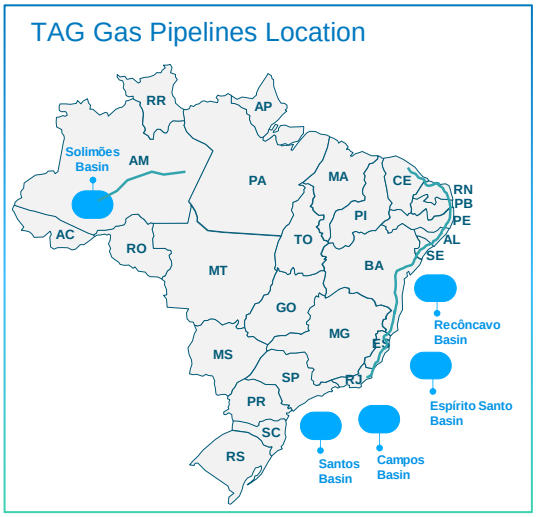
* It does not consider the extension of power plants concessions with participation in a consortium (Itá, Machadinho and Estreito), resulting from adherence to the renegotiation of the hydrological risk referred to in Laws 14.052/2020 and 14.182/2021.
[1] Complex comprised of three power plants.
[2] 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 9 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/PPI/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.

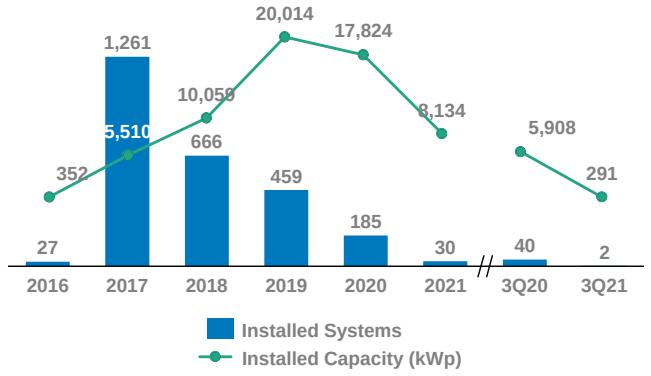
Distributed Solar Generation

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 third quarter of 2021 was marked by construction start on 10 plants totaling approximately 9 MWp under construction and scheduled for completion by yearend 2021. The company has reached 2,628 systems installed since it began operating, for a total 61.9 MWp in installed capacity.

EGSD is currently focused on the development of industrial projects for large consumers under the BOT (Build, Operate and Transfer) model. In this respect, the company executed an agreement this quarter for the development of a 2.8 MWp project.

Number of systems and installed capacity





Distributed solar system under implementation 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, company acquired by the ENGIE Group that year. The total solar energy sold was 59.1 average MW for the term of 20 years.

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

In 3Q21, the Company retained the consultancy firms that will support the process. For legal due diligence and support negotiating the purchase and sale agreement, the Company retained the law firm Machado, Meyer, Sendacz e Opice Advogados. For accounting, financial, tax and labor due diligence, it retained Mazars Cabrera Assessoria, Consultoria e Planejamento Empresarial, and technical due diligence has been entrusted to Intertechne Consultores. Apsis Consultoria Empresarial will draft an opinion on the assets' valuation and value generation (fairness opinion), and Bradesco will serve as Financial Advisor.

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: 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.

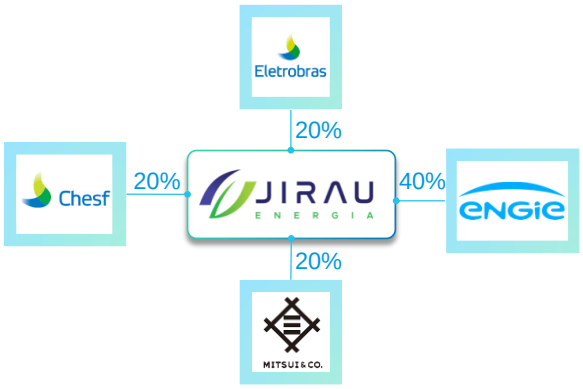


Floresta Photovoltaic Complex.

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.

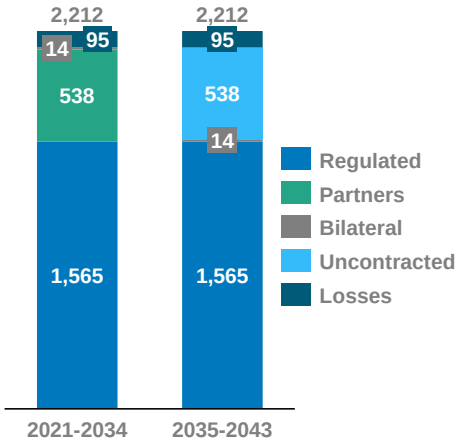
Since November 2016, Jirau HPP has 50 generating units in operation, representing a total installed capacity of 3,750 MW. The plant was unveiled on December 16, 2016.

Corporate Structure



Jirau Energia PPA's Portfolio

Average MW



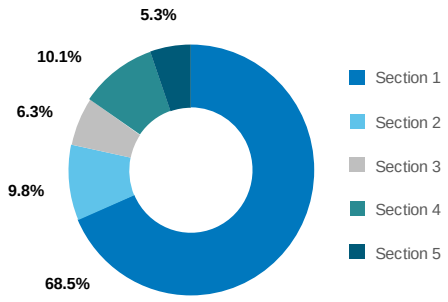
In May 2017, ENGIE Brasil Participações (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (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 3Q21, the plant generated 676.0 average MW, 1.5% higher than the 666.2 average MW for 3Q20, 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.

By the end of 3Q21, implementation of the Gralha Azul Transmission System reached 95% overall completion, with construction works and electro-mechanical assembly of transmission lines and substations, meeting the deadlines under the Federal concession contract. The 230kV – Ponta Grossa – São Mateus do Sul and Ponta Grossa - Ponta Grossa Sul Transmission Lines (TLs) were energized on August 21, marking the project's operational startup.

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





Ponta Grossa Substation

Commercial startup of the remaining transmission installation groups, which will entitle the Company to collect the project's full RAP, is scheduled to take place in 2021, ensuring anticipated completion relative to the concession contract's deadline and enabling early supply of electric energy from Itaipu to the State of Paraná.

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

* Value as of December 2017

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.


Serra Pelada Substation

By the end of 3Q21, overall completion of the Novo Estado project was at 89%. Construction is underway, with 92% of tower foundations completed, as well as 78% of assembly and 33% of transmission line conductor cabling installed. Commissioning is underway for the Serra Pelada (PA) Substation, as well as for the Itacaiúnas substation. Energization of the project's first systems is expected to take place in 4Q21, which will allow the receipt of approximately 55% of the Permitted Annual Revenue (RAP) of the project. The complete operational startup is slated for the end of the first half of 2022.

The extension of the project's completion deadline was due to the Covid-19 pandemic, the region's rainy season, and the stoppages had after the July 16, 2021 accident. Because of the accident, health and safety procedures and controls were intensified relative to those previously in place, with the Company electing to test 100% of tower foundations to mitigate the risk of future incidents.

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

* Base March 2020, excluding acquisition cost

Projects under Implementation

Power plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Santo Agostinho Complex - Phase I	Wind Farm	Lajes and Pedro Avelino (RN)	434.0	434.0	-	218.0
Total			**434.0**	**434.0**		**218.0**

Santo Agostinho Wind Complex – Phase I – Rio Grande do Norte. With a **total installed capacity of 434 MW**, which will be reached with the implementation of 70 Siemens Gamesa wind turbines at 6.2 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. This phase will require R$ 2.3 billion in investment (as of Dec/2020) and generate more than one thousand direct jobs in the region. It was enabled by energy sales to free-market customers.

In June 2016, the Rio Grande do Norte State's environmental authority, the Instituto de Desenvolvimento Sustentável e Meio Ambiente – Idema, issued a preliminary license declaring the project environmentally feasible. By August 2021, all Implementation Licenses had been secured, as well as the relevant consents from heritage authority Instituto do Patrimônio Histórico e Artístico Nacional (IPHAN) for wind farms. Licensing of the transmission line and the connection bay, by their turn, await the regulatory process to advance.


Concreting of the substation foundations

In the third quarter of 2021, with the completed mobilization of contractors in charge of construction works and Balance of Plant (BoP), overall physical progress reached 3.5%. At the wind farms, access way construction, wind turbine base excavations and Medium-Voltage grid installation works are already underway. Construction works are also underway for the Collector Substation.

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Company's Share
Assú Sol Solar Complex	Solar	Assú (RN)	750.0	750.0
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			**2,226.0**	**2,226.0**

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.

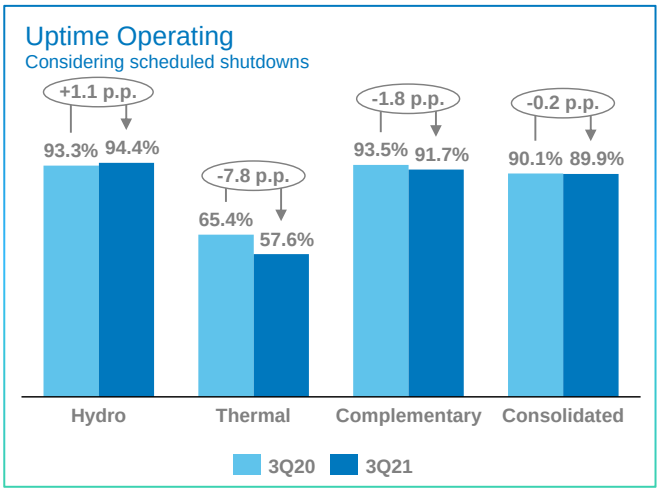
Assú Sol Photovoltaic Complex. In September 2021, the Company executed a Purchase and Sale Agreement for the acquisition of the entirety of the equity capital of Assú Sol Geração de Energia SPE S.A., the holder of the Assú Sol Photovoltaic Complex project, located in the municipality of Assú, state of Rio Grande do Norte, with **up to 750 MW in total estimated installed capacity**. Operation close is contingent on the fulfillment of certain conditions precedent. The project has been granted Preliminary License, has land-related contracts in place, and has submitted its application for Awarding, and is now addressing the regulatory procedures to secure an Access Report. The Company intends to proceed with implementation once the investment is approved, in line with Group governance.

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 **89.9% in 3Q21, if all scheduled shutdowns are taken into account**: 94.4% for the hydroelectric plants, 57.6% for the thermoelectric plants and 91.7% with respect to the plants fired from complementary energy sources, namely SHPs, biomass, wind and photovoltaics.



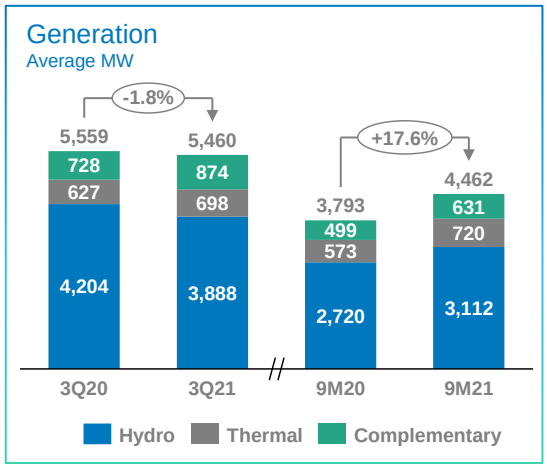
Hydroelectric power plants' uptime was up 1.1 p.p. from 3Q20, due mainly to the increased uptime of the Jaguara Hydroelectric Power Plant, whose Generator Unit #03 was undergoing scheduled maintenance in that quarter of 2020.

As for **thermal power plants**, uptime was down 7.8 p.p. from 3Q20, due to scheduled maintenance works at the Jorge Lacerda C Thermal Power Plant and the Pampa Sul Thermal Power Plant.

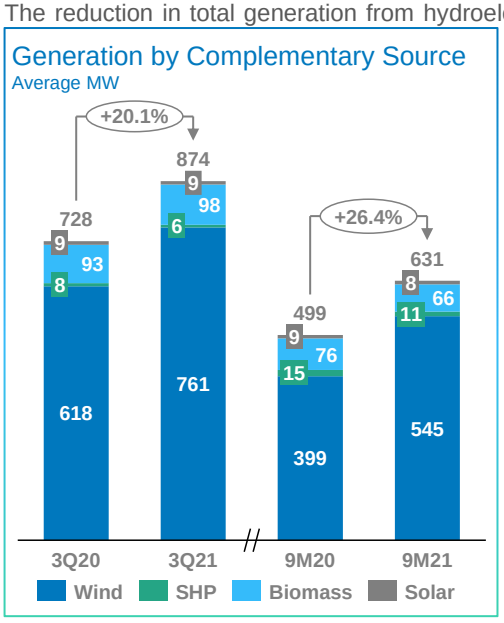
At the **complementary power plants**, uptime was down 1.8 p.p., due to lower uptime at the wind farms of the Campo Largo I and Umburanas Wind Complexes compared with 3Q20.

Energy Production

Electricity output from plants operated by ENGIE Brasil Energia was 12,055 GWh (5,460 average MW) in 3Q21. This result is **1.8% lower** than production for 3Q20. Total output breaks down as follows: hydroelectric plants 8,584 GWh (3,888 average MW), thermoelectric plants 1,541 GWh (698 average MW) and the complementary sourced units 1,930 GWh (874 average MW). Results point reduction of 7.5% on the hydroelectric energy sources and increases of 11.2% and 20.1% in thermoelectric and complementary energy sources, respectively, in relation to 3Q20.



The reduction in total generation from hydroelectric power plants in 3Q21 versus 3Q20 was due to the poor hydrological conditions in the river basins where the Company's plants lie, with higher impacts on the South and Southeast sub-system. It is worth emphasizing that Brazil is experiencing a hydrological crisis in 2021 that directly affects hydroelectric power generation. As a consequence, dispatching from thermal power plants across the entire National Interconnected System is high to meet the demand for energy. This explains increased generation from the Company's thermal power plants, which is due to increased marginal cost of operations in 3Q21, demanding full-load dispatching throughout the period, with the exception of the Pampa Sul TPP, which underwent maintenance works in September.



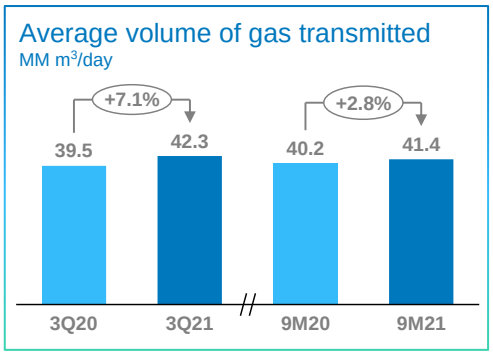
By its turn, the material increase in generation from complementary plants compared with the same quarter in 2020 was due to the completion of Campo Largo II and its full commercial startup. This wind power complex was responsible for 457 GWh produced in 3Q21, equivalent to 23.7% of generation from complementary plants.

Finally, a reduction in the amount of hydroelectric generation does not necessarily imply a deterioration of 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.

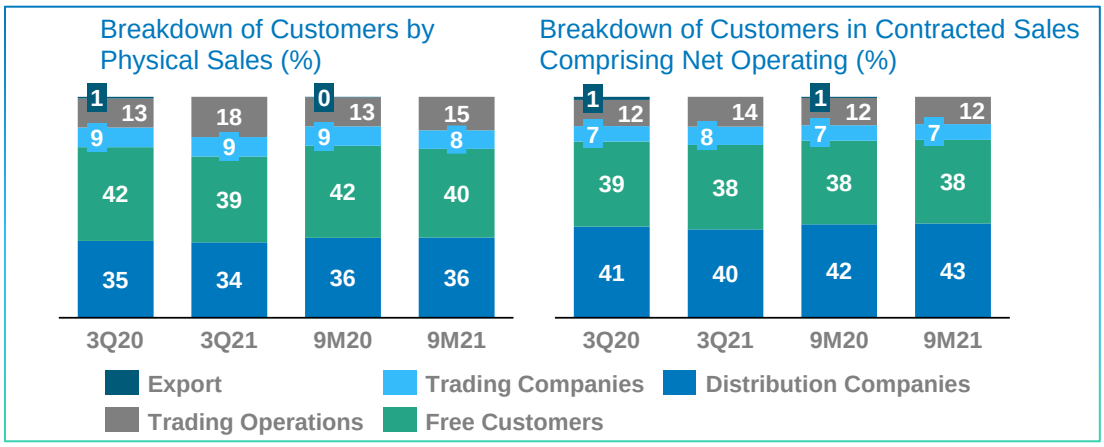


In 3Q21, TAG transported an average volume of gas of 42.3 million m³/day (39.5 million m³/day in the 3Q20).

Electric Energy Sales Portfolio

In 3Q21, the free consumer share of the Company's portfolio was 38.9% of total physical sales and 38.2% of the total net operating revenue (except CCEE and other revenues), decreases of 3.5 p.p. and 0.4 p.p., respectively in relation to the same quarter in 2020.

The reduced share of free consumers in physical sales was mainly due to the reduced availability of energy because of the hydrological scenario, reduced purchase volumes and the expiration of contracts, partly mitigated by new electric energy sale contracts executed in 3Q21. By its turn, the increase in net operating revenues between the periods at hand was essentially due to the effects of monetary restatement of existing contracts, as well as new contracts at average prices above those of exiting or expired ones.



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 **September 30, 2021** is as follows:

Energy Balance

(Average MW)

	2021	2022	2023	2024	2025	2026				
Own Resources	4,680	4,335	4,483	4,550	4,540	4,537	**Auction Gross** Price	Reference Date	**Gross** Price Adjusted	**Net** Price of PIS/COFINS/P&D
+ Purchases for Resale	1,260	1,265	992	813	353	307	(R$/MWh)		(R$/MWh)	(R$/MWh)
= Total Resources (A)	**5,940**	**5,600**	**5,475**	**5,363**	**4,893**	**4,844**				
Government Auction Sales[1]	2,012	2,012	2,012	2,007	1,994	1,984				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	258.6	232.3
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	284.4	255.5
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	296.2	266.1
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	265.9	238.9
Proinfa	19	19	19	19	19	19	147.8	Jun-04	418.4	403.1
1st Reserve Energy Auction	14	14	14	14	2	-	158.1	Aug-08	311.5	300.1
Auction Mix (New Energy / Reserve)	14	14	14	9	8	-	-	-	311.3	300.0
2014-NE-2019-25	295	295	295	295	295	295	183.5	Mar-14	270.0	242.6
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	283.8	273.4
2014-NE-2019-20	82	82	82	82	82	82	139.3	Nov-14	192.3	174.5
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	241.1	218.8
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	370.2	336.0
2017-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	192.6	174.8
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	166.6	158.9
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	193.2	184.3
+ Bilateral Sales	3,197	2,973	2,511	1,993	1,427	939				
= Total Sales (B)	**5,209**	**4,985**	**4,523**	**4,000**	**3,421**	**2,923**				
Balance (A - B)	**731**	**615**	**952**	**1,363**	**1,472**	**1,921**				
Sales average **net** price (R$/MWh) [2, 3]:	203.4	212.2	208.5							
Purchases average **net** price (R$/MWh) [4]:	198.5	178.4	161.6							

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

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

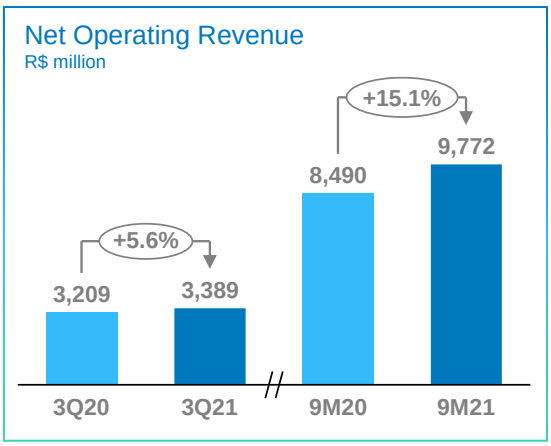
[1] Generation and sale of electric energy from the Company's portfolio ("Generation").

Net Operating Revenue

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

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

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



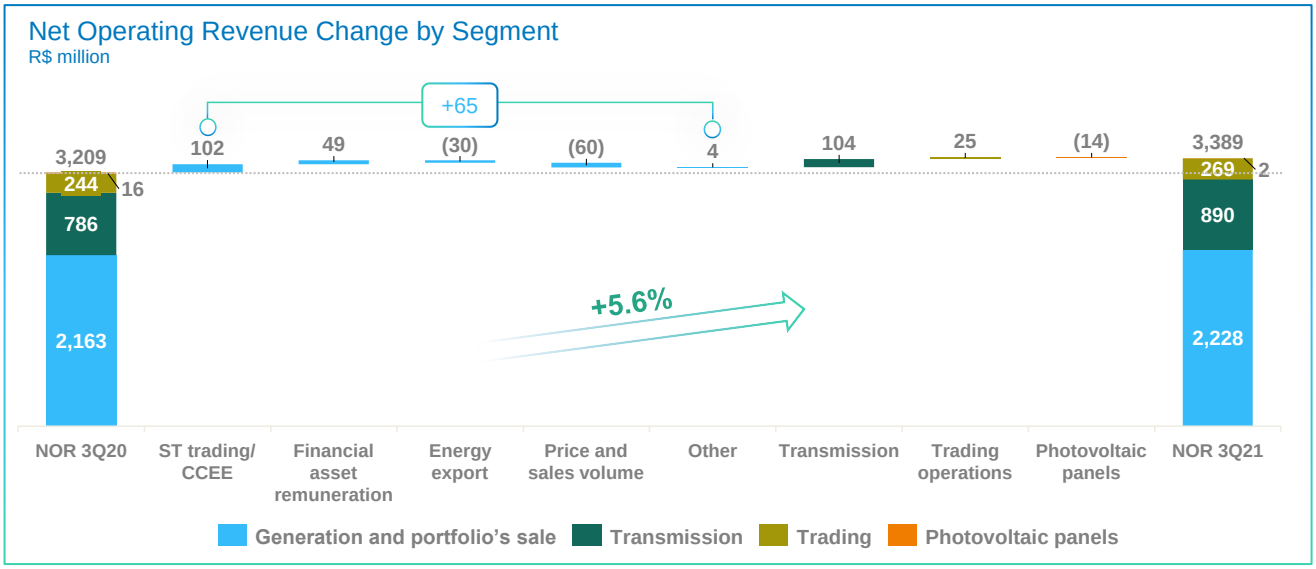
[2] In the quarters at hand, the Company saw a decrease in unrealized gains from trading operations in the light of the compared results in 2021 and 2020.

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

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

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

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



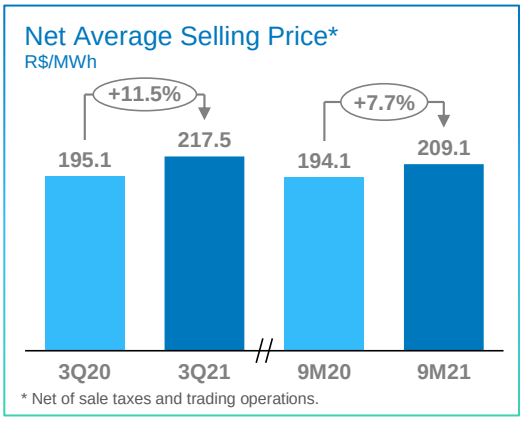
Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

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

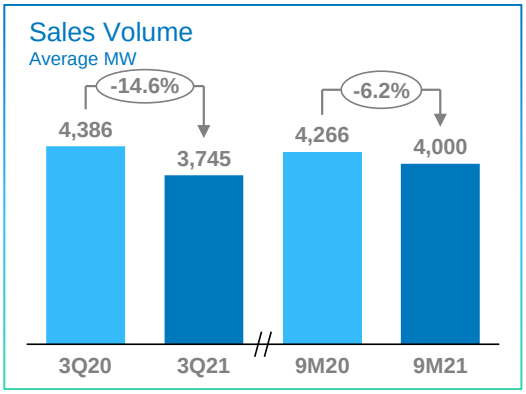
The higher price was largely due to the monetary restatement of existing contracts and new contracts with traders at prices above the average of existing or expired contracts, given the increase in market prices seen in 2021.



➢ Sales Volume

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

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



➢ Revenue from Sale of Electric Energy

- Distribution Companies:

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

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

- Free Consumers:

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

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

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

- Trading Companies:

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

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

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

- Export:

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

➢ Remuneration of Concession Financial Assets

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

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

➢ Transactions in the Short-term Energy Market

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

➢ Solar Panels

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

Operational Costs

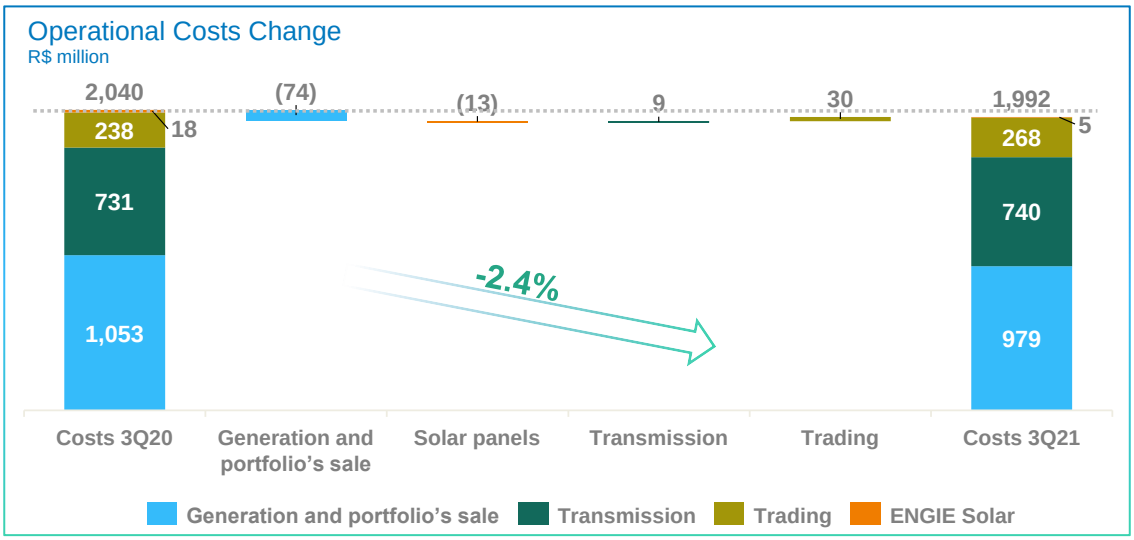
	Costs by segment – 3Q21 x 3Q20 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
3Q21					
Construction costs	-	740	-	-	740
Electric power purchases	249	-	295	-	544
Transactions in the short-term market	328	-	-	-	328
Depreciation and amortization	231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

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

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

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

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



Comments on Variations in Operational Costs

➢ Generation and Energy Sales from the Portfolio

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

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

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

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

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

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

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

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

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

Operational Result of the Energy Trading Segment

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

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

Operational Result from the Energy Transmission Segment

The Company has primary responsibility for the construction and installation of the infrastructure pertaining to the Gralha Azul and Novo Estado transmission concessions and is exposed to the risks and benefits of these constructions. Consequently, based on prevailing accounting practices, the Company books revenue over the course of the implementation of the transmission infrastructure for an amount corresponding to the construction costs plus a gross residual margin to cover the costs related to construction management. Expenditures incurred in the construction are recognized in the cost of the transmission infrastructure. The Annual Allowed Revenue (RAP) is received once the transmission system goes into commercial operations. Thus, only resources generated from the operational activity are received from then onwards.

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

Details of Short-Term Operations

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

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

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

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

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

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

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

Selling, General and Administrative Expenses

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

Reversal of Provision for Impairment of Assets

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

Equity Income – Gas Transportation

On July 20, 2020, the company acquired an additional 3.25% equity stake in TAG out of the total 10% that Petrobras still held. The Company's direct stake in TAG thus increased from 29.25% to 32.5%.

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

DRE – in R$ million	3Q21		3Q20	
	100%	Company's share	100%	Company's share
TAG				
Net operational revenue	1,766	574	1,541	501
Costs of services provided	(649)	(211)	(563)	(183)
Gross income	**1,117**	**363**	**978**	**318**
General and administrative expenses	(46)	(15)	(29)	(9)
Income before financial result and taxes	**1,071**	**348**	**949**	**309**
Financial result	(361)	(117)	(409)	(133)
Income before taxes	**710**	**231**	**540**	**176**
Income tax and social contribution	(243)	(79)	(220)	(72)
TAG's net income	**467**	**152**	**320**	**104**
Equity interest adjustment in the period of July 1st to July 20, 2020		-		(2)
Equity income – TAG		**152**		**102**

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

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

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

Balance Sheet

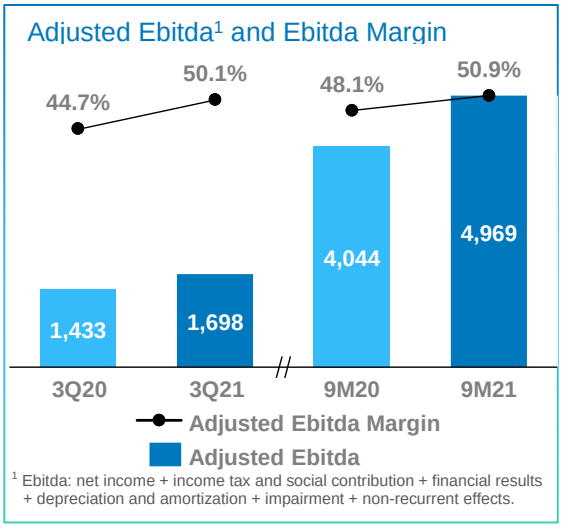
TAG's principal asset and liability groups as of September 30, 2021 and December 31, 2020 were as follows:

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

Ebitda and Ebitda Margin

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

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



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

Generation Adjusted Ebitda Margin

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

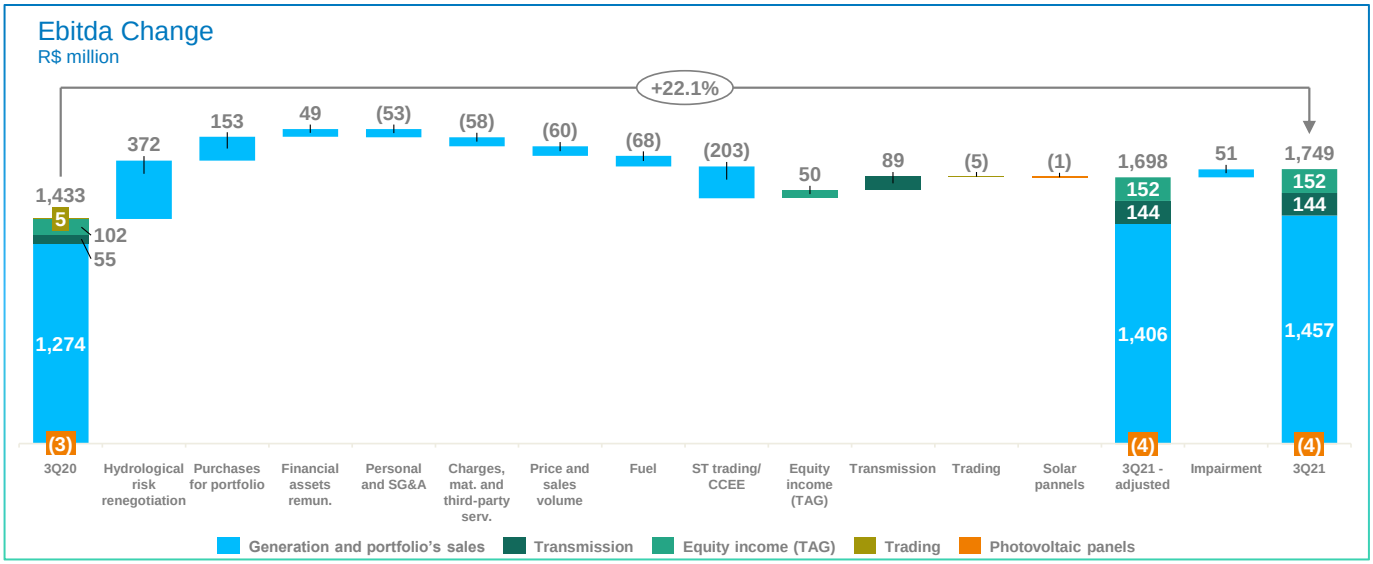
Consolidated Adjusted Ebitda Margin

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

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

The following table reconciles net income with Ebitda:

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



Financial Result

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

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

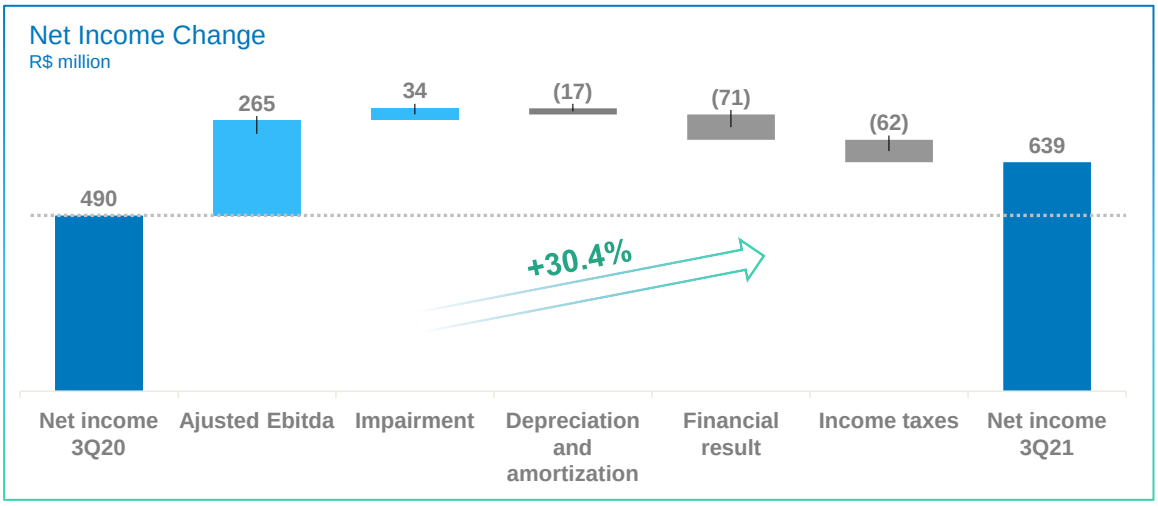
Worthy of note is that all energy sales agreements contain inflation clauses for readjustment either against the IPCA or IGP-M, thus representing a natural long-term hedge for debt and liabilities earmarked to inflation indices.

Income Tax and Social Contribution

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

Net Income

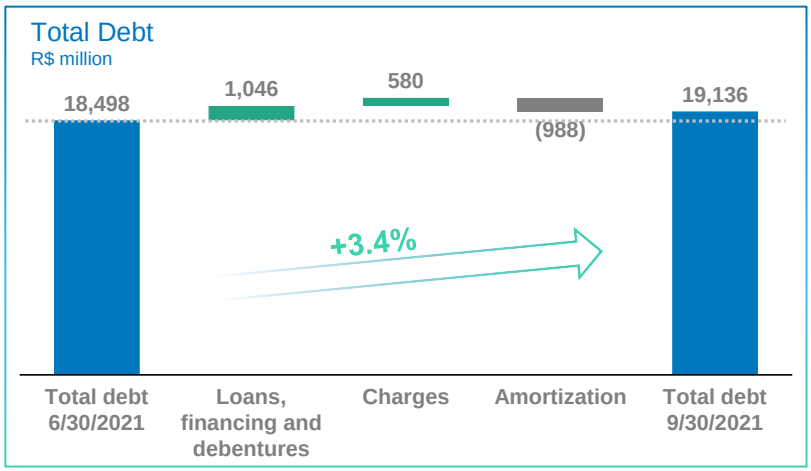
Net income in 3Q21 was R$ 639 million, up R$ 149 million or 30.4% from 3Q20's R$ 490 million. The increase is a consequence of the following: (i) R$ 265 million increase in recurring Ebitda; (ii) R$ 17 million increase in depreciation and amortization; (iii) R$ 71 million increase in net financial expenses;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

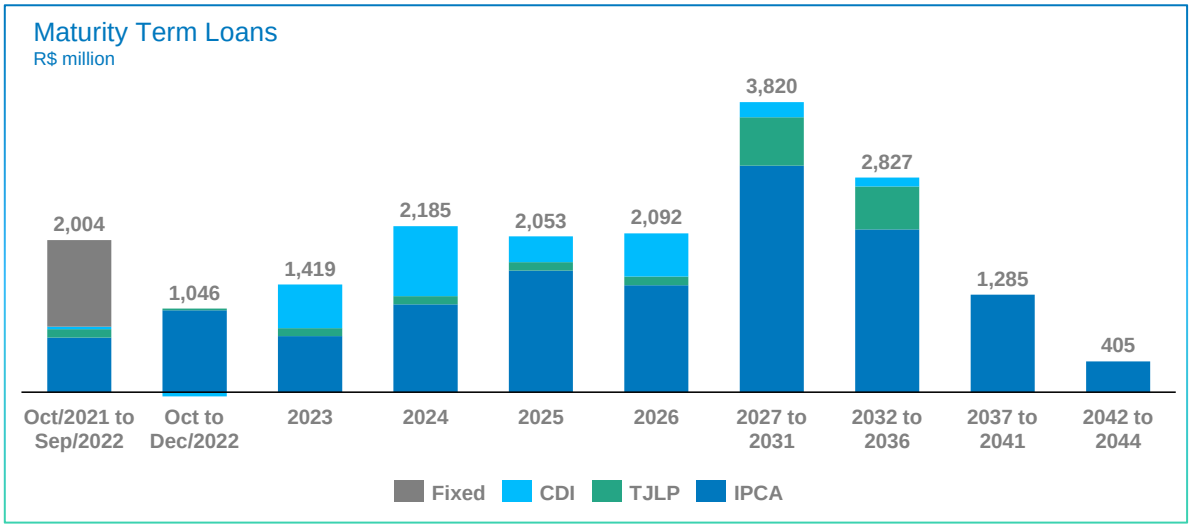


Debt

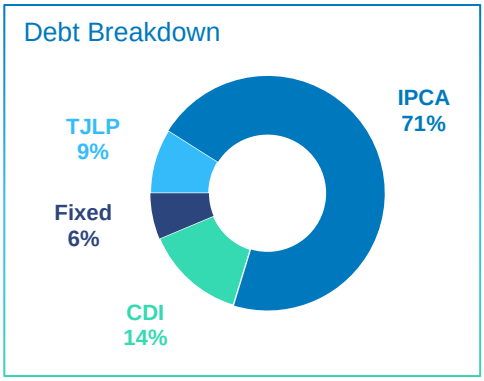
As of September 30, 2021, **total consolidated gross debt,** representing principally loans, financing, debentures and preferred shares redeemable, net of hedging operations, **totaled R$ 19,136 million — an increase of 3.4%** (R$ 638 million) compared to the position as of June 30, 2021. The average debt maturity at the end of 3Q21 was 6.9 years.

The variation in the Company's debt is related essentially to a combination of the following events during the 3Q21: (i) drawdowns from the Brazilian Development Bank (BNDES) and on-lending banks amounting R$ 428 million, largely for the construction of the Novo Estado Transmission System and Campo Largo II Wind Complex; (ii) R$ 530 million loan to build the Company's working capital and early repayment of the financing for the São Salvador Hydroelectric Power Plant and indirectly controlled entities forming the Santa Mônica and Trairí Wind Complexes; (iii) R$ 88 million from the 1st debentures issue of Pampa Sul TPP; (iv) generation of R$ 580 million in charges to be paid and monetary restatement; and (v) R$ 988 million in amortizations of loans, financing and debentures.





The **average weighted nominal cost of debt** at the end of the third quarter of 2021 **was 12.8%** — equivalent to IPCA + 2.3% — (6.8% — equivalent to IPCA + 3.5% — at the end of the 3Q20). 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 71% of the total debt.



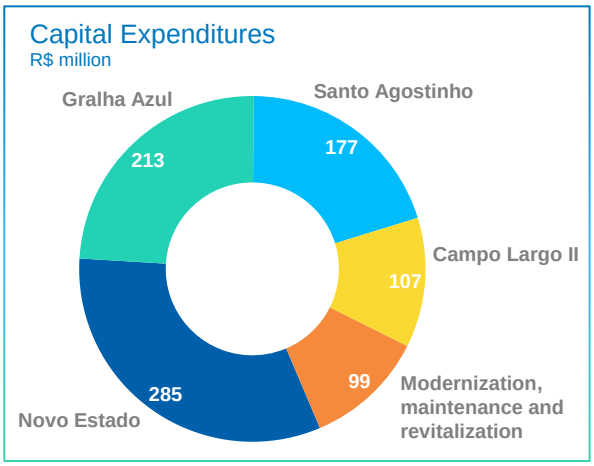
On September 30, 2021, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 14,173 million**, **an increase of 8.4%** compared with the end of the 2Q21.

Net Debt
R$ million

	9/30/2021	6/30/2021	Chg. %
Gross debt	19,749	18,840	4.8
Result of hedge operations	(613)	(341)	79.7
Deposits earmarked for the payment of debt	(324)	(346)	(6.5)
Cash and cash equivalents	(4,639)	(5,074)	(8.6)
Total net debt	**14,173**	**13,078**	**8.4**
Net debt/Ebitda last 12 months	**2.0X**	**1.9X**	

Capital Expenditures

Total investments at ENGIE Brasil Energia in 3Q21 were R$ 881 million, of which (i) R$ 782 million was invested in the construction of the new projects, being: (i.i) R$ 285 million concentrated in the Novo Estado Transmission Line; (i.ii) R$ 213 million in the Gralha Azul Transmission Line; (i.iii) R$ 177 million in the Santo Agostinho Wind Complex; and (i.iv) R$ 107 million in the Campo Largo II Wind Complex; (ii) R$ 96 million dedicated to maintenance and revitalization projects in the generator park; and (iii) R$ 3 million destinated for the modernization of Salto Osório Hydroelectric Power Plant.



COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable Management

ENGIE's ambition is to spearhead the carbon-neutral transition process worldwide, supporting our clients in their journey of reducing emissions and associated to differentiated socio-environmental offers, thereby encouraging sustainable development with positive impacts both locally and globally. Through our medium term Strategic ESG Goals, we endeavor to address the trinomial of "People, Planet and Prosperity", with a focus on the commitment for reducing CO_2 emissions by 46% between 2019 and 2030 which is a Science Based Target, 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 September 30, 2021, out of the 71 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 75.3% of the total operated by the Company. The Jorge Lacerda Thermoelectric Complex, the three plants of which, are among the 12 which are certified according to the NBR ISO 50001 standard for Energy Efficiency.

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

Sustainability Forum

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

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

Highlights of the Quarter

- To create increasingly close tie with our customers and increase our contributions to society, ENGIE Brasil Energia launched the "Parcerias do Bem" (Partnerships for Good) program. It is an invitation for partners to share ENGIE's geographic reach, structure and corporate social responsibility expertise and multiply efforts in and benefits from joint social initiatives. Additional information at: https://www.engie.com.br/parceriasdobem/.

- As part of the Occupational Health and Safety (OHS) strategy, a Safety Culture Diagnosis is underway to measure own employees' and contractors' cultural and knowledge level of internal OHS processes and procedures. Based on the quantitative and qualitative diagnosis results, the Company will define and prioritize needs, with action plans to enable improving culture and awareness of the subject. The Diagnosis is expected to be completed in December.
- The Company acquired a 750-hectare area (equivalent to 900 Maracanã stadiums) in the state of Paraná as environmental compensation for the Gralha Azul Transmission System. The area is three times larger than required by the Licensing process. In addition to the portion of it already preserved, the Company will plant 130,000 native trees, supporting the local fauna and flora in addition to conserving water courses.
- A Virtual Public Hearing to discuss the Environmental Conservation and Usage Plan for the Banks of Artificial Reservoirs (PACUERA) of the Cana Brava Hydroelectric Power Plant, governing the use of the reservoir and its adjoining areas.

ENGIE Brasil Energia remained for an additional year as a component of the portfolio of companies with the best ESG performance in Emerging Markets of Vigeo Eiris (Vigeo Eiris Best Emerging Market Performers). Vigeo Eiris is one of the main providers of global ESG analyses and ratings. Additional information at: https://vigeo-eiris.com/best-emerging-market-performers-july-2021/.

- A group of more than 100 companies (including ENGIE Brasil) and 10 industry associations released the document titled "Empresários pelo Clima" (Business Persons for Climate), which argues for measures towards a low-carbon economy and accept responsibilities for this transformation. This is the stance that the industry will submit at the upcoming Climate Conference, the COP 26, to be held in November in Glasgow (Scotland). The initiative was led by the Brazilian Business Council for Sustainable Development (CEBDS), together with other industry entities. The complete document can be viewed at: https://bit.ly/3zVS9Zg.
- Given the increasing frequency and sophistication of virtual attacks on companies around the world, ENGIE Brasil Energia released an online skills program that all employees must complete by the end of October. The program addresses cybersecurity and covers the most critical aspects regarding the subject: phishing, passwords, and data and equipment protection.

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 3Q21 X 3Q20, associating each indicator with GRI Standards recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index	Material themes	GRI disclosure[3]	3Q21	3Q20	Change	9M21	9M20	Change
1	Quality	Operating plants	- Prioritization of renewable sources for energy generation - Emissions Management	102-7, EU1	71	60	11	71	60	11
2		Installed capacity		102-7, EU1	10,796	10,431	3.5%	10,796	10,431	3.5%
3		Proprietary capacity		102-7, EU1	9,076	8,710	4.2%	9,076	8,710	4.2%
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	75.3%	77.9%	-2.6 p.p.	75.3%	77.9%	-2.6 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,594	9,229	4.0%	9,594	9,229	4.0%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	88.9%	88.5%	0.4 p.p.	88.9%	88.5%	0.4 p.p.
9		Energy generation (GWh)		EU2	12,056	12,274	-1.8%	29,238	24,944	17.2%
10		Certified energy generation		102-16, EU6	9,150	9,196	-0.5%	21,853	18,075	20.9%
11		Certified energy generation in relation to the total		102-16, EU6	75.9%	74.9%	1.0 p.p.	74.7%	72.5%	2.3 p.p.
12		Energy generation from renewable sources (GWh)		EU2	10,514	10,889	-3.4%	24,523	21,173	15.8%
13		Energy generation from renewable sources in relation to the total		EU2	87.2%	88.7%	-1.5 p.p.	83.9%	84.9%	-1.0 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	97.9%	96.3%	1.6 p.p.	96.8%	95.5%	1.3 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	89.9%	90.1%	-0.2 p.p.	89.1%	89.8%	-0.7 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	120,672	77,843	55.0%	298,802	238,220	25.4%
17		Number of visitors at the plants and environmental education		413-1	23,852	8,779	171.7%	84,851	18,712	353.5%
18		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	0.620	0.646	-4.1%	0.870	0.692	25.7%
19		CO2 Emissions from ENGIE Brasil Energia's generation complex(t/MWh)		D305-1, D305-2, D305-3	0.119	0.073	63.1%	0.160	0.105	52.8%
20	Occupational Heath and Safety (OH&S)	Frequency Rate (FR) operation and maintenance [4]	- Teams and community safety - Foster good social and environmental practices between suppliers and customers.	403-2	0.000	1.561	↓	0.168	0.282	↓
21		Severity Rate (SR)) own employees[5]		403-2	0.000	0.023	↓	0.000	0.008	↓
22		Frequency Rate (FR) construction[4]		403-2	3.230	1.033	↑	1.601	0.687	↑
23		Managerial Safety Visits - VGS		403-2	346	505	Not Applic	1,257	964	Not Applic
24		Registry of Risky and Near Accident Situation		403-2	1,102	2,064	Not Applic	4,104	3,979	Not Applic
25	Social Responsibility[6]	Non-incentivized investments	- Generation of economic result and value sharing with society - Boost of prosperity on local communities	203-2, 413-1	516.9	1,694.0	-69.5%	4,209.6	6,197.0	-32.1%
26		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	186.0	92.0	102.2%	650.0	562.2	15.6%
27		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	780.0	1,958.0	-60.2%	3,016.0	2,171.0	38.9%
28		Investments through the Sport Incentive Law		203-2, 413-1	0.0	240.0	-	287.4	240.0	19.8%
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	221.0	-86.4%	60.0	800.8	-92.5%

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] GRI: Global Reporting Initiative, Standards version and sector supplement version G4.
[4] TF = number of occupational accidents for every million hours of exposure to hazards.
[5] TG = number of days lost due to occupational accidents for every thousand hours of exposure to hazards.
[6] 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. The Company has an Audit Committee 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.

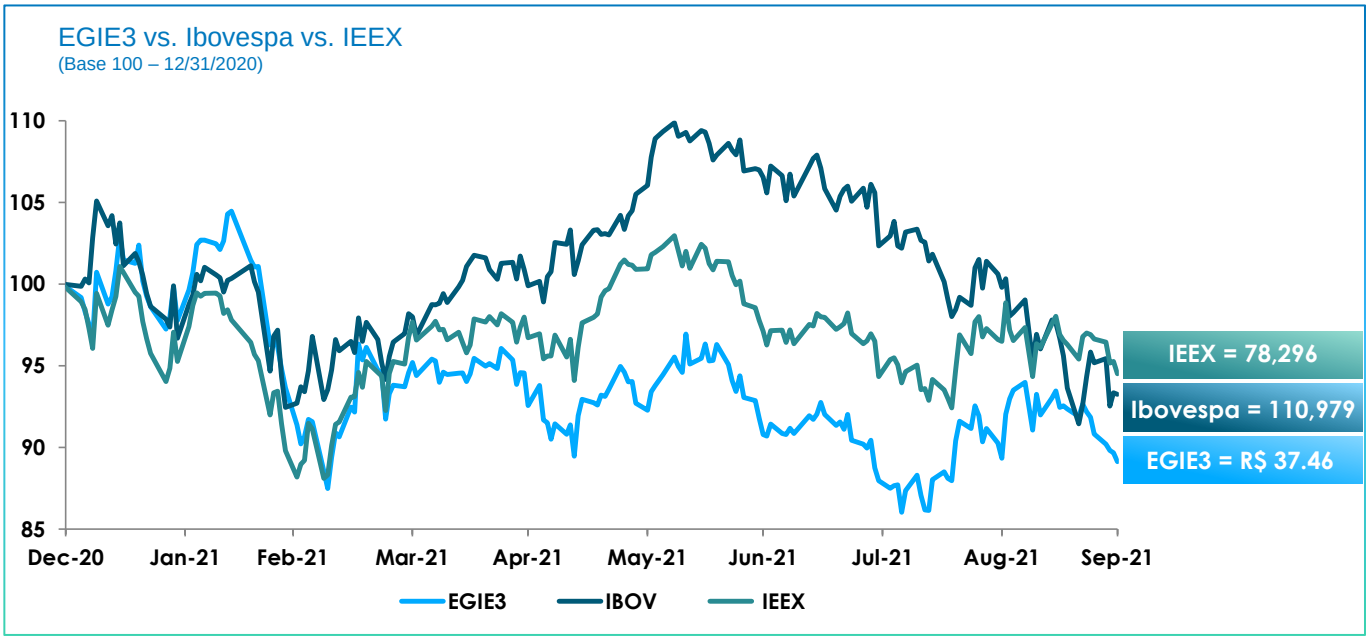
Share Performance – EGIE3

In the third quarter of 2021, news that unemployment numbers were better than expected was not enough to offset the pessimism stemming from US monetary policy and fiscal issues in Brazil. Locally, the political and economic environment remained on the radar. Fiscal risks, the administrative reform and the potential extension of emergency financial support beyond the expenditures ceiling have all made investors uncomfortable.

Ibovespa, the Brazilian stock exchange's main index, reached the end of 3Q21 at its lowest in 12 months, down 12.5%, and approaching 111 thousand points. **The shares of ENGIE Brasil Energia were down 1.8%** in the period, whereas the Electric Energy Industry Index (IEEX) lost 2.7% under the persistent influence of the hydrology crisis.

EGIE3 recorded an average daily trading volume of R$ 54.1 million in the 3Q21, 30.7% lower than in 3Q20, when the volume was R$ 78.0 million.

On the last trading day in September 2021, the closing price of the Company's shares was R$ 37.46/share**, translating into a market capitalization of R$ 30.6 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: November 5, 2021
Time: 10:00 a.m. (EDT) / 11:00 a.m. (BRT)
Link to the connection in English: **https://vcasting.voitel.com.br/?transmissionId=8851**

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$)	09/30/2021	12/31/2020
Current Assets	**8,598,380**	**7,733,297**
Cash and cash equivalents	4,639,451	4,538,946
Accounts receivables from clients	1,289,531	1,723,101
Credit of income tax and social contribution	198,997	140,785
Dividends receivable	-	32,500
Inventory	154,794	189,428
Unrealized gains on hedging transactions	248,327	14,475
Unrealized gains on trading transactions	500,631	320,309
Restricted deposits	70,495	174,048
Renegotiation of hydrological risk to appropriate	15,089	15,089
Concession financial assets	327,105	305,626
Contractual assets	338,883	-
Other current assets	235,231	274,413
Non current asset held for sale	579,846	4,577
Non Current Assets	**30,242,282**	**27,452,951**
Long Term Assets	**9,164,343**	**6,829,060**
Unrealized gains on hedging transactions	627,636	719,380
Unrealized gains on trading transactions	218,925	54,385
Restricted deposits	330,246	235,819
Deposits in court	82,753	82,539
Renegotiation of hydrological risk to appropriate	89,280	100,597
Concession financial assets	2,655,590	2,499,170
Contractual assets	5,037,743	2,961,419
Other non current assets	122,170	175,751
Investments	**2,549,725**	**2,425,062**
Property, Plant and Equipment	**15,453,986**	**15,537,837**
Intangible	**2,932,687**	**2,513,990**
Right of use of leases	**141,541**	**147,002**
Total	**38,840,662**	**35,186,248**

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

(In thousands of R$)	09/30/2021	12/31/2020
Current Liabilities	**5,898,206**	**5,380,926**
Suppliers	990,139	861,752
Dividends and interest on shareholder´s equity	801,782	1,385,056
Loans and financing	1,713,091	1,375,627
Debentures	475,449	449,376
Lease liabilities	17,975	19,144
Concessions payable	266,094	228,865
Tax and social contribution obligations payable	92,289	198,541
Other fiscal and regulatory obligations	106,895	113,901
Labor obligations	140,390	130,097
Unrealized losses on trading transactions	493,734	321,654
Provision	22,175	15,159
Obligations related to retirement benefits	42,989	43,067
Liabilities related to non-current assets held for sale	205,349	-
Other current liabilities	529,855	238,687
Non Current Liabilities	**25,056,190**	**22,063,324**
Loans and financing	11,438,108	9,825,881
Debentures	5,623,628	5,113,171
Redeemable preferred shares	498,733	482,088
Lease liabilities	103,086	104,828
Concessions payable	4,437,227	3,783,453
Unrealized losses on trading transactions	198,243	36,405
Provision	345,949	305,845
Obligations related to retirement benefits	402,120	407,846
Deferred income taxes and social contribution	1,672,713	1,523,222
Other non current liabilities	336,383	480,585
Shareholders' Equity	**7,886,266**	**7,741,998**
Share capital	4,902,648	4,902,648
Net income reserves	2,942,691	3,546,496
Adjustment on fixed asset	(685,733)	(709,615)
Retained earnings	723,290	-
Non controlling interests	3,370	2,469
Total	**38,840,662**	**35,186,248**

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

(In thousands of R$)	3Q21	3Q20	Chg. %	9M21	9M20	Chg. %
Net Operational Revenue	**3,388,846**	**3,208,816**	**5.6**	**9,771,851**	**8,489,925**	**15.1**
Operational Costs	**(1,991,466)**	**(2,040,361)**	**-2.4**	**(5,747,450)**	**(5,161,701)**	**11.3**
Electric power purchases	(516,868)	(640,844)	-19.3	(1,449,826)	(1,834,260)	-21.0
Transactions in the short term energy market	(328,113)	(22,666)	1,347.6	(527,630)	(198,110)	166.3
Charges for the use of and connection to the electricity grid	(164,825)	(140,913)	17.0	(453,057)	(418,329)	8.3
Fuel expenses	(113,648)	(45,793)	148.2	(285,007)	(130,490)	118.4
Financial compensation for use of hydro resources (royalties)	(33,241)	(36,748)	-9.5	(70,181)	(57,814)	21.4
Personnel	(92,590)	(65,597)	41.1	(232,444)	(206,067)	12.8
Materials and third-party services	(102,475)	(88,135)	16.3	(305,975)	(247,023)	23.9
Depreciation and amortization	(230,706)	(217,914)	5.9	(686,787)	(676,062)	1.6
Insurance	(25,401)	(21,904)	16.0	(67,842)	(60,514)	12.1
(Constitution) Reversals of operating provisions, net	(745)	(2,311)	-67.8	3,694	17,688	-79.1
Cost of implementing transmission infrastructure	(739,738)	(731,145)	1.2	(2,037,237)	(1,287,085)	58.3
Cost of selling photovoltaic solar panels	(2,288)	(11,136)	-79.5	(15,819)	(25,429)	-37.8
Energy costs recovery - Hydrological risk renegotiation	371,711	-	-	423,672	-	100.0
Others	(12,539)	(15,255)	-17.8	(43,011)	(38,206)	12.6
Gross Income	**1,397,380**	**1,168,455**	**19.6**	**4,024,401**	**3,328,224**	**20.9**
Operating Income (Expenses)	**(39,702)**	**(61,514)**	**-35.5**	**(349,718)**	**(190,357)**	**83.7**
Selling, general and administrative expenses	(90,496)	(61,507)	47.1	(237,553)	(190,281)	24.8
Reversal (Constitution) of impairment	50,697	-	100.0	(112,112)	-	100.0
Other operating (expenses) revenues, net	97	(7)	-1,485.7	(53)	(76)	-30.3
Result of corporate participations	**151,576**	**102,317**	**48.1**	**473,523**	**366,736**	**29.1**
Equity income	151,576	102,317	48.1	473,523	366,736	29.1
Income Before Financial Result and Taxes	**1,509,254**	**1,209,258**	**24.8**	**4,148,206**	**3,504,603**	**18.4**
Net Financial Result	**(669,998)**	**(598,921)**	**11.9**	**(2,258,108)**	**(1,159,715)**	**94.7**
Financial income	82,842	63,325	30.8	171,074	218,490	-21.7
Financial expenses	(752,840)	(662,246)	13.7	(2,429,182)	(1,378,205)	76.3
Income Before Taxes	**839,256**	**610,337**	**37.5**	**1,890,098**	**2,344,888**	**-19.4**
Income tax	(140,986)	(81,080)	73.9	(280,068)	(411,872)	-32.0
Social contribution	(59,234)	(39,246)	50.9	(122,840)	(165,225)	-25.7
Net Income for the Period	**639,036**	**490,011**	**30.4**	**1,487,190**	**1,767,791**	**-15.9**
Income allocated to:						
ENGIE Brasil Energia's shareholders	638,700	489,707	30.4	1,486,289	1,766,975	-15.9
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	336	304	10.5	901	816	10.4
Number of Ordinary Shares	**815,927,740**	**815,927,740**		**815,927,740**	**815,927,740**	
Net Income per Share	**0.7828**	**0.6002**	**30.4**	**1.8216**	**2.1656**	**-15.9**

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

(In thousands of R$)	9M21	9M20
Cash Flow from Operating Activities		
Income before taxes on income	1,890,098	2,344,888
Reconciliation of net income with operating cash flow:		
Equity loss	(473,523)	(366,736)
Depreciation and amortization	708,582	691,534
Impairment	112,112	-
Renegotiation of hydrological risk	(423,672)	-
Monetary variation	1,276,367	492,344
Interests	1,093,392	740,501
Adjustments to market value of securities	(30,931)	-
Remuneration of financial concession asset	(398,228)	(236,098)
Contract asset remuneration	(508,400)	(57,385)
Unrealized losses (gains) on trading operations, net	(10,944)	6,630
Others	(2,622)	(18,134)
Adjusted Net Income	**3,232,231**	**3,597,544**
(Increase) reduction in assets		
Accounts receivables from clients	553,197	(230,976)
Inventory	84,522	(17,801)
Deposits in court and restricted deposits	(10,578)	(17,754)
Renegotiation of hydrological risk to appropriate	11,317	11,317
Tax credits recoverable	(56,732)	(46,965)
Financial concession asset	220,329	212,948
Contract assets	(1,906,452)	(1,318,481)
Other assets	185,432	(89,087)
(Reduction) increase in liabilities		
Suppliers	(76,098)	(89,538)
Other fiscal and regulatory obligations	(18,012)	130,239
Labor obligations	8,841	3,129
Obligations related to retirement benefits	(28,591)	(22,777)
Other liabilities	(11,645)	66,967
Cash Generated from Operating Activities	**2,187,761**	**2,188,765**
Payment of interests on debt, net of hedge	(560,036)	(390,110)
Payment of income tax and social contribution	(343,119)	(250,823)
Net Cash from Operating Activities	**1,284,606**	**1,547,832**
Investments Activities	**(495,585)**	**(857,522)**
Dividends received from joint ventures	390,000	321,750
Capital increase at joint ventures	-	(327,168)
Payments on investments in companies, net of cash and cash equivalents acquired	-	(328,889)
Used in fixed assets and intangibles	(762,906)	(523,215)
Sales of marketable securities	32,439	-
Cash and cash equivalents from divested subsidiaries	(155,144)	-
Others	26	-
Financing Activities	**(688,516)**	**1,136,118**
Loans and financing contracted	3,069,381	2,517,125
Debentures contracted	377,288	497,064
Preferred shares issued	-	476,757
Payment of loans and financing, net of hedge	(1,753,430)	(545,630)
Payment of debentures, net of hedge	(211,168)	(596,130)
Payments of concessions payable	(178,813)	(109,468)
Payments of dividends and interest on shareholders' equity	(2,008,042)	(1,240,918)
Payments of leases	(14,617)	(15,228)
Debt servicing deposits	32,216	151,047
Others	(1,331)	1,499
Increase in Cash and Cash Equivalents	**100,505**	**1,826,428**
Reconciliation of Cash and Cash Equivalents		
Opening balance	4,538,946	3,870,261
Closing balance	4,639,451	5,696,689
Increase in Cash and Cash Equivalents	**100,505**	**1,826,428**
Transactions that do Not Affect Cash and Cash Equivalents		
Interin dividends credited	789,518	677,688
Additional dividends related 2020	609,594	-
Dividends intended by subsidiaries	357,500	321,750
Supplier's of fixed assets and intangibles	79,250	27,491
Unclaimed dividends and interest on equity	10,177	3,978
Credit of income tax and social contribution	(13,006)	(34,435)
Capital increase with profit and profit	-	167,219
Subsidiary's net assets transferred to non-current assets held for sale	407,153	-
Capitalized interest, monetary variation and depreciation	70,002	30,787
Provision for divestment without cash in assets and intangibles	25,085	-
Provisions for expropriations without cash effect in construction of transmission	355	-
Fair value of acquired project rights	-	236,021
Goodwill	-	80,247
Fixed assets credit of PIS and COFINS	-	(29,413)