Content

Company Information / Capital Breakdown

Number of Shares (Thousand)	Current Quarter 09/30/2021
Paid-up Capital	
Common	15,527
Preferred	23,044
Total	38,571
Treasury Shares	
Common	0
Preferred	0
Total	0

Parent Company Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code	Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
1	Total Assets	2,531,050	2,133,733
1.01	Current Assets	119,073	208,401
1.01.01	Cash and Cash Equivalents	36,369	50,421
1.01.06	Taxes Recoverable	17,859	25,888
1.01.06.01	Current Taxes Recoverable	17,859	25,888
1.01.08	Other Current Assets	64,845	132,092
1.01.08.03	Other	64,845	132,092
1.01.08.03.01	Dividends Receivable	64,778	132,047
1.01.08.03.03	Other Receivables	67	45
1.02	Noncurrent Assets	2,411,977	1,925,332
1.02.01	Long-Term Receivables	191,321	171,651
1.02.01.02	Financial Investments at Fair Value through Other Comprehensive Income	137,478	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Trading Securities	137,261	137,261
1.02.01.07	Deferred Taxes	17,323	12,827
1.02.01.07.01	Deferred Income Tax and Social Contribution	17,323	12,827
1.02.01.10	Other Noncurrent Assets	36,520	21,346
1.02.01.10.03	Court Deposits	36,520	21,346
1.02.02	Investments	2,216,078	1,748,723
1.02.02.01	Equity Interest	2,216,078	1,748,723
1.02.02.01.01	Interests in Affiliates	109,765	91,104
1.02.02.01.02	Interest in Subsidiaries	1,985,216	1,558,988
1.02.02.01.04	Other Investments	121,097	98,631
1.02.03	Property, Plant & Equipment	11	14
1.02.03.01	Fixed Assets in Operation	11	14
1.02.04	Intangible Assets	4,567	4,944
1.02.04.01	Intangible Assets	4,567	4,944
1.02.04.01.01	Concession Agreement	4,567	4,944

Parent Company Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
2	Total Liabilities	2,531,050	2,133,733
2.01	Current Liabilities	66,073	144,163
2.01.01	Social and Labor Obligations	1,499	879
2.01.01.01	Social Obligations	1,499	879
2.01.01.01.01	Social Charges	1,499	879
2.01.02	Suppliers	1,012	72
2.01.02.01	Domestic Suppliers	1,012	72
2.01.03	Tax Obligations	487	18,795
2.01.03.01	Federal Tax Obligations	305	18,665
2.01.03.01.01	Income Tax and Social Contribution Payable	0	971
2.01.03.01.02	Other Federal Tax Obligations	153	6,365
2.01.03.01.03	PIS/COFINS	152	11,329
2.01.03.03	Municipal Tax Obligations	182	130
2.01.05	Other Obligations	63,075	124,417
2.01.05.02	Other	63,075	124,417
2.01.05.02.01	Dividends and Interest on Equity Payable	62,116	123,621
2.01.05.02.04	Other Current Liabilities	959	796
2.02	Noncurrent Liabilities	5,436	4,928
2.02.04	Provisions	5,436	4,928
2.02.04.01	Tax, Social Security, Labor, and Civil Provisions	1,953	1,445
2.02.04.01.01	Tax Provisions	1,666	1,263
2.02.04.01.04	Civil Provisions	287	182
2.02.04.02	Other Provisions	3,483	3,483
2.02.04.02.04	Regulatory Provisions	3,483	3,483
2.03	Equity	2,459,541	1,984,642
2.03.01	Paid-up Share Capital	2,480,000	1,340,000
2.03.02	Capital Reserves	316	316
2.03.02.06	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	771,470	1,911,470
2.03.04.01	Legal Reserve	196,308	196,308
2.03.04.05	Retained Earnings Reserve	575,162	1,715,162
2.03.05	Retained Earnings/Accumulated Losses	475,230	0
2.03.06	Equity Valuation Adjustments	-1,267,475	-1,267,144

Parent Company Financial Statements / Income Statement

(R$ thousand)

Code	Description	Current Quarter 07/01/2021 to 09/30/2021	YTD Current Year 01/01/2021 to 09/30/2021	Same Quarter of the Previous Year 01/07/2020 to 09/30/2020	YTD Previous Year 01/01/2020 to 09/30/2020
3.04	Operating Expenses/Revenues	174,039	464,825	80,006	279,717
3.04.02	General and Administrative Expenses	-6,818	-17,742	-5,935	-15,288
3.04.05	Other Operating Expenses	2,688	1,130	-514	-1,533
3.04.06	Equity Pickup	178,169	481,437	86,455	296,538
3.05	Income Before Financial Result and Taxes	174,039	464,825	80,006	279,717
3.06	Financial Result	621	5,578	317	5,326
3.06.01	Financial Income	649	5,653	338	5,382
3.06.02	Financial Expenses	-28	-75	-21	-56
3.07	Income Before Taxes on Profit	174,660	470,403	80,323	285,043
3.08	Income Tax and Social Contribution	933	4,496	0	0
3.08.02	Deferred	933	4,496	0	0
3.09	Net Income from Continuing Operations	175,593	474,899	80,323	285,043
3.11	Profit/Loss for the Period	175,593	474,899	80,323	285,043
3.99	Earnings per Share - (R$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	4.2957	11,618	1,965	6.9734
3.99.01.02	Preferred Shares	4.7253	12.7798	2.1615	7.6707
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	4.2957	11,618	1,965	6.9734
3.99.02.02	Preferred Shares	4.7253	12.7798	2.1615	7.6707

Parent Company Financial Statements / Statement of Comprehensive Income (R$ thousand)

Code	Description	Current Quarter 07/01/2021 to 09/30/2021	YTD Current Year 01/01/2021 to 09/30/2021	Same Quarter of the Previous Year 01/07/2020 to 09/30/2020	YTD Previous Year 01/01/2020 to 09/30/2020
4.01	Net Income for the Period	175,593	474,899	80,323	285,043
4.03	Comprehensive Income for the Period	175,593	474,899	80,323	285,043

Parent Company Financial Statements / Statement of Cash Flow - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year 01/01/2021 to 09/30/2021	YTD Previous Year 01/01/2020 to 09/30/2020
6.01	Net Cash from Operating Activities	-32,797	-24,965
6.01.01	Cash Generated from Operations	-9,045	-10,004
6.01.01.01	Net Income before Income Tax and Social Contribution	470,403	285,043
6.01.01.02	Depreciation and Amortization	1,481	1,481
6.01.01.03	Equity Pickup	-481,437	-296,538
6.01.01.07	Creation (Reversal) of Provision for Contingent Liabilities	508	10
6.01.02	Changes in Assets and Liabilities	-23,752	-14,961
6.01.02.01	Taxes Recoverable	8,029	0
6.01.02.03	Court Deposits	-15,174	1,877
6.01.02.04	Suppliers	0	-795
6.01.02.05	Social Security and Labor Obligations	620	552
6.01.02.06	Taxes Payable	-18,308	-9,624
6.01.02.07	Other Accounts - Liabilities	163	25
6.01.02.08	Taxes Recoverable	0	-114
6.01.02.10	Other Accounts - Assets	-22	-6,882
6.01.02.17	Suppliers	940	0
6.02	Net Cash from Investing Activities	80,250	27,733
6.02.04	Dividends Received	80,250	27,733
6.03	Net Cash from Financing Activities	-61,505	-1
6.03.02	Dividends Paid	-61,505	-1
6.05	Increase (Decrease) in Cash and Cash Equivalents	-14,052	2,767
6.05.01	Opening Balance of Cash and Cash Equivalents	50,421	28,451
6.05.02	Closing Balance of Cash and Cash Equivalents	36,369	31,218

Parent Company Financial Statements / Statement of Changes in Equity / 01/01/2021 to 09/30/2021

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/ Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642
5.03	Adjusted Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642
5.05	Total Comprehensive Income	0	0	0	475,230	-331	474,899
5.05.01	Net Income for the Period	0	0	0	474,899	0	474,899
5.05.03	Reclassifications to Profit/Loss	0	0	0	331	-331	0
5.05.03.02	Realization of Attributable Cost	0	0	0	331	-331	0
5.06	Internal Equity Changes	1,140,000	0	-1,140,000	0	0	0
5.06.04	Capital Increase	1,140,000	0	-1,140,000	0	0	0
5.07	Closing Balances	2,480,000	316	771,470	475,230	-1,267,475	2,459,541

Parent Company Financial Statements / Statement of Changes in Equity / 01/01/2020 to 09/30/2020

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/ Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124
5.03	Adjusted Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124
5.05	Total Comprehensive Income	0	0	0	285,466	-423	285,043
5.05.01	Net Income for the Period	0	0	0	285,043	0	285,043
5.05.03	Reclassifications to Profit/Loss	0	0	0	423	-423	0
5.05.03.02	Realization of Attributable Cost	0	0	0	423	-423	0
5.07	Closing Balances	1,340,000	316	1,521,681	285,466	-1,455,296	1,692,167

Parent Company Financial Statements / Value Added Statement

(R$ thousand)

Code	Description	YTD Current Year 01/01/2021 to 09/30/2021	YTD Previous Year 01/01/2020 to 09/30/2020
7.02	Inputs Acquired from Third Parties	-1,825	-4,301
7.02.02	Materials, Energy, Outsourced Services, and Others	-1,825	-4,301
7.03	Gross Value Added	-1,825	-4,301
7.04	Retentions	-1,481	-1,481
7.04.01	Depreciation, Amortization, and Depletion	-1,481	-1,481
7.05	Net Value Added Produced	-3,306	-5,782
7.06	Value Added Received in Transfer	487,090	301,920
7.06.01	Equity Pickup	481,437	296,538
7.06.02	Financial Income	5,653	5,382
7.07	Total Value Added to be Distributed	483,784	296,138
7.08	Distribution of Value Added	483,784	296,138
7.08.01	Personnel	12,779	10,455
7.08.01.01	Direct Compensation	11,500	9,440
7.08.01.02	Benefits	715	557
7.08.01.03	Guarantee Fund for Length of Service (FGTS)	564	458
7.08.02	Taxes, Fees, Contributions	-4,163	379
7.08.02.01	Federal	-4,199	187
7.08.02.02	State	8	10
7.08.02.03	Municipal	28	182
7.08.03	Return on Third-Party Capital	269	261
7.08.03.02	Rental	194	205
7.08.03.03	Others	75	56
7.08.04	Return on Equity	474,899	285,043
7.08.04.02	Dividends	112,788	0
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	362,111	285,043

Consolidated Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code	Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
1	Total Assets	12,142,481	10,667,254
1.01	Current Assets	3,758,884	3,955,299
1.01.01	Cash and Cash Equivalents	743,079	1,166,205
1.01.03	Accounts Receivable	1,915,829	1,918,725
1.01.03.01	Trade Receivables	1,689,670	1,623,760
1.01.03.01.01	Trade Receivable	2,254,014	2,141,621
1.01.03.01.02	Allowance for Doubtful Accounts	-564,344	-517,861
1.01.03.02	Other Accounts Receivable	226,159	294,965
1.01.04	Inventories	17,197	12,313
1.01.06	Taxes Recoverable	780,958	591,837
1.01.06.01	Current Taxes Recoverable	780,958	591,837
1.01.08	Other Current Assets	301,821	266,219
1.01.08.03	Other	301,821	266,219
1.01.08.03.01	Financial Asset - Indemnification of the Pery Plant Basic Project	42,401	0
1.01.08.03.03	Dividends Receivable	5,930	14,352
1.01.08.03.04	Other Receivables	168,282	171,161
1.01.08.03.06	Financial Assets – Concession Bonus	35,977	33,674
1.01.08.03.07	CDE Funds to Cover CVA	49,231	47,032
1.02	Noncurrent Assets	8,383,597	6,711,955
1.02.01	Long-Term Receivables	4,158,283	2,623,539
1.02.01.02	Financial Investments at Fair Value through Other Comprehensive Income	137,478	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Trading Securities	137,261	137,261
1.02.01.04	Accounts Receivable	26,797	32,454
1.02.01.04.01	Trade Receivables	139,318	143,850
1.02.01.04.02	Allowance for Doubtful Accounts	-114,614	-114,614
1.02.01.04.03	Other Accounts Receivable	2,093	3,218
1.02.01.07	Deferred Taxes	844,841	884,423
1.02.01.07.01	Deferred Income Tax and Social Contribution	844,841	884,423
1.02.01.10	Other Noncurrent Assets	3,149,167	1,569,184
1.02.01.10.03	Taxes Recoverable	1,056,935	109,904
1.02.01.10.04	Court Deposits	322,384	291,869
1.02.01.10.05	Financial Assets Indemnification - Concession	701,674	612,637
1.02.01.10.06	Financial Assets - Portion A – CVA	644,187	286,861
1.02.01.10.07	Financial Assets – Concession Bonus	284,752	267,913
1.02.01.10.08	Advance for Future Capital Increase	10,000	0
1.02.01.10.09	Financial Asset - Indemnification of the Pery Plant Basic Project	129,235	0
1.02.02	Investments	321,066	268,933
1.02.02.01	Equity Interest	321,066	268,933
1.02.02.01.01	Interests in Affiliates	199,969	170,302
1.02.02.01.04	Interest in Joint Ventures	121,097	98,631
1.02.03	Property, Plant & Equipment	110,409	201,427
1.02.03.01	Fixed Assets in Operation	36,432	138,404
1.02.03.03	Construction in Progress	73,977	63,023
1.02.04	Intangible Assets	3,793,839	3,618,056

Consolidated Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code Conta	Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
1.02.04.01	Intangible Assets	3,793,839	3,618,056
1.02.04.01.01	Concession Agreement	3,740,996	3,610,710
1.02.04.01.02	Other Intangible Assets	52,843	7,346

Consolidated Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
2	Total Liabilities	12,142,481	10,667,254
2.01	Current Liabilities	3,613,999	3,522,162
2.01.01	Social and Labor Obligations	220,317	211,656
2.01.01.01	Social Obligations	220,317	211,656
2.01.02	Suppliers	1,516,625	1,224,547
2.01.02.01	Domestic Suppliers	1,516,625	1,224,547
2.01.03	Tax Obligations	486,101	370,858
2.01.03.01	Federal Tax Obligations	212,530	94,368
2.01.03.01.01	Income Tax and Social Contribution Payable	149,309	15,362
2.01.03.01.02	PIS/COFINS	60,988	70,171
2.01.03.01.03	Other	2,233	8,835
2.01.03.02	State Tax Obligations	271,591	274,512
2.01.03.03	Municipal Tax Obligations	1,980	1,978
2.01.04	Loans and Financing	292,173	968,493
2.01.04.01	Loans and Financing	180,685	865,901
2.01.04.01.01	In Domestic Currency	158,122	860,552
2.01.04.01.02	In Foreign Currency	22,563	5,349
2.01.04.02	Debentures	111,488	102,592
2.01.05	Other Obligations	896,318	548,707
2.01.05.02	Other	896,318	548,707
2.01.05.02.01	Dividends and Interest on Equity Payable	62,116	123,621
2.01.05.02.04	Regulatory Fees	324,123	177,921
2.01.05.02.07	Financial Liability - Portion A - CVA	337,667	142,491
2.01.05.02.20	Other Current Liabilities	172,412	104,674
2.01.06	Provisions	202,465	197,901
2.01.06.01	Tax, Social Security, Labor, and Civil Provisions	202,465	197,901
2.01.06.01.03	Provisions for Employee Benefits	202,465	197,901
2.02	Noncurrent Liabilities	6,068,941	5,160,450
2.02.01	Loans and Financing	1,532,184	992,959
2.02.01.01	Loans and Financing	854,410	789,043
2.02.01.01.01	In Domestic Currency	5,738	83,870
2.02.01.01.02	In Foreign Currency	848,672	705,173
2.02.01.02	Debentures	677,774	203,916
2.02.02	Other Obligations	1,820,617	1,330,797
2.02.02.02	Other	1,820,617	1,330,797
2.02.02.02.03	Social and Labor Obligations	35,635	60,264
2.02.02.02.04	Regulatory Fees	48,842	183,078
2.02.02.02.05	Other Noncurrent Liabilities	7,500	0
2.02.02.02.09	PIS/COFINS to be Refunded to Consumers	1,728,640	1,087,455
2.02.03	Deferred Taxes	77,510	24,469
2.02.03.01	Deferred Income Tax and Social Contribution	77,510	24,469
2.02.04	Provisions	2,638,630	2,812,225
2.02.04.01	Tax, Social Security, Labor, and Civil Provisions	2,438,326	2,546,272
2.02.04.01.01	Tax Provisions	26,497	19,677
2.02.04.01.02	Social Security and Labor Provisions	48,287	45,002
2.02.04.01.03	Provisions for Employee Benefits	2,193,946	2,319,432

Consolidated Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
2.02.04.01.04	Civil Provisions	169,596	162,161
2.02.04.02	Other Provisions	200,304	265,953
2.02.04.02.04	Regulatory Provisions	181,656	247,250
2.02.04.02.05	Environmental Provisions	18,648	18,703
2.03	Consolidated Equity	2,459,541	1,984,642
2.03.01	Paid-up Share Capital	2,480,000	1,340,000
2.03.02	Capital Reserves	316	316
2.03.02.06	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	771,470	1,911,470
2.03.04.01	Legal Reserve	196,308	196,308
2.03.04.05	Retained Earnings Reserve	575,162	1,715,162
2.03.05	Retained Earnings/Accumulated Losses	475,230	0
2.03.06	Equity Valuation Adjustments	-1,267,475	-1,267,144

Consolidated Financial Statements / Income Statement

(R$ thousands)

Code	Description	Current Quarter 07/01/2021 to 09/30/2021	YTD Current Year 01/01/2021 to 09/30/2021	Same Quarter of the Previous Year 01/07/2020 to 09/30/2020	YTD Previous Year 01/01/2020 to 09/30/2020
3.01	Revenue from the Sale of Goods and/or Services	6,127,115	8,538,236	2,045,157	6,126,963
3.01.01	Revenue from Sales and Services	4,900,756	7,019,586	1,605,405	5,248,597
3.01.02	Construction Revenue - CPC 47	357,005	497,884	173,388	396,171
3.01.03	Revenue Portion A - CVA	859,595	1,007,293	264,806	480,226
3.01.04	Financial Asset Restatement VNR	9,759	13,473	1,558	1,969
3.02	Cost of Goods and/or Services	-5,410,102	-7,549,157	-1,780,994	-5,316,843
3.02.01	Cost of Sale and Services	-4,702,447	-6,522,253	-1,442,981	-4,355,953
3.02.02	Cost of Goods Sold	8,143	5,003	-3,161	-9,734
3.02.03	Cost of Services	-358,793	-534,023	-161,464	-554,985
3.02.04	Construction Cost - CPC 47	-357,005	-497,884	-173,388	-396,171
3.03	Gross Profit (Loss)	717,013	989,079	264,163	810,120
3.04	Operating Expenses/Revenues	-215,087	-328,369	-144,771	-376,383
3.04.01	Selling Expenses	-98,165	-163,670	-39,486	-144,810
3.04.02	General and Administrative Expenses	-158,695	-243,751	-109,663	-301,019
3.04.04	Other Operating Income	-23,239	0	0	32,194
3.04.05	Other Operating Expenses	17,334	17,334	-13,226	0
3.04.06	Equity Pickup	47,678	61,718	17,604	37,252
3.05	Income Before Financial Result and Taxes	501,926	660,710	119,392	433,737
3.06	Financial Result	29,053	53,742	14,974	6,455
3.06.01	Financial Income	125,238	201,464	57,886	151,759
3.06.02	Financial Expenses	-96,185	-147,722	-42,912	-145,304
3.07	Earnings Before Taxes on Income	530,979	714,452	134,366	440,192
3.08	Income Tax and Social Contribution	-187,590	-239,553	-54,043	-155,149
3.08.01	Current	-92,585	-146,931	-26,014	-140,291
3.08.02	Deferred	-95,005	-92,622	-28,029	-14,858
3.09	Net Income from Continuing Operations	343,389	474,899	80,323	285,043
3.11	Consolidated Profit/Loss for the Period	343,389	474,899	80,323	285,043
3.11.01	Attributed to the Parent Company's Shareholders	374,747	474,899	80,323	285,043

Consolidated Financial Statements / Income Statement

(R$ thousands)

Code	Description	Current Quarter 07/01/2021 to 09/30/2021	YTD Current Previous 01/01/2021 to 09/30/2021	Same Quarter of the Previous Year 01/07/2020 to 09/30/2020	YTD Previous Year 01/01/2020 to 09/30/2020
3.99	Earnings per Share - (R$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	9.1679	11,618	1,965	6.9734
3.99.01.02	Preferred Shares	10.0847	12.7798	2.1615	7.6707
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	9.1679	11,618	1,965	6.9734
3.99.02.02	Preferred Shares	10.0847	12.7798	2.1615	7.6707

Consolidated Financial Statements / Statement of Comprehensive Income

(R$ thousands)

Code	Description	Current Quarter 07/01/2021 to 09/30/2021	YTD Current Year 01/01/2021 to 09/30/2021	Same Quarter of the Previous Year 01/07/2020 to 09/30/2020	YTD Previous Year 01/01/2020 to 09/30/2020
4.01	Consolidated Net Income for the Period	343,389	474,899	80,323	285,043
4.03	Consolidated Comprehensive Income for the Period	343,389	474,899	80,323	285,043
4.03.01	Attributed to the Parent Company's Shareholders	343,389	474,899	80,323	285,043

Consolidated Financial Statements / Statement of Cash Flow - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year 01/01/2021 to 09/30/2021	YTD Previous Year 01/01/2020 to 09/30/2020
6.01	Net Cash from Operating Activities	217,498	767,574
6.01.01	Cash Generated from Operations	959,110	573,418
6.01.01.01	Earnings before Income Tax and Social Contribution	714,452	440,192
6.01.01.02	Depreciation and Amortization	174,201	180,015
6.01.01.03	Hydrological Risk Renegotiation – GSF	-45,879	0
6.01.01.04	Equity Pickup	-61,718	-37,252
6.01.01.05	Restatement/Interest Return/Concession Bonus	-116,754	-28,532
6.01.01.06	Interest and Monetary Variations	192,428	131,666
6.01.01.08	Income Tax and Social Contribution Paid	33,151	-129,249
6.01.01.09	Interest Paid	-70,505	-66,631
6.01.01.11	Provision for Actuarial Liability	-3,738	46,052
6.01.01.12	Creation (Reversal) of Provision for Contingent Liabilities	-48,109	-11,702
6.01.01.14	Write-off of Fixed Assets/Intangible Assets	156,569	34,110
6.01.01.15	Financial Assets Restatement – VNR	-13,473	-1,969
6.01.01.17	Allowance for Doubtful Accounts	48,068	16,625
6.01.01.18	Write-off of Indemnifying Financial Assets - Concession	417	93
6.01.02	Changes in Assets and Liabilities	-741,612	194,156
6.01.02.02	Financial Assets - (CVA, Concession Bonus, Ind. Pery Plant Basic Project)	-617,956	-378,351
6.01.02.03	Accounts Receivable	-39,055	-136,672
6.01.02.04	Subsidy Decree 7,891/2013	-2,199	6,204
6.01.02.05	Taxes Recoverable	-1,136,152	95,453
6.01.02.06	Court Deposits	-30,515	-61,429
6.01.02.07	Inventories	-4,884	2,681
6.01.02.08	Advance for Future Capital Increase	-10,000	10,000
6.01.02.10	Other Accounts - Assets	2,420	47,853
6.01.02.13	PIS/COFINS to be Refunded to Consumers	579,802	0
6.01.02.14	Suppliers	292,078	-152,172
6.01.02.15	Taxes Payable	-64,839	205,142
6.01.02.16	Social Security and Labor Obligations	-15,968	43,835
6.01.02.17	Regulatory Fees	6,689	-37,205
6.01.02.18	Financial Liabilities - CVA	381,782	636,392
6.01.02.19	Actuarial Liability	-158,053	-105,283
6.01.02.20	Other Accounts - Liabilities	75,238	17,708
6.02	Net Cash from Investing Activities	-427,630	-344,283
6.02.01	Additions to PP&E/Intangible Assets	-444,536	-364,727
6.02.03	Capital Increase (Decrease) of Investees	-4,497	-9,801
6.02.05	Dividends Received	21,403	30,245
6.03	Net Cash from Financing Activities	-212,994	172,042
6.03.03	Amortization of Loans and Financings	-761,493	-325,699
6.03.04	Additions of Loans and Financing	141,025	574,213
6.03.05	Dividend Payment	-61,505	-1
6.03.06	Inflow of Debentures	545,450	0
6.03.07	Payment of Debentures	-76,471	-76,471
6.05	Increase (Decrease) in Cash and Cash Equivalents	-423,126	595,333

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year 01/01/2021 to 09/30/2021	YTD Previous Year 01/01/2020 to 09/30/2020
6.05.01	Opening Balance of Cash and Cash Equivalents	1,166,205	566,181
6.05.02	Closing Balance of Cash and Cash Equivalents	743,079	1,161,514

Consolidated Financial Statements / Statement of Changes in Equity / 01/01/2020 to 09/30/2020

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/ Accumulated Losses	Other Comprehensive Income	Equity	Non-Controlling Interest	Equity Consolidated
5.01	Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642	0	1,984,642
5.03	Adjusted Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642	0	1,984,642
5.05	Total Comprehensive Income	0	0	0	475,230	-331	474,899	0	474,899
5.05.01	Net Income for the Period	0	0	0	474,899	0	474,899	0	474,899
5.05.03	Reclassifications to Profit/Loss	0	0	0	331	-331	0	0	0
5.05.03.02	Realization of Attributable Cost	0	0	0	331	-331	0	0	0
5.06	Internal Equity Changes	1,140,000	0	-1,140,000	0	0	0	0	0
5.06.04	Capital Increase	1,140,000	0	-1,140,000	0	0	0	0	0
5.07	Closing Balances	2,480,000	316	771,470	475,230	-1,267,475	2,459,541	0	2,459,541

Consolidated Financial Statements / Statement of Changes in Equity / 01/01/2020 to 09/30/2020

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/ Accumulated Losses	Other Comprehensive Income	Equity	Non-Controlling Interest	Equity Consolidated
5.01	Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124	0	1,407,124
5.03	Adjusted Opening Balances	1,340,000	316	1,521,681	0	-1,454,873	1,407,124	0	1,407,124
5.05	Total Comprehensive Income	0	0	0	285,466	-423	285,043	0	285,043
5.05.01	Net Income for the Period	0	0	0	285,043	0	285,043	0	285,043
5.05.03	Reclassifications to Profit/Loss	0	0	0	423	-423	0	0	0
5.05.03.02	Realization of Attributable Cost	0	0	0	423	-423	0	0	0
5.07	Closing Balances	1,340,000	316	1,521,681	285,466	-1,455,296	1,692,167	0	1,692,167

Consolidated Financial Statements / Value Added

Statement (R$ thousands)

Code	Description	YTD Current Year 01/01/2021 to 09/30/2021	YTD Previous Year 01/01/2020 to 09/30/2020
7.01	Revenue	12,817,461	9,643,532
7.01.01	Sales of Goods, Products and Services	12,219,895	9,148,717
7.01.02	Other Revenues	147,750	115,269
7.01.03	Revenues from Construction of Company Assets	497,884	396,171
7.01.04	Provision/Reversal of Doubtful Accounts	-48,068	-16,625
7.02	Inputs Acquired from Third Parties	-7,362,014	-5,044,512
7.02.01	Costs of Products, Goods and Services	-6,639,866	-4,442,128
7.02.02	Materials, Energy, Outsourced Services, and Others	-224,264	-206,213
7.02.04	Other	-497,884	-396,171
7.02.04.01	Revenues from Construction of Company Assets	-497,884	-396,171
7.03	Gross Value Added	5,455,447	4,599,020
7.04	Retentions	-174,201	-180,015
7.04.01	Depreciation, Amortization, and Depletion	-174,201	-180,015
7.05	Net Value Added Produced	5,281,246	4,419,005
7.06	Value Added Received in Transfer	263,182	189,011
7.06.01	Equity Pickup	61,718	37,252
7.06.02	Financial Income	201,464	151,759
7.07	Total Value Added to be Distributed	5,544,428	4,608,016
7.08	Distribution of Value Added	5,544,428	4,608,016
7.08.01	Personnel	467,180	579,306
7.08.01.01	Direct Compensation	374,218	493,258
7.08.01.02	Benefits	73,479	65,853
7.08.01.03	Guarantee Fund for Length of Service (FGTS)	19,483	20,195
7.08.02	Taxes, Fees, Contributions	4,439,044	3,581,326
7.08.02.01	Federal	2,480,108	1,931,590
7.08.02.02	State	1,952,637	1,643,482
7.08.02.03	Municipal	6,299	6,254
7.08.03	Return on Third-Party Capital	163,305	162,341
7.08.03.01	Interest	5,999	5,504
7.08.03.02	Rental	15,583	17,037
7.08.03.03	Others	141,723	139,800
7.08.03.03.01	Monetary and Exchange Variations	21,304	12,244
7.08.03.03.03	Other Financing Expenses	120,419	127,556
7.08.04	Return on Equity	474,899	285,043
7.08.04.02	Dividends	112,788	0
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	362,111	285,043

1. INVESTMENTS

The funds invested in property, plant, and equipment, intangible assets, and shares in SHPs by the Company totaled R$591,434 in 3Q21, compared to R$456,674 in 2020, up by 29.51% over 3Q20, as shown in the table below:

					Consolidated
Description	09/30/2021		09/30/2020		Horizontal
	R$ thousand	%	R$ thousand	%	Analysis
Power Distribution	**526,227**	**96.46%**	**425,428**	**93.16%**	**23.69%**
Own Funds	430,066	-	343,770	-	-
Consumer Financial Share	96,161	-	81,658	-	-
Power Generation	**19,328**	**3.54%**	**31,246**	**6.84%**	**-38.14%**
Equity Interest	4,497	-	10,289	-	-
Company's Generation Park	14,831	-	20,957	-	-
Total	**545,555**	**100%**	**456,674**	**100%**	**19.46%**

Power Distribution
Of the total invested, the largest portion of R$526,227 was allocated to the expansion and improvement of the system, operational efficiency, and modernization of Celesc D's management. Of this amount, R$430,066 was invested using the Company's funds (R$87,968 in materials and services, R$42,098 with Company employees), and R$96,161 was invested using third-party funds, arising from Consumer Financial Share in Celesc D's works. Consumer Financial Share rules are established in ANEEL RegulatoryResolution 414 from September 9, 2010.

Power Generation
Of the main investments in the Company's generation park from January to September 2021, R$10.6 million were paid in debentures charges and costs, ancillary mechanical system, turbines and generation parts, electrical assembly, mobilization and work sites of the Celso Ramos Plant; R$2.2 million were spent in plant automation, executive project, supervision and control panel, and speed control and regulation of the Palmeiras Plant; R$803,000 were used for the acquisition of vehicles, development of the integration software, notebooks, electromechanical maintenance services for the Central Administration; R$385,000 were allocated in 24KV synchronism circuit breakers, main border meters, and replacement of excitation cables of the Salto Plant; R$384,000 were used in 24KV synchronism circuit breakers, remodeling of the UG-02 generator, grid extension, battery banks, and maintenance services of the Pery Plant; R$152,000 were used in 24KV synchronism power circuits of the Caveiras Plant; and R$131,000 refer to centrifugal pumps, power cables of UG-01, power cables, and IP change of the Bracinho Plant.

2. STOCK MARKET

The BOVESPA index closed 3Q21 with a 12.47% depreciation. The Energy Sector Index (IEE), an indicator of the electricity sector, fell by 2.67% in the same period.

In the same period, the Company's Common Shares (ON) appreciated 10.00%, while Preferred Shares (PN) appreciated by 0.02%.

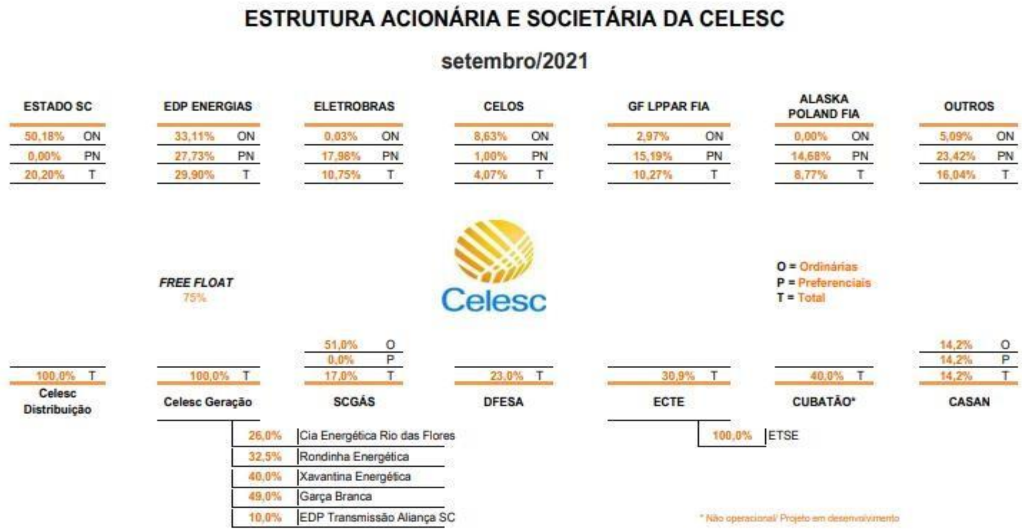
The table below shows the final quotations on September 30, 2021, and the respective percentage changes of the Company's shares, and the key market indicators:

Description	Closing		Change %
	09/30/2021	3Q21	In 12 months
Celesc Preferred Shares	R$68.02	0.02%	36.70%
Celesc Common Shares	R$77.00	10.00%	47.54%
IBOVESPA	110,979	-12.47%	17.31%
IEE	78,296	-2.67%	14.18%

Percentage changes with earnings adjustments

3. STOCK MARKET VALUE

The Company's stock market value on September 30, 2021, as shown above, is seventy-seven reais (R$77.00) per common share - ON (CLSC3) and sixty-eight reais and two centavos (R$68.02) per preferred share - PN (CLSC4).
The Santa Catarina State is the Company's major shareholder, holding 50.2% of its common shares, corresponding to 20.2% of the total capital. On September 30, 2021, the shareholding and corporate structure are shown in the following organization chart:



4. HUMAN RESOURCES

Celesc ended 3Q21 with 3,694 employees. The total number of employees fell by 13.52% YoY (3,254 employees).

5. ECONOMIC AND FINANCIAL PERFORMANCE

Celesc's Net Income totaled R$475.0 million in 3Q21, up by around 66.61% over the R$285.0 million reported in 3Q20.

The YTD Gross Operating Revenue totaled R$12.7 billion in 3Q21, 33.36% higher than the R$9.5 billion reported in 3Q20.

The YTD Net Operating Revenue reached R$8.5 billion in the period, up by 39.36% YoY.

The following table shows the main economic and financial indicators of 3Q21 vs. 3Q20:

Description - In thousands of Reais	09/30/2021	09/30/2020	HA (%)
Gross Operating Revenue - GOR	12,731,252	9,546,857	33.36%
Net Operating Revenue – NOR	8,538,236	6,126,963	39.36%
Operating Result	660,710	433,737	52.33%
EBITDA	834,911	613,752	36.03%
EBITDA Margin (EBITDA/NOR)	9.78%	10.02%	-0.24 p.p.
Net Margin (Net Income/NOR)	5.56%	4.65%	0.91 p.p.
Financial Result	53,742	6,455	732.56%
Total Assets	12,142,481	10,420,055	16.53%
Property, Plant & Equipment	110,409	191,420	-42.32%
Equity	2,459,541	1,692,167	45.35%
Net Income	474,899	285,043	66.61%

YoY the Company's consolidated net income increased in 2021, mainly due to the excellent performance of its Subsidiaries.

Gross revenue at Celesc was mainly due to the average tariff adjustments charged from consumers, of 8.14% applied as of August 22, 2020 (2020/2021 cycle), and 5.65% applied as of August 22, 2021 (2021/2022 cycle). It is also worth noting revenues from tariff flags; the average increase of 9.2% on electricity consumption, leveraged by the return on the industrial and commercial activities; the sale of electricity in the short term under the Power Overcontracting Mechanism (MVE), and financial adjustments related to IPCA.

At Celesc G, we highlight the higher PLD in Gross Operating Revenue, which impacted the Company's and third-party's electricity sales, the IPCA adjustment of the financial asset concession bonus, and indemnification of the Pery Plant Basic Project. Selling expenses fell due to the reversal of allowance for doubtful accounts, created by the GSF Adjustment Factor. However, Celesc G's result was negatively impacted in 3Q21 by the hydrological risk renegotiation, according to Law 14,052/2020.

The consolidated Operating Expenses fell by 38.3% from 3Q20, mainly due to the decrease in Personnel Costs.

The 9M21 consolidated financial result was positive by R$54.0 million in 3Q21, a significant YoY increase of R$6.4 million. The variation was mainly due to the recording of the financial revenue from interest, increases in electricity bills, earnings on financial investments, and lower interest and monetary restatement of debt charges.

The table below shows the changes in Net earnings before interest, taxes, financial result, and depreciation/amortization (EBITDA):

EBITDA Reconciliation - In thousands of Reais	**09/30/2021**	**09/30/2020**
Net Income	474,899	285,043
Current and Deferred Income Tax and Social Contribution	239,553	155,149
Financial Result	(53,742)	(6,455)
Depreciation and Amortization	174,201	180,015
EBITDA	**834,911**	**613,752**

EBITDA totaled R$835.0 million in 3Q21, up by 36.03% over the R$613.8 million reported in 3Q20. The EBITDA margin fell by 0,.4 percentage points.

6. SHAREHOLDING STRUCTURE

The shareholding structure, in number of shares held by shareholders with more than 5% of any type or class, is as follows:

Shareholder Base on September 30, 2021

Shareholder	**Common Shares**		**Preferred Shares**		**Total**	
	#	**%**	**#**	**%**	**#**	**%**
Santa Catarina State	7,791,010	50.18	191	0.00	7,791,201	20.20
EDP Energias do Brasil S.A.	5,140,868	33.11	6,390,720	27.73	11,531,588	29.90
Fundação Celesc de Seguridade Social - CELOS	1,340,474	8.63	230,800	1.00	1,571,274	4.07
Geração LPar Fundo de Investimento	460,600	2.96	3,500,000	15.19	3,960,600	10.27
Centrais Elétricas Brasileiras - Eletrobras*	4,233	0.03	4,142,774	17.98	4,147,007	10.75
Alaska Poland FIA	-	0.00	3,383,200	14.68	3,383,200	8.77
Other	789,952	5.09	5,396,769	23.42	6,186,721	16.04
Total	**15,527,137**	**100.00**	**23,044,454**	**100.00**	**38,571,591**	**100.00**
Overall Total	**15,527,137**	**40.26**	**23,044,454**	**59.74**	**38,571,591**	**100.00**

Share Capital: R$2,480,000,000.00 and Authorized Capital: R$2,600,000,000.00
*Public Held Company

7. FOREIGN EQUITY OWNERSHIP

Foreign investors accounted for 0.62% of the Company's total share capital in 3Q21, holding a total of 240,708 shares, most of which preferred shares.

Investors' Equity Ownership by Residence	**Number of Shares**	**%**
Foreign Investors	240,708	0.62%
Domestic Investors	38,330,883	99.38%
Total	**38,571,591**	**100.00**

8. SHARES HELD BY THE CONTROLLING SHAREHOLDER, EXECUTIVE BOARD, AND MEMBERS OF THE FISCAL COUNCIL

The Company is bound to arbitration in the Market Arbitration Chamber, according to the arbitration clause contained in its Bylaws.

Shareholder	**Common Shares**		**Preferred Shares**		**Total**	
	#	**%**	**#**	**%**	**#**	**%**
Controlling Shareholder	9,229,660	59.44%	234,305	1.02%	9,463,965	24.54%
Board of Directors	20	-	-	0.00%	20	0.00%
Executive Board	-	-	22	0.00%	22	0.00%
Fiscal Council	-	-	-	0.00%	-	0.00%
Other Shareholders	6,297,457	40.56%	22,810,127	98.98%	29,107,584	75.46%
Total	**15,527,137**	**100.00%**	**23,044,454**	**100.00%**	**38,571,591**	**100.00%**
Outstanding Shares	**6,297,457**	**40.56%**	**22,810,127**	**98.98%**	**29,107,584**	**75.46%**

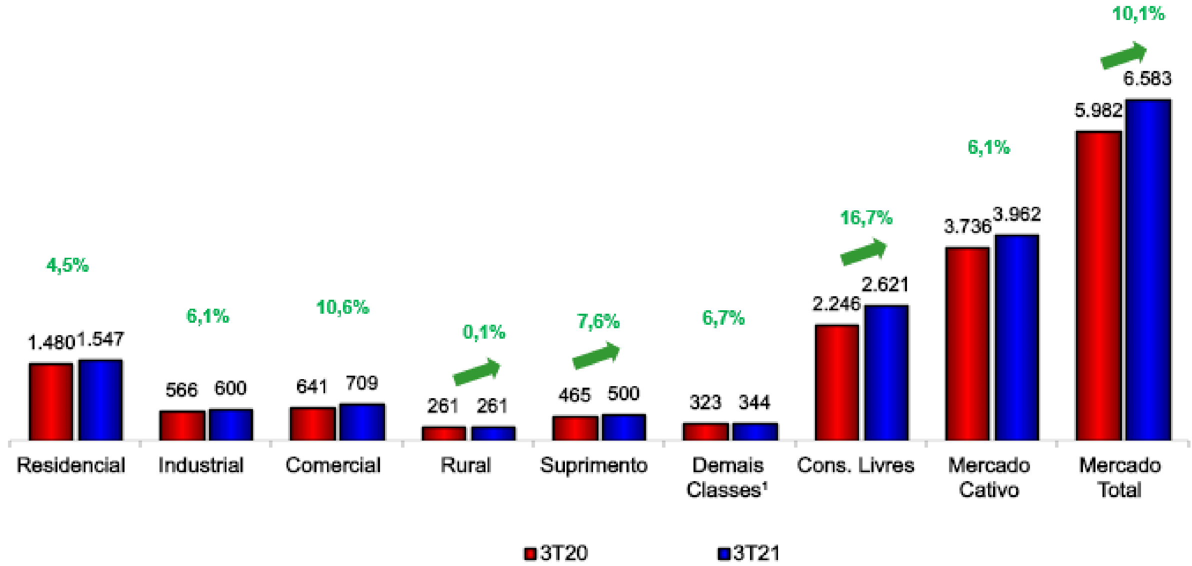
9. OUTSTANDING SHARES

Description	Common Shares - CLSC3		Preferred Shares - CLSC4		Total	
	#	%	#	%	#	%
Total Capital	15,527,137	100.0	23,044,454	100.0	38,571,591	100.00
Outstanding Shares	6,297,457	40.56	22,810,127	98.98	29,107,584	75.46

10. ENERGY BALANCE

Celesc D's Captive Market increased by 6.1% YoY in 3Q21, to 3,962 GWh. In the Total Market, including free consumers, the increase in electricity consumption was 10.1%, reaching 6,583 GWh. The YTD electricity consumption was 9,2% in 3Q21.

The chart below shows the consumption values of each class in the captive market, as well as in the total market:



Other Classes¹ = Government + Public Lighting + Public Service. Excluding Own Consumption.

11. ELECTRICITY MARKET

ELECTRICITY CAPTIVE MARKET

	2021		2020		Vertical Change				Variation Horizontal	
					3Q 2021	YTD 2021	3Q 2020	YTD 2020	3Q 21-20	YTD 21-20
Description	**3Q**	**YTD**	**3Q**	**YTD**						
Sales Revenue by Consumption Class in R$ '000										
Residential	1,176,727	3,499,937	915,556	2,907,318	43.0%	43.4%	44.0%	43.7%	28.5%	20.4%
Industrial	467,910	1,269,537	349,085	1,016,530	17.1%	15.7%	16.8%	15.3%	34.0%	24.9%
Commercial	587,378	1,802,150	433,097	1,492,743	21.5%	22.3%	20.8%	22.4%	35.6%	20.7%
Rural	177,931	528,174	131,654	436,510	6.5%	6.5%	6.3%	6.6%	35.2%	21.0%
Government	70,979	204,625	47,907	171,161	2.6%	2.5%	2.3%	2.6%	48.2%	19.6%
Public Lighting	78,746	213,071	59,661	178,016	2.9%	2.6%	2.9%	2.7%	32.0%	19.7%
Public Service	66,348	186,005	49,008	155,313	2.4%	2.3%	2.4%	2.3%	35.4%	19.8%
Subtotal	**2,626,019**	**7,703,499**	**1,985,968**	**6,357,591**	**95.9%**	**95.5%**	**95.4%**	**95.5%**	**32.2%**	**21.2%**

Supply	111,318	366,410	95,963	299,617	4.1%	4.5%	4.6%	4.5%	16.0%	22.3%
TOTAL	**2,737,337**	**8,069,909**	**2,081,931**	**6,657,208**	**100%**	**100%**	**100%**	**100%**	**31.5%**	**21.2%**
Consumption by Class in MWh										
Residential	1,547,230	4,945,463	1,480,183	4,741,270	39.1%	39.6%	39.6%	39.7%	4.5%	4.3%
Industrial	600,143	1,720,544	565,644	1,623,707	15.1%	13.8%	15.1%	13.6%	6.1%	6.0%
Commercial	709,018	2,341,538	641,047	2,261,155	17.9%	18.8%	17.2%	18.9%	10.6%	3.6%
Rural	261,306	848,965	261,062	864,910	6.6%	6.8%	7.0%	7.2%	0.1%	-1.8%
Government	90,661	280,538	73,015	268,836	2.3%	2.2%	2.0%	2.2%	24.2%	4.4%
Public Lighting	159,729	471,476	158,167	478,399	4.0%	3.8%	4.2%	4.0%	1.0%	-1.4%
Public Service	93,843	283,427	91,428	287,493	2.4%	2.3%	2.4%	2.4%	2.6%	-1.4%
Subtotal	**3,461,930**	**10,891,951**	**3,270,546**	**10,525,770**	**87.4%**	**87.3%**	**87.6%**	**88.0%**	**5.9%**	**3.5%**
Supply	500,181	1,581,613	464,988	1,431,000	12.6%	12.7%	12.4%	12.0%	7.6%	10.5%
TOTAL	**3,962,111**	**12,473,564**	**3,735,534**	**11,956,770**	**100%**	**100%**	**100%**	**100%**	**6.1%**	**4.3%**
Unit Average Price of the MWh in R$										
Residential	760.54	707.71	618.54	613.19	110.1%	109.4%	111.0%	110.1%	23.0%	15.4%
Industrial	779.66	737.87	617.15	626.06	112.9%	114.1%	110.7%	112.4%	26.3%	17.9%
Commercial	828.44	769.64	675.61	660.17	119.9%	119.0%	121.2%	118.6%	22.6%	16.6%
Rural	680.93	622.14	504.30	504.69	98.6%	96.2%	90.5%	90.6%	35.0%	23.3%
Government	782.91	729.40	656.13	636.67	113.3%	112.7%	117.7%	114.4%	19.3%	14.6%
Public Lighting	493.00	451.92	377.20	372.11	71.4%	69.9%	67.7%	66.8%	30.7%	21.4%
Public Service	707.01	656.27	536.03	540.23	102.3%	101.4%	96.2%	97.0%	31.9%	21.5%
Subtotal	**758.54**	**707.27**	**607.23**	**604.00**	**109.8%**	**109.3%**	**109.0%**	**108.5%**	**24.9%**	**17.1%**
Supply	222.56	231.67	206.38	209.38	32.2%	35.8%	37.0%	37.6%	7.8%	10.6%
TOTAL	**690.88**	**646.96**	**557.33**	**556.77**	**100%**	**100%**	**100%**	**100%**	**24.0%**	**16.2%**

12. ARBITRATION CLAUSE

The Company informs that it is bound to arbitration in the Market Arbitration Chamber (CAM), according to the Arbitration Clause contained in article 73 of its Bylaws. "The Company, its shareholders, Management, and Fiscal Council members undertake to resolve, through arbitration, before the Market Arbitration Chamber (CAM), any dispute or controversy that may arise between them, related to or arising in particular from the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in Brazilian Corporation Law, Company's Bylaws, the rules issued by the National Monetary Council, the Central Bank of Brazil, and the Brazilian Securities and Exchange Commission, as well as other rules applicable to the operation of the capital market in general, in addition to those provided for in Level 2 Regulation, Level 2 Participation Contract, the Sanctions Regulation, and the Arbitration Regulation of the Market Arbitration Chamber."

13. INDEPENDENT AUDITORS

According to CVM Instruction 381, of January 14, 2003, and ratified by Circular Order CVM/SNC/SEP 01, of February 25, 2005, the Company informs that the Independent Auditor was not engaged in any type of service other than those strictly related to external audit.

Florianópolis, November 11, 2021.

Management

1. OPERATING CONTEXT

Centrais Elétricas de Santa Catarina S.A. – Celesc (“Company” and, together with its subsidiaries, “Group”), is a government-controlled, publicly held company, founded on December 9, 1955, through State Decree 22, headquartered at Avenida Itamarati, 160, bairro Itacorubi, CEP: 88.034-900, Florianópolis/SC, Brazil.

It was first listed on the stock market on March 26, 1973, and its shares are currently traded in Level 2 of Corporate Governance of B3 S.A. - Brasil, Bolsa, Balcão, in São Paulo.

The Company’s controlling shareholder is the Santa Catarina State, which holds 50.18% of the Company's common shares, corresponding to 20.20% of the total capital. The authorized capital in the Company’s bylaws is R$2,600,000,000.00, R$2,480,000,000.00 of which is subscribed and paid-up, represented by 38,571,591 registered shares with no par value, of which 40.26% common voting shares, and 59.74% registered preferred shares without voting rights.

The main activities of the Company and its subsidiaries and affiliates are the Generation, Transmission, and Distribution of Power. In addition, its jointly-owned subsidiary Companhia de Gás de Santa Catarina S.A. - SCGÁS operates in the piped natural gas distribution segment.

1.1. Coronavirus Pandemic – COVID-19

The Company has been monitoring the actions discussed with several government bodies and taking measures to fight the impacts that the pandemic might have on its economic and financial results.

1.1.1. Initiatives in the Energy sector

1.1.1.1. Brazilian Electricity Regulatory Agency (ANEEL)

At a public Board meeting, ANEEL approved the regulation of the COVID Account, issuing Regulatory Resolution 885, of June 23, 2020. The resolution also defined criteria and procedures for the management of the COVID Account, establishing fundraising limits by distributors, based on the loss of collection and market of each distribution agent. It also details the cost items that can be covered by the financial package and the operational flow of transfers.

Celesc D joined the Term of Acceptance of Regulatory Resolution 885/2020, referring to ANEEL Decree 10,320/2020 (COVID Account). The total amount required was R$583.2 million, referring to the amounts established by ANEEL. This amount represented 100% of the transaction’s maximum value established for the Company, being recorded as a financial liability (CVA). The amounts were realized in the tariff process of August 2020, with the inclusion of a negative financial component effective in twelve (12) months, from August 2020 to July 2021.

As for consumers, the measure allowed a postponement of this effect that would be perceived in a single cycle for up to five tariff cycles, starting in August 2021. The amount to be included in the next cycle beginning in August 2021 through July 2022 was defined through Order 181, of January 26, 2021, later rectified by Order 939, of April 05, 2021, in the amount of R$233.7 million, which is equivalent to a quarter of the total amount. The next three annual quotas will be defined by the Regulatory Agency.

On April 1st, 2021, ANEEL Regulatory Resolution 928, of March 26, 2021, was published in the Federal Official Gazette of the Ministry of Mines and Energy, to introduce measures to preserve the provision of public electricity as a result of the coronavirus pandemic (COVID-19), revoking Regulatory Resolutions 878, of March 24, 2020; 886, of June 15, 2020; and 891, of July 21, 2020.

In short, the resolution sets forth possible prohibitions on the suspension of electricity for consumers and procedural determinations for distributors during the exceptional period.

On June 15, 2021, the regulator’s executive board decided to maintain the decision to suspend the cutting off of power supply for low-income consumers in default across Brazil.

The measure – which would end on June 30 – according to Regulatory Resolution 928/2021, remains in force until September 30, 2021, for consumers under the social tariff, which covers approximately 12 million families.

As discussed at the time of approval of Regulatory Resolution 928/2021, in addition to ensuring electricity supply to underprivileged consumers, this Agency decision aims to standardize the treatment to be given by electricity distributors, as local governments have been issuing decrees to address issues related to power supply, including those related to power suspension. This matter was recently analyzed by the Federal Supreme Court (STF), which recognized as constitutional the law prohibiting the cutting off of electricity during the pandemic.

It was also defined as the deferral of payment by electricity distributors that failed to comply with the individual continuity and voltage conformity indicators under the permanent regime. ANEEL's executive board also defined that refunds not yet paid to consumers will be credited until the billing to be issued by March 31, 2022.

1.1.1.2. Brazilian Association of Electricity Distributors - ABRADEE

ABRADEE discussed various possibilities with its Steering Committee, taking two work approaches: the first proposing an immediate solution together with the sector's entities to the distributor's cash; and the second creating two theme groups with Celesc D participates, through the coordination of its regulatory area:

G1: Apportionment of intra-sectoral delinquency (ABRADEE's position on the notifications issued by the affiliates), a work that continues through the sending and monitoring the daily information on billed energy and demand, injected energy and amounts collected from billings through Circular Letter 5/2020-DR/ANEEL, of August 10, 2020, which postponed the request forinformation until July 2021.

G2: Creation of the new COVID Account and the Regulatory Asset of Portion B.

Through the coordination of its regulatory area, Celesc D participates in the two groups and, at this time, together with the contracted consulting firms, both theme groups are defining new strategies in line with the Steering Committee to reduce the impact on the energy distribution environment.

Additionally, together with ABRADEE, Celesc D makes essential contributions to the regulator's resolutions and the actions of the Ministry of Mines and Energy.

1.1.2. Actions taken at the Company

1.1.2.1. Protection of Celesc D's Cash

To maintain a healthy short-term cash flow, Celesc D offers a credit card for some types of transactions, such as payment of bills.

In addition to using special credit lines, Celesc D adopted the following measures to protect cash:

a) offset of credits related to Celesc D's final and unappealable court decision regarding the exclusion of ICMS from the PIS/COFINS tax base:

b) fundraising through a Promissory Note, totaling R$489 million, yielding CDI rate + 4.5% to be settled in 12 months, which was included in Celesc's cash position on May 29, 2020, and was settled at the end of May 2021, as a bullet;

c) fundraising through Celesc D's fourth debenture issue in the total amount of R$550 million, yielding a CDI rate + 2.6%, which was included in the Company's cash position on May 7, 2021. The transaction will mature in 60 months, with an 18-month grace period for the payment of principal. During the grace period, interest will only be paid every three months. After the grace period, principal amortization and interest will be paid every month. At the end of the grace period, amortizations and interest payments will be paid every month.

1.1.2.2. Fighting the Pandemic

The Company maintains preventive measures for 2021, namely:

a) making available hand sanitizers and masks at customer service points;

b) employees with symptoms of infection by COVID-19 (symptomatic) must take a leave of absence for at least fourteen (14) days, after returning from trips or after having contact with someone that may have been infected, by doctor recommendation;

c) part of the employees currently working remotely, with a gradual return of the administrative and support operations to the office. However, remote work will be prioritized until January 03, 2022.

1.3. Future Impacts - Celesc D

Celesc has been monitoring the developments of the actions taken due to COVID-19, and their impacts on the Company's economic and financial results.

1.3.1. Delinquency

Delinquency corresponds to billed and unearned revenue. On September 30, 2021, short-term delinquency of up to 90 days (the period concentrating most collections), considered as a proportion of GOI (Gross Operating Income accumulated over 12 months), fell by 0.35 p.p. from the second half of 2021. Delinquency over 90 days fell by 0.01 p.p., as shown in the table below.

Delinquency up to 90 days

Delinquency	1Q21		2Q21			3Q21		
	R$ thousand	% of GOI	R$ thousand	% of GOI	Variation	R$ thousand	% of GOI	Variation
Total	355,804	3.19%	294,420	2.52%	- 0.67	269,175	2.17%	- 0.35

Delinquency Over 90 days

Delinquency	1Q21		2Q21			3Q21		
	R$ thousand	% of GOI	R$ thousand	% of GOI	Variation	R$ thousand	% of GOI	Variation
Total	598,484	5.36%	626,269	5.35%	- 0.01	663,224	5.34%	- 0.01

2. BUSINESS PROFILE

2.1. Wholly-Owned Subsidiaries

2.1.1. Celesc Distribuição S.A. – Celesc D

On July 22, 1999, Centrais Elétricas de Santa Catarina S.A. – Celesc executed Contract 56 for power distribution concession, which regulates the operation of public electricity distribution services, effective until July 7, 2015.

On September 29, 2006, Celesc D was created as a privately held company, as authorized by State Law 13,570, of November 23, 2005. With the deverticalization process in 2006, the distribution activity was transferred to Celesc D.

On December 9, 2015, in a lawsuit filed by the Ministry of Mines and Energy (MME), Celesc D signed the 5th Amendment to Concession Agreement 56/99, thus extending the concession for another 30 years. The concession agreement, as well as the 5th Amendment that extended the concession term, is within the scope of ICPC01.

Celesc D operates in the power distribution segment and serves, totally or partially, 285 municipalities, accounting for 3,203,968 consumer units. Of the total, 264 municipalities are covered by the distributor's concession agreement (263 in Santa Catarina and 1 in Paraná) and 21 municipalities are covered on a precarious basis, in concession areas of other distributors (17 in Santa Catarina and 4 in Paraná). The precarious service occurs, according to ANEEL rules, due to technical and economic convenience, resulting from the lack of a network of the concessionaire holding the concession. Additionally, Celesc D is responsible for supplying power to four concessionaires and 20 distribution permissionaires, which operate in Santa Catarina, in other municipalities not served by the Company.

2.1.1.1. Regulatory Environment

The Brazilian energy sector is regulated by the Federal Government, acting through the Ministry of Mines and Energy (MME), which has exclusive authority over the energy sector. The regulatory policy for the sector is defined by ANEEL.

a) Concession Extension

Through the 5th Amendment to Concession Agreement 56/1999, Celesc D extended the concession of public electricity distribution until July 07, 2045. In the first five (5) months, beginning on January 1st, 2016, Celesc D achieved the targets for the indicators of technical quality and economic and financial sustainability required to confirm the extension of the concession.

From the sixth year following the conclusion of the contract, the failure to comply with the quality criteria for three consecutive years, or economic and financial management criteria for two consecutive years, will lead to the opening of the expiration process of the concession.

b) 2021 Periodic Tariff revision

On May 25, 2021, ANEEL's Executive Board's meeting opened Public Consultation 26/2021 that addresses the obtention of subsidies to improve the proposal regarding Celesc D's Periodic Tariff revision to be effective as of August 22, 2021, and the definition of the corresponding limits for the continuity indicators of Equivalent Duration of Interruption per Consumer Unit (EDU) and Equivalent Frequency of Interruption per Consumer Unit (EFU) for the 2022-2026 period. The contribution period will be from May 26 to July 09 of the current year.

On August 17, 2021, within the scope of the 30th Executive Board's Meeting, ANEEL approved lawsuit 48500.004616/2020 of Celesc D's 5th CPTR, establishing a tariff repositioning index of 2.90% (economic effect) and 2.75% (financial effect), with an average effect of 5.65% to be noted by consumers.

The new tariff became effective as of August 22 for more than 3.0 million consumer units located in the Santa Catarina State, being 5.34%, on average, for consumers connected in High Voltage and 5.83%, on average, for consumers connected in Low Voltage.

The average tariff effect of 5.65% is mainly due to: (i) energy acquisition cost, with an effect of 1.8%, in which the main impact was due to the water crisis and the increased relocation of thermal plants, with a higher energy price; (ii) the inclusion of financial components determined in the current tariff process for compensation in the subsequent 12 months, with an impact of 1.46%; and (iii) sectoral charges, with an effect of 1.54%.

The amounts allocated to the Distribution activity (Portion B), i.e., that Celesc D receives for operating and maintaining the power system, investing in new power networks, and operating expense costing, accounts for 0.91% of the impact.

The table below presents the summary of the 5th CRTP:

Percentage in the 2021 Tariff Revision		
Portion A	Segment Charges	1.54%
	Transmission Cost	-1.38%
	Power Purchase	1.80%
	Irrecoverable Revenues	0.02%
	Total of Portion A	1.99%
Portion B		0.91%
Economic Readjustment (RT)		**2.90%**
Financial Components of the Current Process		1.46%
Withdrawal of Financial Components from the Previous Process		1.29%
Average effect realized by consumers		**5.65%**

The tariff revision is applied every five years and is provided for in the distributors' concession contracts to maintain the balance of the tariffs based on the remuneration of the investments made by the companies in the provision of distribution services and on the coverage of expenses recognized by ANEEL.

At the same ANEEL Board of Directors' meeting, the distributor's CED and FEC limits for the 2022-2026 period were also approved. For CED, an improvement path was defined, starting from 10.18 hours in 2022, reaching 8.68 hours in 2026. For FEC, goals of 7.99 interruptions were established in 2022, reaching 6.55 interruptions in 2026.

For technical losses, it was established a regulatory coverage percentage of 5.81% of the supplied energy, and, for non-technical losses, the percentage established is 6.26% on the billed low voltage market.

b.1) Exclusion of ICMS from the PIS/COFINS tax base

The revision had an impact, among other factors, due to the proceedings filed by the Celesc D aiming to exclude ICMS from the PIS/COFINS tax base. Celesc filed a lawsuit against the Federal Government, and the distributor's efforts resulted in a credit for the period 2007 to 2014 that were considered on an extraordinary basis in this tariff revision process, with the transfer of amounts to consumers in the concession area, until specific regulations are defined by ANEEL. If there were no such treatment due to the PIS/COFINS credits, the effect of the tariff adjustment would be higher than 14%.

c) Periodic Tariff revision - Regulatory Remuneration Base - Celesc D's RRB

Through Technical Note 184/2021-SGT/ANEEL, of August 13, 2021, ANEEL declared the Regulatory Remuneration Base of R$8.4 billion, Net Remuneration Base of R$4.8 billion, and the average depreciation rate of 3.82% p.a. for Celesc's 5th Cycle of Periodic Tariff revision.

d) Tariff Levels

The figures of the tariff levels consider parameters such as market estimates, inflation, the projected volume of hydroelectric power plants, operating history of the National Interconnected System, in addition to the amounts and limits of the Difference Settlement Price (PLD) and the physical guarantee of the power plants.

On March 24, 2021, ANEEL established Public Consultation 10/2021 that addressed an improved proposal to review additional tariffs and the levels to activate tariff flags for the 2021/2022 cycle. ANEEL's technical area updated the tariff flags' calculation parameters, however, due to the significant worsening of Brazil's water situation, it was necessary to carry out an additional analysis of the impacts created by this new scenario.

Then, the water situation in the country further deteriorated, driving the creation of the Chamber of Exceptional Rules for Hydropower Management – CREG on June 28, 2021, through Provisional Presidential Decree 1,055/2021.

At the meeting held on June 29, 2021, ANEEL's executive board decided to make a provisional readjustment as of July 2021. The executive board also opened the new Public Consultation 41/2021, to obtain subsidies to set the additional value of the Red Tariff Flag - Level 2, due to an unprecedented water scarcity scenario.

To equate the high costs noted by distributors amid this adverse scenario, the CREG defined a specific tariff flag level through CREG/MME Resolution 3, of August 31, 2021. The value of the "Water Scarcity Tariff Flag" was set at R$14.20 for every 100 kWh, effective from September 1st, 2021 to April 30, 2022.

Thus, after CREG's decision, it was not necessary to resolve the review of the Red Tariff Flag - Level 2, whose public consultation was open. The public consultation was closed due to object loss.

The levels of activation and the additional tariff flags in force are:

Up to August 31, 2021:
i) Green Flag (Level): favorable conditions of energy generation. The tariff will not undergo any additional fees;
ii) Yellow Level: R$1.874 for every 100 kWh;
iii) Red Flag - Level 1: R$3.971 for every 100 kWh;
iv) Red Flag - Level 2: R$9.492 for every 100 kWh;

As of September 1, 2021:
i) Green Flag (Level): favorable conditions of energy generation. The tariff will not undergo any additional fees;
ii) Yellow Level: R$1.874 for every 100 kWh;
iii) Red Flag - Level 1: R$3.971 for every 100 kWh;
iv) Red Flag - Level 2: R$9.492 for every 100 kWh;
v) Water Scarcity Tariff Flag: R$14.20 for every 100 kWh;*

*The Water Scarcity Tariff Flag does not apply to low-income consumers.

The definition of the levels of activation is carried out according to the Accumulated Distribution Function (FDA) method, defined in the PRORET Manual on Tariff Regulation Procedures, sub-module 6.8, by the following criteria:

i) Green Flag Tariff (Level): statistical number of FDA associated with the probability of 75%;
ii) Yellow Flag Tariff (Level): average sample value of FDA comprised between 75% and 85%;
iii) Red Flag Tariff (Level): FDA range comprised between 85% and 95%;
iii-a) Level 1: average sample value of FDA comprised between 85% and 90%; and
iii-b) Level 2: average sample value of FDA comprised between 90% and 95%.

The activation of the levels and the monthly values of the Centralizing Account of Tariff Levels Funds (CCRBT), transferred to Celesc D, as well as the amounts transferred from Celesc D to CCRBT for settlement of short-term market Operations with the Electric Energy Trading Chamber - CCEE, up to September 2021, are:

Month	Flag	Transfer from CCRBT to Celesc D (R$/thousand)	Transfer from Celesc D to CCRBT (R$/thousand)	Number of ANEEL Orders
January	Yellow	4,475	-	272/2021
February	Yellow	4,168	-	567/2021
March	Yellow	4,527	-	908/2021
April	Yellow	7,480	-	1248/2021
May	Red 1	5,402	-	1558/2021

June	Red 2	4,297	-	2001/2021
July	Red 2	4,872	-	2290/2021
August	Red 2	5,401	-	2635/2021
September	Water Scarcity	6,134	-	3048/2021

e) 2014 Contractual Exhibit – ANEEL Order 2642/2015 and 2078/2016

Celesc D filed a lawsuit against ANEEL, seeking to challenge Order 2078/16, to obtain the full recognition of contractual exposures as involuntary, at the same time that it requested the grant of an injunction to suspend the application of reducer R$256.6 million, expected to be applied together with the homologation of the Periodic Tariff revision process that would occur until August 22, 2016.

After the lawsuit was filed, Celesc D obtained an injunction to dismiss the application of the mentioned tariff reducer. This decision was met by ANEEL upon ratification of the tariff processes of 2016, 2017, and 2018.

In December 2018, the amount was updated through SELIC to R$317.6 million and is recorded under the provision for regulatory contingency.

In 2019, the judge in charge of the case, after examining ANEEL's statement regarding the arguments presented by Celesc D, decided to maintain the injunction previously granted. Also in 2019, before the 2019 Annual Tariff Adjustment (RTA) process, a court decision was rendered against Celesc D. Given this decision, Celesc D had to appeal to discuss the matter in the second instance and awaits a decision from judges.

Due to the decision in the first instance, in August 2019, ANEEL, through Ratification Resolution 2.593, allocated in the tariff process the value of the non-transfer of tariffs. Celesc D requested a deferral in the amount of 5 tariff processes and ANEEL then partially accepted the request and ratified the deferral of the financial effect of the 2014 contractual exposure by a fifth of the amount in the 2019 tariff adjustment, totaling R$65.8 million.

The same method was adopted in the 2020 Annual Tariff Adjustment (ATA), considering the formal request for deferral made to ANEEL through 5 lawsuits. But this time, with the reducing value of R$68.5 million.

In the 2021 Tariff Review, the treatment of this item continued, at another fifth of the financial amount, totaling R$70.2 million.

Thus, two-fifths of the total amount remains, totaling R$141.6 million, updated as of September 30, 2021.

f) Reversal of Financial Item: Extraordinary Tariff Adjustment - 2015 ETR and CVA CDE (2015 RTA and 2016 RTP)

As per Technical Note 194/2015-SGT/ANEEL 16, which instructed Celesc D’s 2015 RTA, the reversal of the 2015 RTE’s financial component was not carried out, due to the legal discussion regarding the payment of quotas and receipts of CDE’s subsidies. Likewise, the subsequent tariff processes until 2019 had not been considered.

As ANEEL had not yet administratively ended the CDE installment agreement in the 2019 tariff process, a note was included in the voting procedure that would allow ANEEL to review the amounts considered in the lawsuit, according to the understanding of Celesc D and the Tariff Management Superintendence - SGT/ANEEL, in the event of an unfavorable ruling for the distributor in the lawsuits.

However, according to the settlement of the decision rendered on May 20, 2021, under number 0011034-75.2015.8.07.000, said decision was enacted as described below, and because of the approval of the Installment Agreement by ANEEL under Lawsuit 48500.003205/2017-99, both the administrative proceeding and the lawsuit were concluded, resulting in the treatment of CVA to be preserved, according to the regulator’s technical area and Celesc D’s claim:

The parties appear at the records and file the withdrawal of the appeals, as well as approve the agreement entered into, as per Exhibit attached hereto, nullifying the lawsuit, according to article 487, item III, “b”, of CPC (id. 25403811).
Therefore:
(i) I approve the request for withdrawal of the appeal (id. 8683332) and cross-appeal (id. 8683337) so that their legal effects can be effective;
(ii) I approve the transaction carried out between the parties (id. 25403812), and nullify the lawsuit, with resolution of the merits, according to article 487, item III, subitem "b", of CPC."

2.1.2. Celesc Geração S.A. – Celesc G

On September 29, 2006, Celesc G was constituted as a privately held company, as authorized by State Law 13,570/2005. With the deverticalization process in 2006, the generation activity was transferred to Celesc G.

Celesc G is the wholly-owned subsidiary of the Celesc and operates in the electricity generation and transmission segments through the operation, maintenance, and expansion of its generation park and participation in power generation and transmission projects in partnerships with private investors.

2.1.2.1. Generating Site

On September 30, 2021, Celesc G has its own generating site with 12 plants: 6 hydroelectric plants (HPPs), 5 hydroelectric generating plants (HGPs), and 1 small hydroelectric plant (SHP).

Also in the generation segment, Celesc G holds a minority interest in another 6 generation projects, developed in partnership with private investors, in the format of Special Purpose Company - SPC, all already in commercial operation.

Celesc G's total generation capacity in operation in the period was 126.51 MW, being 115.27 MW referring to its site and 11.24 MW referring to the generation site established through partnerships - already proportional to the Celesc G shareholding in these ventures.

All the plants of the own generating site and all the plants in partnership participate in the Electric Power Reallocation Mechanism – MRE or ERM, share system of hydrological risks, in which the participating plants transfer the generated energy surplus to their physical guarantee to the plants generated below.

Celesc G also has a Generation Operation Center (GOC), which is responsible for supervising, monitoring, centralizing, and remotely operating Celesc G’s generating plants. The COG operates and supervises the entire in-house generator park, in shifts that extend 24 hours a day, seven days a week.

2.1.2.1.1. Own Generating Site – 100% owned by Celesc G

Plants	Location	Final Concession Term	Installed Capacity (MW)	Physical Guarantee (MW)	Physical Guarantee in Shares
Pery HPP	Curitibanos/SC	7/09/2047*	30.00	14.08	100%
Palmeiras HPP	Rio dos Cedros/SC	11/07/2046*	24.60	16.70	70%
Bracinho HPP	Schroeder/SC	11/07/2046*	15.00	8.80	70%
Garcia HPP	Angelina/SC	7/07/2045*	8.92	7.10	70%
Cedros HPP	Rio dos Cedros/SC	11/07/2046*	8.40	6.75	70%
Salto Weissbach HPP	Blumenau/SC	11/07/2046*	6.28	3.99	70%
Celso Ramos SHP	Faxinal dos Guedes/SC	3/17/2035*	13.92	6.77	(***)
Caveiras HGP	Lages/SC	(**)	3.83	2.77	(***)
Ivo Silveira HGP	Campos Novos/SC	(**)	2.60	2.03	(***)
Rio do Peixe HGP	Videira/SC	(**)	0.52	0.50	(***)
Piraí HGP	Joinville/SC	(**)	0.78	0.45	(***)
São Lourenço HGP	Mafra/SC	(**)	0.42	0.22	(***)
Total			**115.27**	**70.16**	

(*) Plants that adhered to the renegotiation of the hydrological risk as per ANEEL REN 895/2020, thereby their concessions will be extended for another 7 years, except for the Celso Ramos Plant, whose concession will be extended for 4.2 years.
(**) Plants with a power of less than 5 MW are exempt from the concession act (Federal Law 13360/2016).
(***) Not applicable.

2.1.2.1.2. Generating Site with Minority Interest

Plants	Location	Final Concession Term	Installed Capacity (MW)	Physical Guarantee (MW)	Celesc G Interest	Power Equiv. Inst. (MW)	Physical Guarantee Equiv. (MW)
Rondinha SHP*	Passos Maia/SC	10/05/2040	9.60	5.48	32.5%	3.12	1.78
Prata SHP	Bandeirante/SC	(**)	3.00	1.68	26.0%	0.78	0.44
Belmonte SHP	Belmonte/SC	(**)	3.60	1.84	26.0%	0.94	0.48
Bandeirante SHP	Bandeirante/SC	(**)	3.00	1.76	26.0%	0.78	0.46
Xavantina SHP	Xanxerê/SC	4/07/2040	6.08	3.54	40.0%	2.43	1.42

Garça Branca SHP	Anchieta/SC	3/13/2043	6.50	3.44	49.0%	3.19	1.69
Total			**31.78**	**17.74**		**11.24**	**6.27**

(*) Plant that adhered to the renegotiation of the hydrological risk as per ANEEL REN 895/2020, thereby its concession will be extended for another 336 days.
(**) Plants with a power equal to or less than 5MW are exempt from the concession act (Federal Law 13360/2016).

2.1.2.1.3. Own Generating Site - Expansion Projects

The Company has a portfolio with projects to expand/reactivate its plants. The following table presents said projects and their respective developmental stages. As for the physical guarantee (new or additional), the Company seeks to obtain, on average, a 50% factor for the plants' total capacity after their expansion/reactivation, which is a standard observed in other similar operational projects.

Plants	Location	Final Concession Term	Installed Power (MW)	Power Increase (MW)	Power Final (MW)	Prev. Entry Operation	Status
Salto Weissbach HPP	Blumenau/SC	11/07/2046	6.28	23.00	29.28	(**)	Environmental Licensing
Cedros HPP Steps 1 and 2	Rio dos Cedros/SC	11/07/2046	8.40	4.50	12.90	(**)	Review of the Basic Project
Palmeiras HPP	Rio dos Cedros/SC	11/07/2046	24.60	0.75	25.35	(**)	Review of the Basic Project
Maruim HGP	São José/SC	(*)	0.00	1.00	1.00	2022	Pending Bidding Process
Caveiras HGP	Lages/SC	(*)	3.83	(***)	(***)	(**)	Review of the Basic Project
Total			**43.11**	**29.25**	**68.53**		

(*) Plants with a power of less than 5 MW are exempt from the concession act.
(**) Depends on regulatory, environmental, and construction procedures.
(***) The final capacity will be defined upon the Basic Project Review.

2.1.2.2. Transmission Projects

2.1.2.2.1. EDP Transmissão Aliança SC

Celesc G has a 10% equity interest in a transmission project called EDP Transmissão Aliança SC S.A., with investments planned in the amount of R$1.2 billion.

The facilities aim to expand the system of the Southern and Plateau region of the Santa Catarina State and will also enable Celesc D to connect its system to the new structure to bring direct benefits to critical regions in the state's energy system. The deadline for the execution of the work is 60 months and the commercial start-up determined is August 2022. The SPC was constituted in July 2017 and the Concession Agreement was signed in August of the same year.

The following table summarizes the main information on the project:

Project	Location	Final Concession Term	Transformation Capacity (MVA)	Transmission Lines (km)	Celesc G Interest
EDP – Transmissão Aliança SC	SC	11/08/2047	1,344	433	10.0%

The construction work is in progress and is expected to be anticipated to the regulatory schedule.

2.1.2.3. Regulatory Environment

a) Auction of Amortized Plants

Of the 12 plants that make up Celesc G's own site, 9 were covered by Federal Law 12,783, from January 11, 2013: Palmeiras HPP, Bracinho HPP, Garcia HPP, Cedros HPP, Salto Weissbach HPP, Pery HPP, Celso Ramos SHP, Caveiras HGP and Ivo Silveira HGP.

With the entry into force of Federal Laws 13,097, from January 19, 2015, and 13,360, from November 17, 2016, since the Ivo Silveira and Caveiras Plants have an installed capacity of less than 5MW, both were converted into HGPs, through ANEEL Authorizing Resolutions 5,362, from July 21, 2015 (Ivo Silveira) and 7,246, from August 21, 2018 (Caveiras). To legitimize the change in the concession system, the addendums to the Concession Agreement 006/2013 were also signed. Accordingly, the effects of Federal Law 12,783/2013 do not affect such plants.

In 2015, Celesc G won Lot C of the bidding process for the concession of hydroelectric power plants, offering a discount of 5.21% in the ceiling price defined for the management of generation services for the lot of the 5 plants covered by Law 12,783/2013, added to the financial contribution of R$228.6 million as Grant Bonus.

The following table shows the list of the plants in Lot C purchased by Celesc G:

Plants	Location	Installed Capacity (MW)	Physical Guarantee (MW)	Final Concession Term
Palmeiras HPP	Rio dos Cedros/SC	24.60	16.70	11/07/2046

Bracinho HPP	Schroeder/SC	15.00	8.80	11/07/2046
Garcia HPP	Angelina/SC	8.92	7.10	1/05/2046
Cedros HPP	Rio dos Cedros/SC	8.40	6.75	11/07/2046
Salto Weissbach HPP	Blumenau/SC	6.28	3.99	11/07/2046
Total		**63.20**	**43.34**	

As a result of the auction, Celesc G signed the Concession Agreements for Generation Service 006/2016 and 007/2016 on January 5, 2016. Such contracts are effective for 30 years starting from the end of the term of the previous concessions.

As of January 1, 2017, the energy generated by the plants was allocated to the quota system, which is the percentage of the plant's energy and power physical guarantee allocated to the Distributors of the National Interconnected System (SIN or NIS).

b) Extension of the Pery HPP Concession

In 2017, the concession of the Pery Plant (Pery HPP) was extended according to Federal Law 12,783, of January 11, 2013, based on the quota system of the energy and capacity physical guarantee, and the Ministry of Mines and Energy - MME signed the 4th Amendment to Concession Agreement 006/2013 – ANEEL on July 7, 2017. The concession was extended for another 30 years, ending on July 09, 2047.

However, during the approval of the Annual Revenue Generation (ARG) in 2018, 2019, and 2020, ANEEL opted for readjusting the Improvement Cost of the Generation Asset Management – Improvement of the GAM, without defining the remuneration of investments in unamortized, not depreciated and non-indemnified reversible assets, according to article 15 of Law 12,783/2013, and article 3 of MME Ordinance 257, of July 5, 2017.

In sum, Celesc G had been receiving the full amounts related to the Improvement of the GAM, but on the other hand, it had not been receiving the indemnification amount it was entitled to as a result of the increase in the plant's installed capacity from 4.4 MW to 30 MW in 2013. For this reason, in 2018, Celesc G filed an administrative proceeding.

In 2021, after several negotiations, ANEEL decided to open Public Consultation 21/2021 from April 29 to June 14, 2021, to obtain subsidies and additional information to improve the proposal for the application of Submodule 12.1 of the Tariff Regulation Procedure (PRORET) for the payment of the Improvement of the GAM related to the Pery HPP.

Celesc G presented its view on the indemnification amounts related to the increase in the installed capacity and the additional improvement revenue, whose claims were largely accepted by ANEEL.

During the Public Consultation, the indemnification was considered differently from the Improvement of the GAM, and the provisional WACC of 10.85% p.a. was changed to the definitive WACC of 11.68% p.a., which was approved by Regulatory Resolution 882/2020, as per Celesc G's lawsuit.

ANEEL approved the results of Public Consultation 21/2021 through Order 2,018, of July 6, 2021. According to the document, Celesc G would receive an indemnification with an annualization factor of 0.1217615 to be applied to the annual installment calculation, as addressed in MME Ordinance 257/2017, with inclusion in the AGR of the Pery HPP.

As for the Improvement of the GAM, we considered a regulatory investment of nineteen million, sixty-six thousand, five hundred and fifty reais and forty-two centavos (R$19,066,550.42), with price index of July 2017 and annualization factor of 0.0498641, to be applied in the calculation for inclusion in the Pery HPP's Annual Revenue Generation.

The Order also determines that the annual installments related to the indemnification and the Improvement of the GAM calculated based on established parameters shall be retroactive to July 1st, 2018, with the due financial adjustments made to the readjustment process of the Annual Revenue Generation after its publication.

According to Technical Note 55/2021, of July 28, 2021, issued by ANEEL, the indemnification amount and the accumulated depreciation rates of the Pery HPP's generating units - GU are summarized as follows.

GU	Indemnifiable Amount (R$ thousand)	NRV without JDC (R$ thousand) (*)	Not depreciated	Depreciation Accumulated	Indemnifiable Amount (R$/thousand) Reference date: July 2017
GU01-03(**)	2,880.03	30,816.65	9.35%	90.65%	2,893.28
GU04-05	111,091.41	125,599.11	88.45%	11.55%	111,602.44
Total	**113,971.44**	**156,415.76**	**72.86%**	**27.14%**	**114,495.72**

* Interest during the construction period.

** Does not include GU-02, whose assets are fully depreciated and amortized, considering that it started operating in July 1965, as per ANEEL's Official Letter 331/2017, of June 16, 2017.

The amounts mentioned are net of sector charges and PIS/COFINS.

c) Generation Scaling Factor Adjustment - GSF

The Generation Scaling Factor - GSF is an index showing the ratio between the sum of all power produced by the hydroelectric power plants that are part of the Energy Reallocation Mechanism (MRE) and the sum of these plants' physical guarantees. This factor is applied to the physical guarantee of all plants participating in the mechanism for accounting of the operations in the Electricity Trading Chamber – CCEE.

Since August 2015, Celesc G has had a preliminary injunction obliging the CCEE to limit the reduction of physical guarantees of its plants exposed to hydrological risk, based on the GSF's incidence, in the maximum percentage of 5%, forbidding any collection or apportionment arising from the GSF's Adjustment or other related lawsuits. This action is justified by non-hydrological factors (which are therefore not related to the mechanism for mitigating hydrological risks, i.e. MRE) taken into consideration in the GSF's calculation, thereby having a negative impact on the participating plants.

On September 9, 2020, Law 14,052/2020 was published, which regulates hydrological risk (GSF), establishing compensations for hydroelectric plants in the MRE that were impacted, by postponing the concession period. The legal amendment aimed at compensating the owners of hydroelectric power plants participating in the MRE for non-hydrological risks caused by: (i) structuring generation projects related to the anticipation of physical guarantee; (ii) restrictions on the beginning of operations of the transmission facilities necessary to enable the flow of power generated by the structuring projects; and (iii) thermoelectric generation outside the order of merit, and energy imports from Uruguay and Argentina. The said compensation will be granted through the extension of the concession, limited to 7 years, calculated based on the values of the parameters applied by ANEEL.

On December 1st, 2020, ANEEL Regulatory Resolution 895, which provides for the methodology to calculate the compensation to owners of hydroelectric power plants participating in the MRE, was amended. To be eligible for the compensation provided for in Law 14,052, the owners shall: (i) drop any lawsuits aimed at the exemption or mitigation of hydrological risks related to the MRE; (ii) withdraw any allegation and/or new lawsuits aimed at the exemption or mitigation of hydrological risks related to the MRE; and (iii) not have renegotiated hydrological risks.

The main highlights of the resolution are as follows:

a) inclusion of the free portion (30% of physical guarantee) of the plants re-bid in December 2015. As for the captive portion allocated to quotas (70%), the risk is taken by the consumer. This is a contribution made from agents, including those of Celesc G, so that this claim would be complied with, as it was not initially included in the resolution's draft;

b) the HGPs were not included in the proposal, as they operate under authorization rather than a concession, that is, they do not have final terms, thus they cannot calculate the proposed benefit; and

c) possible acceptance of the proposal by projects.

On March 4, 2021, the CCEE presented, over a webinar, the compensation calculation and the extension terms for concessions of plants that adhered to the proposal.

ANEEL had a period of 30 days to analyze and approve the calculations. Then, the generation companies would have 60 days to communicate the withdrawal of their lawsuits and request for the extension of the concession.

However, a few days before the end of the period, on March 1st, 2021, Law 14,120/2021 was enacted, establishing that, regarding the plants under the quota system, if the agent holding the concession remained the same after the signature of the new concession agreement, the calculated amounts would be reimbursed through the extension of the new concessions.

Therefore, the CCEE recalculated the amounts for these plants and disclosed them on March 18, 2021. As a result, in addition to the inclusion of the Pery HPP, the concessions of a few plants were significantly extended.

On May 30, 2021, the calculations of the extension terms were planned to be approved at ANEEL's ordinary executive board's meeting, with the subsequent publication of a Confirmatory Resolution containing the extended concession terms of all included plants. However, some agents and associations expressed their opinions, which were discussed at the executive board's meeting. Among the claims, requests made by some agents were accepted, i.e. for compensation purposes, the plant's physical guarantee will be considered throughout the period before the initial validity of the Renegotiation Agreement of Hydrological Risk entered into under Regulatory Resolution 684, of December 11, 2015. This understanding was formalized through Regulatory Resolution 930, of March 30, 2021.

The Federal Accounting Court (TCU) understood that such change was in line with Law 13,203/2015 (amended by Law 14,052/2020), and on April 12, 2021, it requested that the negotiations related to the extension of the concessions be paused until the end of the analysis of the matter in question.

As a result, although the TCU's object of formal representation was not lost, and to further proceed with the approval of the calculations and the extension of the concession terms (48500.000917/2021-32), the TCU's Executive Board submitted an official letter to the CCEE's president, requesting for the preparation and submission of a Commercial Rules draft covering this legal change, so that it could be evaluated by ANEEL.

Still, at ANEEL's executive board's meeting held on March 30, 2021, the Reporting Officer stated that there might be solutions for the HGPs whose rights have been affected, as they are part of the Energy Reallocation Mechanism - MRE. Then, the executive board concluded that the Generation Services Regulation Superintendence - SRG, the Economic Regulation and Market Studies Superintendence – SRM, and the Superintendence of Generation Concession and Authorization – SCG, under the SRG's coordination, and in liaison with the CCEE, are responsible for measuring the effects on the HGPs that are part of the MRE, based on the criterion established by Regulatory Resolution 895/20. Subsequently, after having gathered this information, they should assess solutions enabling compensation for these plants and submit a report to the agency. This positioning was monitored by most officers.

On July 13, 2021, Law 14,182/2021 (Eletrobrás' Privatization) was passed, with article 18 changing the wording of paragraph 4 of article 2-A, and paragraph 9 of article 2-B of Law 13,203/2015. The new wording provided for the expansion of the calculation of extension terms of concessions for plants that renegotiated the hydrological risk under Regulatory Resolution 684/2015 and included structuring plants in the calculation of financial compensation and extension of concessions.

On August 3, 2021, ANEEL Confirmatory Resolution 2,919, which approves the extension of the concession terms of hydroelectric power plants that are part of the MRE, including 7 Celesc G's plants, was published.

In the calculation made by the CCEE, the financial amounts of compensation to each plant, related to periods in which the adjustment factor of the MRE was limited by court order, were updated based on the IPCA during the period in which there were no financial expenditures. In the period before the preliminary injunction, in addition to adjustment based on the IPCA, interest of 9.63% p.a. was levied. The extension of the concession, limited to seven (7) years, was calculated based on these updated financial amounts, with future value based on the discount rate of 9.63% per year and the reference unit net margin calculated in R$/MWh.

In sum, the situation of Celesc G's plants is as follows:

- Garcia, Bracinho, Cedros, Palmeiras and Salto HPPs: each concession was extended for another 7 years (2555 days). All the plant's physical guarantee related to the previous concession term (as of January 2013), including the physical guarantee of 30% related to the term of each new concession until December 2020, is considered eligible for the calculation (a physical guarantee of 70% is allocated to quotas, and therefore, the hydrological risk is taken by the consumer);

- Celso Ramos HPP: concession extended for another 4 years and 2 months (1531) days. All the plant's physical guarantee related to the current concession term (from January 2013 to December 2020) is considered eligible for the calculation;

- Pery HPP: concession extended for another 7 years (2555 days). All the plant's physical guarantee related to the previous concession term (from January 2013 to July 2017) is considered eligible for the calculation. In the current concession, the full physical guarantee is allocated to quotas, and therefore, the hydrological risk is taken by the consumer;

The Ivo Silveira, São Lourenço, Piraí, Rio do Peixe and Caveiras HGPs have not been covered by Law 14,052/2020. So far, ANEEL has not presented any renegotiation proposal to the HGPs.

As of the date of approval of the extended concession terms, published on August 3, 2021, the agents were supposed to make their requests, by 60 days, to each plant willing to renegotiate the hydrological risk, provided that they dropped their lawsuits related to hydrological risk.

The Company's Board of Directors, at the meeting held on September 23, 2021, approved ANEEL's proposal referring to the renegotiation of the GSF and the consequent dropping of the existing lawsuit against the Garcia, the Bracinho, the Cedros, the Palmeiras, the Salto, and the Pery HPPs, as well as the Celso Ramos SHP. On the other hand, Celesc G will maintain the existing preliminary injunctions against the Ivo Silveira, the São Lourenço, the Piraí, the Rio do Peixe, and the Caveiras HGPs, since ANEEL has not yet presented a renegotiation proposal to these plants.

On September 24, 2021, Celesc G filed a request for the partial dropping of its lawsuit related to the GSF's monthly adjustments with the Federal Court. On September 27, 2021, Celesc G informed the CCEE of the dropping of the lawsuit.

By extending the concession term of the hydroelectric power plants, since they are not subject to IFRIC 12 (ICPC 01) - Concessions, the granting authority compensates the generators by granting a non-pecuniary right, in the form of extension of the concession term, to recover the costs incurred from the non-hydrological risk portions, impacted in the formation of the GSF, as of 2013.

The extension of the concession term by the grantor has the criteria indicated by the standard CPC 04 (R1) - Intangible Assets for recognition of intangible assets. The asset in the amount of forty-five million, eight hundred and seventy-nine thousand, three hundred and ten reais, and ninety-five centavos (R$45,879,310.95) was recognized at fair value in the intangible assets' group based on the Board of Directors' approval. It will be amortized on a straight-line basis by the end of the new concession term of each renegotiated plant. The corresponding entry was recorded as a recovery of costs in the Short-Term Electricity Costs item.

With the partial dropping of the lawsuit, in September 2021, Celesc G recognized liability in the amount of seventy-three million, nine hundred and eighty-eight thousand, eight hundred and eighty-eight reais, and forty-seven centavos (R$73,988,888.47) in the GSF Hydrological Risk Renegotiation line, within the Other Liabilities group, as a corresponding entry to cost in the Short-Term Electricity Costs item.

On October 07, 2021, Celesc G fully settled its debt with the CCEE, after the matching of accounts to the amounts receivable from August 2021. The net value paid was sixty-four million, one hundred and twelve thousand, five hundred and sixty-nine reais, and eighty-six centavos (R$64,112,569.86).

d) Expansion of the Celso Ramos SHP

Celesc G obtained authorization to enlarge Celso Ramos SHP in the order of 7.2MW (5.62MW to 12.82MW) through ANEEL Authorization Resolution 5078/2015, as well as the extension of the concession for 20 years, conditioned to the conclusion of the projects by November 2021.

In 2018, the Plant's basic expansion project was revised and consolidated, providing for the installation of a new water main circuit with water intake, water main channel, penstock, and a new powerhouse with two generating units (GU-3 and GU-4), with 4.15 MW each, totaling the addition of 8.3 MW in utilization, increasing the project's capacity from 7.2 MW to 8.3 MW and totaling 13.92 MW for the plant's installed capacity;

On March 29, 2019, ANEEL issued Order 939/2019, registering the suitability for the use of the hydraulic potential of the revision of the Basic Project for the Expansion of Celso Ramos SHP and ratifying new parameters required to define the physical guarantee of the project. Registered for ANEEL's 29th New Energy Auction, Energy Research Company – EPE defined the project's physical guarantee. The construction work began in July 2019.

It is also noteworthy that Celesc G participated in the aforementioned Auction A-4, successfully selling the energy of this project, effective in January 2023. Notice on the Approval and Grant of Auction No. 03/2019 was published on October 3, 2019.

With the signing of the CCEARs in the last quarter of 2020, ANEEL issued Authorizing Resolution 9,524 of December 8, 2020, which changed the technical characteristics of PCH Celso Ramos, in adherence with Order 939/2019, also adjusting the schedule for the implementation of the works.

On May 21, 2021, through Order 1,456/2021, ANEEL decided to authorize the generating units GU-3 and GU-4 to begin its operational testing. On July 9, Santa Catarina Environmental Institute - IMA issued an Environmental Operating License, authorizing Celesc to submit a request for Commercial Operation to ANEEL, which was approved through Order 2,267, of July 27, 2021.

As a result, the Celso Ramos SHP has been operating with a new installed capacity of 13.92 MW since July 28, 2021, and the expansion project has been concluded.

e) extension of the Salto Weissbach HPP

In 2018, the basic expansion project of the Salto Weissbach HPP, located in the city of Blumenau, was approved by ANEEL through Order 1.117, of May 21, 2018. The expansion project foresees the construction of a new adductor circuit in parallel to the existing one, with an adduction channel, water outlet, and each of force with two generating units of 11.5MW each, totaling the addition of 23MW of installed power in the plant, going to 29.28MW.

In 2019 Celesc G filed the request to obtain the Installation Environmental License - LAI with the Environmental Institute of Santa Catarina - IMA. In June 2019, after the manifestation of that Institute, Celesc presented all technical information consistent with the referred stage. However, in August of that same year, the environmental agency requested an Integrated Study of the Basins, and later, in 2020, the study was waived, which may reduce the analysis time of the process. In August 2021, IMA requested new supplementary studies, which are being carried out. The analyses are expected to be concluded and submitted by December 2021.

After the LAI is issued, the process returns for analysis by the Empresa de Pesquisa Energética - EPE, which will then be forwarded to ANEEL to calculate the remuneration of this project, whose energy will be fully dedicated to the quota regime, so that the Company can forward the stages of financial feasibility, bidding, and construction.

f) Expansion of Caveiras HGP

In 2018, Celesc G filed at ANEEL an application to carry out inventory studies for the section of the river where the Caveiras HGP is installed, to promote the expansion of its installed capacity. In the same year, through Order 3005/2018, provided to Celesc G the inventory registration for 630 days as of order's issuance.

In 2019, Celesc G contracted the services to conduct the Hydroelectric Inventory Studies for the Caveiras River, and this study was forwarded in July 2020 to ANEEL. On September 28, 2020, through Order 2,752, ANEEL approved the revision of the Inventory Studies and guaranteed Celesc G the right of first refusal for the PCH Caveiras project.

On December 17, 2020, ANEEL issued Order 3,592, which granted Celesc G the Order of Registration of Intent to Grant Authorization - DRI PCH. Thus, the Company must, within fourteen months from the abovementioned Order, prepare the Basic Project and present ANEEL with the Executive Summary.

In the first half of 2021, Celesc G hired a specialized company to consolidate the Caveiras Plant's Basic Project, whose work is in progress. After the revision and consolidation of the basic project and respective approval by ANEEL, the environmental feasibility study will be carried out, the licenses will be obtained from IMA/SC and the business plan will be approved by the Company, for the project to be bid and built.

g) reactivation of Maruim HGP

Maruim HGP, built in 1910, is located in the municipality of São José/SC. Considered one of the oldest hydroelectric plants in the country, it has been decommissioned since 1972 and Celesc G has a project for its reactivation.

In 2018, Celesc G promoted the revision and consolidation of the Basic Project, and this new configuration foresees an installed capacity of 1 MW, using the existing powerhouse, listed as a historical heritage since 2005.

On June 22, 2021, Santa Catarina Environmental Institute - IMA/SC issued the Environmental Installation License – EIL 4975/2020 to the project.

Considering the approval of the Maruim HGP's Reactivation Project's Business Plan in the first quarter of 2021 and the issue of Celesc G's EIL, in the third quarter of 2021, the Company launched bidding processes for the construction of the plant, with full execution expected for 2022.

h) EDP Transmissão Aliança SC S.A.

EDP Transmissão Aliança SC, a company formed by EDP - Energias do Brasil, with 90.00% interest, and by Celesc G, with 10.00% interest, won the bidding for lot 21 of Auction 05/2016 of ANEEL, referring to the Bidding for the Concession of Public Service of Electric Energy Transmission, including the Construction, Operation, and Maintenance of the Transmission Facilities of the National Interconnected System, which was held at B3, by offering a discount of 34.99%, or a proposal of annual revenue allowed (RAP) of R$171.8 million, against the maximum value of R$264.3 million established by ANEEL.

Lot 21 was the third-largest project offered in the auction and demands investments of around R$1.2 billion.

	Origin	Destination	Circuit*	Extension (KM)	Voltage (Kv)
TRANSMISSION LINES	Abdon Batista SE	Campos Novos SE	SC	39.8	525
	Siderópolis 2 SE	Abdon Batista SE	DC	209.0	525
	Biguaçu SE	Siderópolis 2 SE	SC	150.5	525
	Siderópolis 2 SE	Siderópolis SE	DC	6.0	230
	Siderópolis 2 SE	Forquilhinha SE	SC	27.8	230
Total			**CS/DC**	**433.1**	**525/230**
SUBSTATION	SS 525/230 SIDERÓPOLIS 2		-	-	525/230

* SC: Simple Circuit / DC: Double Circuit

Notwithstanding, the implementation of reinforcements and improvements in transmission facilities is mandatory to concessionaires of transmission services and is provided for in the Concession Agreement 39/2017 signed by EDP Transmission Aliança SC S.A. and ANEEL.

Thus, on January 10, 2019, ANEEL sent to the EDP Transmissão Aliança SC S.A. the Official Letter Nr. 011/2019 stating that the 2018 Plan of Electric Energy Transmission Grants (2018 POTEE), issued by the Ministry of Mines and Energy (MME), includes the third 525/230 kV autotransformer, 3 X 224MVA single-phase in the Siderópolis Substation 2, with date of need in December 2022, with its implementation is under the responsibility of EDP Transmissão Aliança SC S.A., Through Technical Note 501/2019, ANEEL authorized reinforcement to be added still in 2019. Therefore, the SPC decided to expand the scope of the current agreement to build SE Siderópolis (original project), immediately starting the implementation of the reinforcement together with the SE, minimizing environmental and land impacts and mitigating the risks of the work carried out.

The investment of this third autotransformed, estimated by ANEEL, is R$42 million and establishes an additional Allowed Annual Revenue (AAR) of R$5 million.

In June 2021, the Company completed the necessary stages to energize and integrate the stretches located in the coastal region of Santa Catarina with the National Interconnected System. In this first stage, 180 km of transmission lines with voltage levels of 230 and 525 kV, and the important substation Siderópolis 2, with voltage 525/230kV, were completed. The stretch was delivered 14 months earlier concerning ANEEL’s calendar, partially anticipating revenues.

On September 30, 2021, the other stretches were in their final construction stages, waiting for Santa Catarina Environmental Institute – IMA to issue the environmental operating license. The Company expects to anticipate the completion of the construction work concerning the regulatory schedule.

i) Annual Generation Revenue Adjustment - 2021 AGR

Through Confirmatory Resolution 2,902, of July 20, 2021, ANEEL approved the Annual Revenue Generation (ARG) of the hydroelectric power plants under the quota system for the 2021/2022 cycle, according to Federal Law 12,783/2013. The new Annual Revenue Generation will be effective from July 1st, 2021 to June 30, 2022.

The AGR established for Celesc G's Fixed Assets and which are to be charged every month are:

Plants	Annual Revenue (R$) 2021/2022 Cycle	Monthly Revenue (R$) 2021/2022 Cycle
Pery HPP	61,607,233.15	5,133,936.10
Garcia HPP	11,721,282.46	976,773.54
Bracinho HPP	14,848,877.17	1,237,406.43
Cedros HPP	10,447,006.89	870,583.91
Palmeiras HPP	23,006,407.62	1,917,200.64
Salto HPP	7,541,939.03	628,494.92

j) Dam Safety Plan – DSP and Emergency Action Plan – EAP

The DSP has the conditions, characteristics, and operational rules for each dam. The EAP, on the other hand, provides strategies in emergencies. In 2017, Celesc G concluded the DSPs and EAPs of its plants and forwarded them to the regulatory body and related entities.

In 2019, Celesc G continued with the Emergency Action Plan (EAP) and held meetings with Civil Defense authorities from the municipalities of Angelina/SC (Garcia Plant), Blumenau/SC (Salto Weissbach Plant), Rio dos Cedros/SC (Cedros and Palmeiras Plants) and Schroeder/SC (Bracinho Plant).

In the same year, Celesc G hired a company to prepare and issue a dam safety report to corroborate the finding that the dams are in normal operating conditions, with no significant anomalies that put them at risk.

The safety reports were prepared and completed by the specialized consulting firm in the second half of 2020, with satisfactory results, and the recommended actions to adapt and maintain the structures be taken during the year 2021, including hiring a company to install dam instrumentation and an executive project for civil adaptation to Eletrobras' current criteria.

In the third quarter of 2021, Celesc G launched a bidding process to hire an engineering consultancy to prepare a Safety Periodic Revision - SFR, containing a full revision of the Dam Safety Plan (DSP) and the Emergency Action Plan (EAP); updating of hydrological data; new dam break studies; computer simulation of the affected areas; and the disclosure of results to the involved civil defense authorities. According to ANEEL Resolution 695/2015, Celesc G must submit the revisions by late 2022.

2.2. Other Interests

Investments	Classification	Description	Recognition
Companhia de Gás de Santa Catarina S.A. – SCGÁS	Joint Venture	SCGÁS holds the concession for the exploration of natural gas distribution services in 100% of the Santa Catarina territory and its concession contract for piped gas distribution, signed on March 28, 1994, is valid for 50 years (2044). Celesc holds 51.0% of the common shares and 17% of the share capital.	Equity Income

Empresa Catarinense de Transmissão de Energia S.A. – ECTE	Affiliated	Established in August 2000, with the specific purpose of integrating the electric power transmission system in the Santa Catarina State, with the exploration of the power transmission lines in the eastern and coastal regions of Santa Catarina, the company is the concessionaire of the transmission line SE Campos Novos/SC - SE Blumenau/SC, with 252.5 km of extension. It is the second project in operation under the new modality designed for the new cycle of the electricity industry. After winning Lot D of Auction 006/2012, in November 2016, ECTE formed its subsidiary Empresa de Transmissão Serrana S.A. - ETSE, which covers the concession of SE Abdon Batista (525/230 kV) and SE Gaspar (230/138 kV), both located in the Santa Catarina State, to integrate the power generation plants with the SIN, enable access to Celesc's distribution system, and meet the increased power supply demand in the region of Vale do Itajaí. The affiliate ECTE holds a power transmission concession agreement 088/2000, dated from November 1, 2000, with a 30-year term. For its subsidiary ETSE, the concession contract for transmission of electric power No. 006/2012 is dated from May 10, 2012, with a 30-year term. Celesc holds 30.88% of the company's share capital.	Equity Income
Dona Francisca Energética S.A – DFESA	Affiliated	An independent power producer, DFESA owns the Dona Francisca, Hydroelectric Power Plant built on the Jacuí River in Rio Grande do Sul, with an installed capacity of 125MW and assured energy of 80MW. The development was inaugurated in May 2001. DFESA has a concession agreement dated August 28, 1998, with a 35-year term. Celesc holds 23.03% of the company's share capital.	Equity Income
Companhia Catarinense de Água e Saneamento – Casan	Temporary Investment	As a mixed economy-held company controlled by the State Government of Santa Catarina, the role of Casan is to plan, execute, operate and explore the water supply and sanitation services in their areas of concessions (municipality). Celesc holds 14.19% of the company's share capital.	Fair Value through Other Comprehensive Income (VJORA).
Usina Hidrelétrica Cubatão S.A.	N/A	Special Purpose Company (SPC), established in 1996, for deploying the Cubatão Hydroelectric Power Plant. With the background of environmental obstacles, rejection of the postponement of the concession period, and the consequent economic impracticability for developing the project, the venture requested ANEEL to amicably terminate Concession Agreement No. 04/1996 (ANEEL Case No. 48100.003800/1995-89). Through Ordinance 310, of July 27, 2018, the Ministry of Mines and Energy (MME) decided to terminate the concession and recognizes, furthermore, that there are no reversible assets linked to the concession, nor any burden of any nature to the Granting Authority or ANEEL. Celesc holds 40% of the company's Share Capital, Inepar S.A. 40%, and Statkraft Energias Renováveis S.A. 20%. The investment in the said plant is fully provisioned as a devaluation in equity interest. SPC has been dealing with the corporate aspects for its dissolution.	N/A

3. BASIS OF PREPARATION

The preparation bases applied in this individual and consolidated Quarterly Financial Report are detailed below:

3.1. Compliance Statement

The Parent Company and Consolidated Financial Statements have been prepared and according to Technical Pronouncement CPC 21 (R1) - Interim Statements and International Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented as per the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Financial Report (ITR).

The issuance of the Interim Financial Information was authorized by the Board of Directors on November 11, 2021.

3.2. Functional and Presentation Currency

The Parent Company and Consolidated Quarterly Information Reports are shown in Brazilian Reais, which is the functional currency and all amounts are rounded to thousands of Reais, except when indicated otherwise.

3.3. Critical Accounting Estimates and Judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable under the circumstances. By definition, the resulting accounting estimates will rarely equal their actual results.

Estimates and assumptions may cause significant adjustments in equity and income values for the following periods, impacting the following measurements:

a) Fair Value of Financial Instruments (Note 5.7);
b) Allowance for Doubtful Accounts - ADA (Note 9);
c) Financial Asset – Concession Bonus; (Note 13.2);

d) Indemnifiable Financial Asset – Celesc G (Pery Power Plant's Basic Project) (Note 14.2.1);
e) impairment of Non-Financial Assets; (Notes 18 and 19);
f) deferred Income Tax and Social Contribution (IRPJ and CSLL) Recognized; (Note 17);
g) contingencies (Note 27);
h) actuarial liabilities (CPC 33) (Note 28);
i) unbilled revenue - Celesc D (Note 9 and Note 32.1);
j) depreciation - Celesc G (Note 19); and
k) amortization of Indemnifiable Assets - Celesc D (Note 20).
l) Intangible Asset – Celesc G (Extension of the concession for renegotiated plants) (Note 20).

4. ACCOUNTING POLICIES

The preparation basis and the accounting policies are the same used in the preparation of the annual Financial Statements for the year ended on December 31, 2020, contemplating the adoption of accounting pronouncements effective as of January 1, 2021.

4.1. Measurement Basis

The Interim Quarterly Financial Report, Individual and Consolidated, have been prepared based on historical cost, except for Financial Assets measured at Fair Value through Other Comprehensive Income - VJORA and at Fair Value through Profit - VJR recognized in the Balance Sheet.

4.2. New Standards and Interpretations

The following standards amendments were issued by IASB, but are not yet effective for 2021. Although encouraged by IASB standards, early adoption is not allowed by the Brazilian Accounting Pronouncements Committee (CPC).

Standard	Corresponding CPC	Change	Application
IAS 37	CPC 25	Classification of onerosity for fulfilling a contract. In the assessment of whether a contract is onerous, the cost of fulfilling the contract includes the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling it.	1/01/2022
IAS 16	CPC 27	Entity prohibition from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the asset is being prepared for its intended use. Such revenues and related costs must be recognized in the income statement.	1/01/2022
IAS 1	CPC 26	Classification of liabilities as current or non-current	1/01/2022
IFRS 3	CPC 15	Update to provide a reference for the new Conceptual Framework	1/01/2022
IFRS 9	CPC 48	Clarifies which rates should be included in the 10% test for the write-off of financial liabilities.	1/01/2022
IFRS 16	CPC 06	Leasing incentives (amendment to Illustrative Example 13)	1/01/2022
IFRS 17	CPC 25	Insurance contracts	1/01/2023

The standards highlighted have no significant impact on the Company's Financial Statements. Furthermore, there are no other IFRS standards or IFRIC interpretations still to come in force that could have this impact, and they are not even mentioned.

5. RISK MANAGEMENT

The company's Department of Planning, Controls and Compliance (DPL) develops the strategic management of risks and internal controls, preparing the corporate risk map, evaluating and monitoring these risks to mitigate them through action plans, thus aiming to achieve the company's long-term strategies.

5.1. Financial Risk Class

5.1.1. Process Category

a) Delinquency

Risk of impairment of financial-economic planning due to non-receipt of invoiced revenue due to communication, delivery, and collection deficiencies concerning customers.

5.1.2. Liquidity Category

a) Third-Parties Capital

Risk of the impossibility or unavailability to obtain capital from third parties in the market or impacts due to the early maturity of debts with the financial market or due to untimely and unplanned changes in interest and exchange rates.

b) Cash Flow

Risk of low financial liquidity is due to the low collection, the impossibility of funding, defaults, excess expenses, and/or investments, to fulfill financial commitments and the business strategy.

The amounts disclosed in the table are the undiscounted contracted cash flows on September 30, 2021.

Consolidated

Description	Fees %	Less than one month	From one to Three months	From three months to one year	From one to five years	More than five years	Total
Accounts Receivable (net of PECLD)		1,813,797	61,791	40,241	21,603	3,101	**1,940,533**
Cash and Cash Equivalents		743,079	-	-	-	-	**743,079**
Court deposits		-	-	-	322,384	-	**322,384**
CDE Subsidy (Decree 7,891/2013)		49,231	-	-	-	-	**49,231**
Financial Assets – CVA	SELIC	-	-	-	782,485	-	**782,485**
Financial Asset - Concession Bonus	IPCA	3,148	6,232	27,654	142,264	282,263	**461,561**
Financial Asset - Indemnification of the Pery Plant's Basic Project	IPCA	4,459	8,832	30,288	62,951	130,167	**236,697**
Total Assets		**2,613,714**	**76,855**	**98,183**	**1,331,687**	**415,531**	**4,535,970**
Banking Loans - CDI	CDI + 0.8% to 1.3% p.a.	30,377	48,487	75,515	-	-	**154,379**
Energy Development Account – CDE (EDA)		19,472	-	-	-	-	**19,472**
Eletrobras	5% p.a.	76	146	666	2,629	-	**3,517**
Finame	2.5% to 9.5% p.a.	403	708	3,112	4,047	-	**8,270**
Debentures – Celesc D	CDI + 1.9% p.a.	26,447	-	50,433	690,949	-	**767,829**
Debentures – Celesc G	CDI + 2.5% p.a.	-	726	35,407	29,893	-	**66,026**
Debentures – Celesc G	IPCA + 4.3% p.a.	-	34	105	21,659	45,935	**67,733**
Trade payables		752,347	764,274	4	-	-	**1,516,625**
Financial Liabilities - CVA	SELIC	28,230	56,644	260,747	-	-	**345,621**
Mathematical Reserve to be Amortized	IPCA + 6% p.a.	17,484	16,049	77,514	349,698	-	**460,745**
IDB	CDI + 0.77% to 1.98% p.a.	22,600	-	-	117,069	904,341	**1,044,010**
Total Liabilities		**897,436**	**887,068**	**503,503**	**1,215,944**	**950,276**	**4,454,227**

c) Actuarial

Risk of financial losses as a result of the joint and several liability of the Celesc D, as the sponsor of its employees' pension fund (CELOS), by definition of a wrong actuarial rate, inadequate management, or in disagreement with market practices, or unexpected fluctuations in market variables.

5.2. Operating Risk Class

5.2.1. Management Category

a) Investments

Risk of losses due to non-compliance with schedules, insufficient rates of return, unforeseen disbursements, and incorrect appropriation of funds.

5.2.2. Process Category

a) Assets Protection

Risk of financial losses due to the lack of protection mechanisms, claims, and/or unauthorized access.

b) Losses

Risk of revenue reduction due to surpassing, technical, and/or non-technical losses, the limits recognized in the tariff by ANEEL.

c) Distributor Energy Contracting

Risk of non-full tariff transfer of contracted energy costs and penalties due to contracting outside regulatory limits.

5.2.3. Personnel Category

a) Health and Safety

Risk of labor liabilities, interdiction of activities, and removal or death of workers caused by non-compliance with legal norms, lack of training, and lack of adequate protective equipment.

b) Management and Development of Personnel

Risk of losses due to the limits of the mechanisms to hire and retain employees or inability to promote the development of the group's professionals, with the available workforce out of date and unable to develop the challenges of the strategy.

5.2.4. Information and Technology Category

a) Cyber and IT Infrastructure

Risk of loss or damage arising from unauthorized access to critical data and information due to inappropriate security policies or parameters, or malicious intent of users, as well as the ability to process systems or failures/delays in the operations of the systems available and inadequate protection/physical safeguarding of network assets.

5.3. Compliance Risk Class

5.3.1. Regulatory/Legal Category

a) Social and Environmental

Risk of losses arising from environmental and social policies and practices that are exposing the Company to inspection by inspection agencies, not obtaining licenses and image wear.

b) Tariff revision

Risk of losses in remuneration in the so-called Portion B, which represents the Company's manageable costs, as well as the risk of losses in the remuneration in Portion A for Irrecoverable Revenues and losses of electricity, caused by non-compliance with regulatory requirements established by ANEEL or by changes in the methodology applied in the tariff revision process, resulting in lower than expected tariffs and resulting in a reduction in the distributors' margin.

c) Extinction of the Distribution Concession

Risk of extinction of the Concession Agreement for the exploitation of the public electricity distribution service due to non-compliance with the limits established in the amendment to the distributor’s Concession Agreement, for the collective indicators of economic and financial continuity and sustainability.

The obligations assumed until 2020 have been fully met.

ANEEL Normative Resolution 896, published on November 17, 2020, regulated the parameters and the calculation methodology for the concession indicators, which were established for the years 2021 to 2045. The document is the result of Public Consultation 24/2019, which aimed to discuss and collect subsidies for defining the regulations for the opening of forfeiture proceedings of electrical energy distribution concession contracts, based on service quality and economic and financial sustainability requirements.

From 2020 on, non-compliance with any of the DECi or FECi limits for one year will result in the mandatory submission by the concessionaire of a results plan, which shall be presented for prior acceptance by ANEEL and its execution monitored by the inspection areas, through periodic reports to be submitted by the concessionaires as well.

The non-compliance with the DECi or FECi limits for two consecutive years, or three out of the five previous calendar years, calculated separately or jointly, or with the efficiency criterion regarding the economic-financial management for one year, obliges the concessionaire to limit the payment of dividends and interest on equity capital, separately or jointly, to 25% (twenty-five percent) of the net profit, less or plus the amount intended for the constitution of the Legal Reserve and the amount intended for the constitution of the Contingency Reserve;

The non-compliance of DECi or FECi, separately or jointly, for three consecutive years or of the efficiency criterion concerning economic-financial management for two consecutive years, constitutes the concessionaire's contractual default and will result in the opening, by ANEEL, of a punitive administrative proceeding aimed at the application of the sanction of declaration of forfeiture of the concession, under Normative Resolution No. 846, of June 11, 2019, or subsequent rules that may succeed it.

The financial and economic management efficiency criterion will be measured by calculating the inequality, every calendar year, and will be considered non-complied when there is non-compliance or when the EBITDA is lower than the QRR. The ratio (Net Debt/EBITDA - QRR) of Celesc D should remain between the limits of 10 to 15 times since now the SELIC had a minimum limit of 6% and a maximum of 9%.

d) Electric Power Generation

Risk of extinction of the extension of the Celso Ramos SHP Concession Agreement due to the obligation to start commercial operations by 2021 of two new generating units to be built by Celesc G.

e) Regulation of the Energy sector

Risk of administrative sanctions applied by Regulatory Agency in the face of inadequate internal processes, loss of value due to changes in legislation that are out of alignment with company's strategic interests, and exposure to defined government policies for the sector, as well as interference from external bodies.

f) Fraud

Risk of financial loss, image damage, service quality decrease, and legal sanctions due to internal or external fraud caused by employees or third parties due to control or collusion failures.

g) Lawsuits

Risk of losses caused by practices or internal deficiencies that hinder or prevent the construction of defense.

5.4. Strategic Risk Class

5.4.1. Governance Category

a) Image

Risk of drop in the Group’s reputation level before the main stakeholders.

5.4.2. Credit Category

a) Innovation

Risk of loss of competitive advantage due to the difficulty to develop and/or implement new technologies, compromising several aspects such as access to new markets, maximizing revenues, acquiring new knowledge, valuing the brand, and corporate sustainability.

5.5. Additional Sensitivity Analysis Required by CVM

The following table shows the sensitivity analysis of financial instruments, which describes the risks of interest rates that may generate material effects for the Company, with a more probable scenario (scenario I), according to an evaluation made by the Management, considering a three-month horizon, when the next financial information containing such analysis should be disclosed.

Additionally, two other scenarios are shown, as required by the CVM, to present a 25% and a 50% deterioration in the considered risk variable, respectively (scenarios I and II). The amounts are presented in absolute terms rather than to the probable scenario presented.

The sensitivity analysis presented considers changes concerning a certain risk, keeping all other variables constant, associated with other risks, with balances as of September 30, 2021:

						Consolidated
Assumptions	**Effects of Accounts on Results**	**Note**	**Balance**	**(Scenario I)**	**(Scenario II)**	**(Scenario III)**
CDI				**8.33%**	**10.41%**	**12.50%**
	Financial Investments	8	701,659	58,448	73,043	87,707
	Loans	22	(1,024,342)	(85,328)	(106,634)	(128,043)
	Debentures	23.5	(750,416)	(62,510)	(78,118)	(93,802)
Selic				**8.09%**	**10.11%**	**12.14%**
	CVA - Assets	13.1	644,187	52,115	65,127	78,204
	CVA - Liabilities	13.1	(337,667)	(27,317)	(34,147)	(40,976)
IPCA				**10.25%**	**12.81%**	**15.38%**
	Indemnifiable Financial Assets - Concession	14	363,821	37,292	46,605	55,956
	Debentures	23	(38,846)	(3,982)	(4,977)	(5,973)
	Financial Asset – Concession Bonus	13.2	320,729	32,875	41,085	49,328
	Financial Asset - Indemnification of the Pery Plant's Basic Project	14.2.2	171,636	17,593	2,254	347
	Mathematical Reserve to be Amortized	-	(346,482)	(35,514)	(44,384)	(53,289)

5.6. Capital Management

The objectives of managing its capital are to safeguard the Company's ability to continue to offer shareholder returns and benefits to other stakeholders, as well as to maintain an ideal capital structure to reduce this cost.

To maintain or adjust the capital structure, the Company may review the dividend payment policy, return capital to the shareholders, or issue new shares or sell assets to reduce, for example, the level of indebtedness.

Consistent with other companies in the sector, the Company monitors the capital based on the financial leverage ratio. This index corresponds to the net debt divided by the total capital.

Net Debt, in turn, corresponds to total Loans and Financings, including short- and long-term loans, and Debentures, subtracted from the amount of Cash and Cash Equivalents. The total capital is determined by the sum of shareholders' equity with the net debt.

The table below shows the Financial Leverage Ratio:

			Consolidated
Description	**NE nº**	**09/30/2021**	**12/31/2020**
Loans and Financing - National Currency	22	163,860	944,422
Loans and Financing - Foreign Currency	22	871,235	710,522
Debentures	23.5	789,262	306,508
(-) Cash and Cash Equivalents	8	(743,079)	(1,166,205)
Net Debt		**1,081,278**	**795,247**
Total Shareholders' Equity		**2,459,541**	**1,984,642**
Total Capital		**3,540,819**	**2,779,889**
Financial Leverage Ratio (%)		**30.54%**	**28.61%**

5.7. Fair Value Estimate

It is assumed that the accounts receivable from customers and accounts payable balances at the book value, less the impairment loss, are close to their fair values.

The fair value of financial liabilities, for disclosure purposes, is estimated by discounting the future contractual cash flow at the prevailing market interest rate, which is available to the Company for similar financial instruments.

For financial instruments measured in the balance sheet at fair value the Company applies CPC 46 - Fair Value Measurement, which requires disclosure, by level, in the following hierarchy:

Quoted prices (unadjusted) in active markets for assets and liabilities that are identical to those that the entity may have access to at the measurement date (Level 1).

Information, in addition to the quoted prices, included in Level 1 that are adopted by the market for the Assets or Liabilities, either directly, that is, as prices or indirectly, as derived from prices (Level 2).

Inserts for assets or liabilities that are not based on the data adopted by the market, that is, unobservable inserts (Level 3).

The following table sets forth the Group's assets measured at fair value on September 30, 2021. The Company does not have liabilities measured at fair value at that base date.

			Consolidated
Description – Level 3	**Note**	**09/30/2021**	**12/31/2020**
Fair Value through Other Income Comprehensive – VJORA			
Marketable securities	15	137,261	137,261
Other	-	217	217
Fair Value by Income - VJR			
Indemnifiable Asset – Concession	14	701,674	612,637
Total Assets		**839,152**	**750,115**

Specific valuation techniques used to measure financial instruments at fair value include:

a) Market approach; b) Cost Approach; c) Revenue Approach; d) Other techniques.

The assets registered as Securities, evaluated by FVOCI, other techniques were used, such as discounted flow analysis. The cost approach was applied to the Others account.

For the concession assets, valued at VJR, the measurement was through the cost approach technique, referring to the current replacement/replacement cost, other techniques were used, such as discounted flow analysis.

6. FINANCIAL INSTRUMENTS BY CATEGORY

The following table sets forth the financial instruments by category as of September 30, 2021.

				Consolidated
Description	**Cost Amortized**	**Fair Value through Result**	**Fair Value through Other comprehensive results**	**Total**
Assets	**4,870,737**	**701,674**	**137,478**	**5,709,889**
Cash and cash equivalents	743,079	-	-	743,079
Trade receivables	2,619,491	-	-	2,619,491
Court deposits	322,384	-	-	322,384
CDE Subsidy (Decree No. 7,891/2013)	49,231	-	-	49,231
Marketable Securities	-	-	137,261	137,261
Indemnifiable Financial Assets - Concession	-	701,674	-	701,674
Financial Assets - CVA	644,187	-	-	644,187
Financial Asset – Concession Bonus	320,729	-	-	320,729
Financial Asset - Indemnification of the Pery Plant's Basic Project	171,636	-	-	171,636
Other	-	-	217	217

Description	Cost Amortized	Fair Value through Result	Fair Value through Other comprehensive results	Total
Liabilities	**4,025,131**	**19,472**	**-**	**4,044,603**
Trade payables	1,516,625	-	-	1,516,625
National Currency Loans	163,860	-	-	163,860
Foreign Currency Loan	871,235	-	-	871,235

Debentures	789,262	-	-	789,262
Mathematical Reserve to be Amortized	346,482	-	-	346,482
Sector Charges - CDE	-	19,472	-	19,472
Financial Liabilities - CVA	337,667	-	-	337,667

The following table sets forth the financial instruments by category as of December 31, 2020.

				Consolidated
Description	**Cost Amortized**	**Fair Value through Result**	**Fair Value through Other comprehensive results**	**Total**
Assets	**4,673,990**	**612,637**	**137,478**	**5,424,105**
Cash and cash equivalents	1,166,205	-	-	1,166,205
Trade receivables	2,580,436	-	-	2,580,436
Court deposits	291,869	-	-	291,869
CDE Subsidy (Decree No. 7,891/2013)	47,032	-	-	47,032
Marketable Securities	-	-	137,261	137,261
Indemnifiable Financial Assets - Concession	-	612,637	-	612,637
Financial Assets - CVA	286,861	-	-	286,861
Financial Asset – Concession Bonus	301,587	-	-	301,587
Other	-	-	217	217

Description	**Cost Amortized**	**Fair Value through Result**	**Fair Value through Other comprehensive results**	**Total**
Liabilities	**3,716,533**	**-**	**-**	**3,716,533**
Trade payables	1,224,547	-	-	1,224,547
National Currency Loans	944,422	-	-	944,422
Foreign Currency Loan	710,522	-	-	710,522
Debentures	306,508	-	-	306,508
Mathematical Reserve to be Amortized	388,043	-	-	388,043
Financial Liabilities - CVA	142,491	-	-	142,491

7. QUALITY OF FINANCIAL ASSETS CREDIT

The quality of credit of financial assets can be assessed by reference to the internal ratings of assignment of credit limits.

		Consolidated
Trade receivables	**09/30/2021**	**12/31/2020**
Group 1 – Customers with Collection in Due Date	950,054	929,782
Group 2 – Customers with an average delay between 1 and 90 days	831,288	868,941
Group 3 – Customers with an average delay of more than 90 days	838,149	781,713
Total	**2,619,491**	**2,580,436**

All other financial assets held by the Company, mainly checking accounts and financial investments, are considered to be of high quality and do not show any signs of losses.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held to meet short-term commitments and not for other purposes.

	Parent Company		Consolidated	
Description	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Resources at the Bank and in Cash	32	40	41,420	56,232
Financial Investments	36,337	50,381	701,659	1,109,973
Total	**36,369**	**50,421**	**743,079**	**1,166,205**

Financial investments are highly liquid, readily convertible into a known amount of cash, and are not subject to a significant risk of change in value. These securities refer to repurchase agreements and Bank Deposit Certificates (CDBs), remunerated on average at the rate of 95.5% of the variation of the Interbank Deposit Certificate (CDI).

9. TRADE RECEIVABLES

a) Consumers, Concessionaires, and Permissionaires

					Consolidated
Description	**Falling Due**	**Past due up to 90 days**	**Past Due Over 90 Days**	**09/30/2021**	**12/31/2020**
Consumers	**1,192,996**	**248,911**	**756,051**	**2,197,958**	**2,207,203**
Residential	318,254	159,231	168,794	646,279	597,374
Industrial	93,940	31,499	391,879	517,318	604,324
Trade	147,553	43,890	155,164	346,607	351,248
Rural	48,088	11,459	12,389	71,936	78,422
Government	39,016	392	9,402	48,810	45,113
Public Lighting	22,623	2,329	16,948	41,900	38,216
Public Service	21,799	111	1,475	23,385	23,839
Unbilled sales	501,723	-	-	501,723	468,667
Supply to Other Concessionaires	**338,488**	**20,265**	**62,780**	**421,533**	**373,233**
Concessionaires and Permissionaires	212,979	2,259	13,411	228,649	236,918
Transactions in the Scope of CCEE	1,654	-	8,436	10,090	65,672
Other Credits	112,113	18,006	40,933	171,052	62,534
Unbilled Concessionaires and Permissionaires	11,742	-	-	11,742	8,109
Total	**1,531,484**	**269,176**	**818,831**	**2,619,491**	**2,580,436**
PECLD with Customers (b)				(678,958)	(632,475)
Total Accounts Receivable from Customers - Net				**1,940,533**	**1,947,961**
Current				**1,915,829**	**1,918,725**
Noncurrent				**24,704**	**29,236**

b) Allowance for Doubtful Accounts - ADA

The estimated losses on the outstanding amounts are constituted by significant increases in credit risk since the initial recognition, assessed individually or collectively, considering all reasonable and sustainable information, including forward-looking information.

Celesc G, in addition to the defaults generated by bilateral contracts, is subject to defaults occurring in the electricity market of the national interconnected system, which are managed and accounted for by CCEE and are distributed among market agents.

The composition, by consumption class, is shown below:

		Consolidated
Consumers	**09/30/2021**	**12/31/2020**
Residential	111,631	76,631
Industrial	237,376	226,456
Textile (i)	114,614	114,614
Trade, Services and Others	130,825	109,029
Rural	6,948	5,509
Government	11,233	11,235
Public Lighting	16,638	16,611
Public Service	1,454	1,429
Concessionaires and Permissionaires (ii)	18,847	47,207
Free Consumers	1,414	1,250
Other	27,978	22,504
Total	**678,958**	**632,475**
Current	**564,344**	**517,861**
Noncurrent	**114,614**	**114,614**

b.1) Changes

	Consolidated
Description	**Total**
Balance on December 31, 2020	**632,475**
Provision Constituted in the Period	99,455
Reversal/Write-offs of Accounts Receivable	(52,972)
Balance on September 30, 2021	**678,958**

According to CPC 48/IFRS 9, Celesc D uses the provision matrix as a practical expedient to estimate its expected credit losses over the next twelve months, which were last updated in May 2021. The expected credit losses consider their historical experience, adjusting it to better reflect information about current economic conditions and reasonable and tolerable forecasts about future economic conditions, without excluding market information about credit risk.

A report extracted and monthly submitted to ANEEL containing the amounts billed and not received was used to prepare the delinquency matrix. The report aims to demonstrate the amounts not received (overdue and falling due) of each billing until the selected accrual date and to define the stabilization point of the invoice's aging curve.

The following are the percentages of expected losses segregated by consumption class, applied in the recognition of receivables:

Aging	General	Residential	Industrial	Commercial	Rural	Government	Public Lighting	Public Service
01	16.48%	24.48%	12.14%	12.86%	15.07%	7.76%	1.22%	3.40%
03	1.64%	2.69%	0.75%	1.21%	1.90%	0.26%	0.42%	0.06%
06	0.83%	1.23%	0.48%	0.75%	0.69%	0.08%	0.42%	0.03%
12	0.65%	0.91%	0.47%	0.61%	0.36%	0.03%	0.42%	0.02%
18	0.60%	0.78%	0.47%	0.56%	0.26%	0.01%	0.42%	0.02%
24	0.56%	0.71%	0.46%	0.53%	0.21%	0.01%	0.42%	0.02%
36	0.50%	0.64%	0.46%	0.45%	0.16%	0.01%	0.42%	0.02%
48	0.47%	0.58%	0.45%	0.43%	0.15%	0.01%	0.42%	0.02%
60	0.43%	0.56%	0.35%	0.43%	0.14%	0.01%	0.42%	0.02%

(i) Allowance for Doubtful Accounts (ADA) with the Textile Industry

In 2009, Celesc D implemented an action plan for debt recovery for companies in the textile industry, among them Têxtil Renaux View S.A, Tecelagem Kuehnrich - TEKA and Companhia Industrial Schlösser S.A.

Concerning the Company Têxtil Renaux View S.A., the Management of Celesc D, considering the non-payment rate of the debt related to the installment agreement, and due to the remote possibility of receiving it, it constituted a provision of the total amount receivable in the amount of R$45,215 in 2013.

In 2012, TEKA applied to judicial recovery before the Blumenau District, Santa Catarina. The recovery plan was approved by most of the creditors, although Celesc D has voted against it and in favor of the company's bankruptcy. Therefore, the likelihood of receiving this amount is remote in the management's assessment, and Celesc D incorporated a provision for the full payment of the installment that TEKA has with Celesc D, totaling R$55,794.

Also in 2011, Companhia Industrial Schlösser S.A. entered into a judicial reorganization, with a provision of R$16,888 in 2012. Celesc D received, in 2017, a judicial recovery of R$3,283, a reversed amount of the provision.

b.2) Changes in PECLD – Textile Sector

The composition, by company, is shown below:

	Consolidated
Description	**Total**
Têxtil Renaux View S.A.	45,215
Teka Tecelagem Kuehnrich S.A.	55,795
Companhia Industrial Schlösser S.A	13,604
Balance on December 31, 2020	**114,614**
Provision Constituted in the Period	-
Reversal in the Period	-
Balance on September 30, 2021	**114,614**

(ii) Judgment of the Generation Scaling Factor Adjustment - GSF

The amounts referring to the adjustments of the preliminary measures regarding the GSF in the reports of the results of the short-term market accounting, issued by CCEE, related to Celesc G are of R$9,708.

On September 30, 2021, the ADA's balance was R$8,436, and the amount of R$39,073 was reversed throughout this fiscal year due to its receipt.

On September 27, 2021, Celesc G informed the CCEE of the dropping of the existing lawsuit against the Garcia, the Bracinho, the Cedros, the Palmeiras, the Salto, and the Pery HPPs, as well as the Celso Ramos SHP. As a result, a portion totaling R$4,773 was reversed in September, referring to the renegotiation with these plants (Note 2.1.2.3 – item c).

b.3) Changes in the GSF's ADA

	Consolidated
Description	**Total**
Balance on December 31, 2020	**37,801**

Provision Constituted in the Period	9,708
Reversal in the Period (Write-off in Accounts Receivable)	(39,073)
Balance on September 30, 2021	**8,436**

10. INVENTORIES

Inventory consists of materials intended for the maintenance of generation operations and, mainly, power distribution, in addition to administrative supply.

		Consolidated
Description	**09/30/2021**	**12/31/2020**
Warehouse	17,141	12,257
Other	56	56
Total	**17,197**	**12,313**

Inventories are segmented into construction materials financed by the IDB and materials acquired with own resources.

11. TAXES RECOVERABLE

	Parent Company		**Consolidated**	
Description	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
PIS/COFINS (ICMS Exclusion Base Calculation)	-	-	1,612,819	611,534
Income Tax/Social Contribution	17,859	25,888	176,888	14,830
ICMS	-	-	47,205	57,208
PIS/COFINS	-	-	-	17,179
Other	-	-	981	990
Total	**17,859**	**25,888**	**1,837,893**	**701,741**
Current	**17,859**	**25,888**	**780,958**	**591,837**
Noncurrent	**-**	**-**	**1,056,935**	**109,904**

The Income Tax (IRPJ) and Social Contribution (CSLL) balances are substantially comprised of amounts paid in advance and reductions in Source for income tax on financial investments and will be realized in the normal course of operations.

The ICMS (State VAT) credits recoverable recorded in non-current assets derive from acquisitions of fixed assets and can be offset up to 48 months.

The balance of PIS and COFINS is composed mainly of higher payments related to a request for a preliminary injunction granted by the Federal Court regarding the process of recognition of the 2014 contractual exposure (Note 2.1.1.1, item e).

11.1. PIS and COFINS - exclusion of ICMS from the calculation base

	Parent Company		**Consolidated**	
Description	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
PIS/COFINS (Excluding ICMS from the Calculation Base) - 1st Lawsuit	-	-	627,836	611,534
PIS/COFINS (Excluding ICSM from the Calculation Base) - 2nd Lawsuit	-	-	984,984	-
Total	-	-	**1,612,820**	**611,534**
Current	-	-	**577,842**	**109,084**
Noncurrent	-	-	**1,034,978**	**502,450**

On April 1st, 2019, Celesc D was granted the final and unappealable decision of lawsuit 5006834-93.2012.4.04.7200, which recognized the right to repay the PIS/COFINS debt due to the inclusion of ICMS in the calculation base in the period from April 2007 to December 2014, as a result of the limited time granted in the decision resulting from supervenient Law 12,973/2014. The credits were initially recorded in compliance with consultation solution 13/2018 of the Federal Revenue Service - RFB. After the judgment of the Motions for Clarification in Extraordinary Appeal 574,706/PR, with general repercussion, by the Federal Supreme Court, held on May 13, 2021, the company supplemented the recorded credit amount to adjust it to the exclusion methodology of the ICMS tax highlighted in the PIS/COFINS calculation base. In this sense, the amount of R$627.8 million is in the process of offsetting the taxes falling due and is classified between current and non-current assets, with the amount related to current assets calculated based on the projections of values to be offset in the next twelve months.

On July 9, 2019, Celesc D filed the 2nd lawsuit under number 5016157-78.2019.4.04.7200, claiming the return of amounts referring to January 2015 onwards, which is pending. The lawsuit was upheld at first instance, recognizing the concessionaire's right to exclude ICMS from PIS and COFINS calculation base as of January 1, 2015, an understanding confirmed by the Federal Regional Court of the 4th Region when examining the Appeal filed by the Federal Government - National Treasury. The lawsuit is currently suspended by determination of the Vice President of the Federal Regional Court of the 4th Region until the conclusion of the retraction Court for the application of the adjustment of the effects of the theory submitted by the Federal Supreme Court of the motions for clarification filed by the Federal Government on the records of the leading case (Extraordinary Appeal 574706/PR) that addresses the matter in the context of general repercussion. The impact of the adjustment of the effects on Celesc's suit is awaited by the Company.

According to CPC 25 – Provisions, Contingent Liabilities, and Contingent Assets, the Company should record an asset when the inflow of economic benefits is probable, as well the reliable measurement of the amount involved.

Despite the pending final and unappealable decision of the second lawsuit, Celesc D has circumstances pertinent to the concrete case that allow an objective and reliable measurement to record the amounts of the second lawsuit from March 16, 2017 onwards, as it addresses the same issue of the previous lawsuit.

Regarding the recognition under taxes recoverable (assets) by crediting the liability refundable to consumers, the decision to consider an asset depends on how the credit will be recovered, given the decision of the Federal Revenue Office and the Attorney General of the National Treasury (PGFN) not to appeal the ruling by the Federal Supreme Court, the availability of supporting documents, and the tax compensation estimate within the next five years.

While the second lawsuit has not become final and unappealable, a requirement provided for in article 170-A of the Brazilian Tax Code for the start of the compensation, the respective amounts will remain recorded under noncurrent assets.

12. OTHER CURRENT AND NONCURRENT ASSETS

		Consolidated
Description	**09/30/2021**	**12/31/2020**
PIS/COFINS and ICMS ST (i)	64,466	58,040
Shared Infrastructure (ii)	26,284	27,241
Proinfa Down payment (iii)	17,509	17,509
CDE Refund Difference (iv)	19,404	42,777
Low Income Program	12,175	11,907
Prepaid Expenses	15,913	5,785
Tariff Flags	6,134	3,155
Other Credits	8,490	7,965
Total	**170,375**	**174,379**
Current	**168,282**	**171,161**
Noncurrent	**2,093**	**3,218**

(i) PIS/COFINS and ICMS Tax Replacement (TR)
Amounts receivable from Free Consumers arising from the collection of taxes charged on electricity bills linked to Agreement/CONFAZ 77, of August 5, 2011.

(ii) Shared Infrastructure
Refers to the use of fixing points on Celesc D's posts, carried out by third parties, for the provision of collective interest telecommunications services, such as telephony, internet, cable TV, and others.

(iii) Early Payment of the Incentive Program for Alternative Electricity Sources - PROINFA
Refers to early payment of the charge regulated by Decree 5,025/2004, at Celesc D, which aims to increase the share of alternative renewable sources in the production of electricity.

(iv) CDE Refund Difference
Corresponds to the difference between the amounts granted as tariff discounts to Celesc D's consumer units and the amounts received from CEEE to offset such discounts on the tariffs applicable to: generators and consumers with an incentive source; specialschedule irrigation and aquiculture service; public water, sewage, and sanitation service; distributors with market below 500 GWh/year; rural class; rural electrification cooperative sub-class and; public irrigation service.

13. FINANCIAL ASSETS/LIABILITIES

13.1. Portion A – CVA

Description	12/31/2020	Addition	Amorti-zation	Compensation	Transfers	09/30/2021	Amortization Balance	Incorporation Balance	Current	Noncurrent
CVA Assets	**1,177,150**	**1,100,524**	**(578,344)**	**24,827**	**(3,075)**	**1,721,082**	**834,232**	**886,850**	**927,844**	**793,238**
Energy	596,827	756,899	(192,765)	14,496	(928)	1,174,529	422,902	751,627	502,240	672,289
Itaipu Electricity Cost	175,062	35,402	(140,153)	1,121	-	71,432	71,432	-	71,432	-
Proinfa	-	25,253	(2,761)	397	-	22,889	22,889	-	22,889	-
Basic Grid Transport	91,284	40,452	(36,625)	2,063	-	97,174	85,966	11,208	87,149	10,025
Power Transmission	15,889	4,649	(8,022)	323	-	12,839	12,839	-	12,839	-
ESS	64,690	138,230	(9,007)	2,410	(2,147)	194,176	74,657	119,519	87,273	106,903
CDE	82,429	54,667	(83,025)	2,250	-	56,321	56,321	-	56,321	-
Neutrality of Portion A	23,551	4,243	(23,551)	19	-	4,262	-	4,262	450	3,812
Energy Overcontracting	92,692	40,197	(53,904)	(464)	-	78,521	78,521	-	78,521	-
Other	34,726	532	(28,531)	2,212	-	8,939	8,705	234	8,730	209
CVA Liability	**(1,032,780)**	**(436,523)**	**921,636**	**(4,757)**	**(862,138)**	**(1,414,562)**	**(1,247,491)**	**(167,071)**	**(1,265,511)**	**(149,051)**
Itaipu Electricity Cost	-	(3,149)	-	(19)	-	(3,168)	-	(3,168)	(334)	(2,834)
Proinfa	(14,402)	-	14,569	(167)	-	-	-	-	-	-
Power Transmission – Itaipu	-	(3,430)	-	(21)	-	(3,451)	-	(3,451)	(364)	(3,087)
Power Overcontracting	(44,170)	(33,602)	51,581	(381)	(70,213)	(96,785)	(62,802)	(33,983)	(66,389)	(30,396)
ESS	(127,017)	-	128,487	(1,470)	-	-	-	-	-	-
CDE	-	(3,265)	-	23	-	(3,242)	-	(3,242)	(342)	(2,900)
Neutrality of Portion A	(25,855)	(78,221)	10,696	2,745	-	(90,635)	(90,635)	-	(90,635)	-
Tariff Refunds	(93,077)	(7,546)	110,427	(580)	(795,000)	(785,776)	(752,318)	(33,458)	(756,236)	(29,540)
Other	(728,259)	(307,310)	605,876	(4,887)	3,075	(431,505)	(341,736)	(89,769)	(351,211)	(80,294)
Assets/(Liabilities) Balance	**144,370**	**664,001**	**343,292**	**20,070**	**(865,213)**	**306,520**	**(413,259)**	**719,779**	**(337,667)**	**644,187**

		Consolidated
Description	**09/30/2021**	**12/31/2020**
CVA 2020 - from August 23, 2019 to August 22, 2020	-	236,455
CVA 2021 - from August 23, 2020 to August 22, 2021	747,006	648,307
CVA 2022 - from August 23, 2021 to August 22, 2022	872,493	-
Total - CVA	**1,619,499**	**884,762**
Other Items - from August 23, 2019 to August 22, 2020	-	(535,672)
Other Items - from August 23, 2020 to August 22, 2021	(1,160,265)	(204,720)
Other Items - from August 23, 2021 to August 22, 2022	(152,714)	-
Total - Other Items - CVA	**(1,312,979)**	**(740,392)**
Total	**306,520**	**144,370**

13.2. Financial Assets – Concession Bonus

In 2016, Celesc G paid R$228.6 million as a Concession Bonus (BO) referring to the new concessions of Garcia, Bracinho, Palmeiras, Cedros, and Salto Plants. This amount is included in the AGR of these Plants and will be refunded by consumers over 30 years with an annual readjustment by the IPCA, as defined by ANEEL. The balance of the financial asset for each Plant is calculated by the amount paid by:

a) deducting the monthly amount received from the Refund of the Concession Bonus (RBO), established by ANEEL Confirmatory Resolution 2,746, of July 28, 2020;

b) adding the monthly interest calculated based on the Effective Interest Rate (TIR); and

c) adding the monetary restatement by the IPCA, established by the Concession Agreement.

						Consolidated
Description	**Garcia Plant**	**Bracinho Plant**	**Cedros Plant**	**Salto Plant**	**Palmeiras Plant**	**Total**
Balance on December 31, 2020	**43,944**	**63,048**	**48,139**	**29,048**	**117,408**	**301,587**
Monetary Restatement	2,854	4,095	3,131	1,877	7,666	19,623
Interest	4,001	5,821	4,297	3,008	9,418	26,545
Amortization/Write-off	(4,067)	(5,874)	(4,358)	(2,990)	(9,737)	(27,026)
Balance on September 30, 2021	**46,732**	**67,090**	**51,209**	**30,943**	**124,755**	**320,729**
Current						**35,977**
Noncurrent						**284,752**

14. INDEMNIFIABLE FINANCIAL ASSET - CONCESSION

		Consolidated
Description	**09/30/2021**	**12/31/2020**
Concession Asset - Power Distribution	**699,253**	**610,216**
In Service	363,821	289,571
Ongoing	335,432	320,645
Concession Assets – Power Generation	**174,057**	**2,421**
Indemnifiable Asset – note 14.2.1	2,421	2,421
Indemnifiable Asset – Pery Plant Basic Project - Note 14.2.2	171,636	-
Total	**873,310**	**612,637**
Current	**42,401**	**-**
Noncurrent	**830,909**	**612,637**

14.1. Indemnifiable Financial Asset - Power Distribution

Due to the extension of the 5th Amendment to Concession Agreement 56/1999, Celesc D divided its concession assets into intangible assets and indemnifiable assets.

Based on Technical Interpretation ICPC 01 - Concession Agreements, the portion of the infrastructure to be used during the concession was recorded in intangible assets, and consists of power distribution assets, net of special obligations (consumers' share).

	Consolidated
Description	**Total**
Balance on December 31, 2020	**610,216**
(+) New Investments	61,193
(+/-) Changes of Fixed Assets in Progress - AIC	14,788
(+) Indemnifiable Financial Asset Adjustment - Concession (i)	13,473
(-) Redemption	(417)
Balance on September 30, 2021	**699,253**

(i) IPCA

14.2. Indemnifiable Financial Asset - Power Generation

14.2.1 Indemnifiable Financial Asset

Celesc G requested to the granting authority that, at the end of the concessions of Bracinho, Cedros, Salto, and Palmeiras plants, the investments in infrastructure not depreciated during the concession period be refunded as compensation, according to the calculation criteria and procedures established by Regulatory Resolution - REN 596 of December 19, 3013, as it has an unconditional right to be indemnified, as it has a contractual unconditional right to be indemnified.

More recently, as a conclusion of Public Hearing 3 of 2019, on July 22, 2021, ANEEL published REN 942, amending REN 596/2013, given the non-applicability of the unit cost reference base provided for in paragraph 1 of article 10 of Decree 7,805 of 2012, to investments made over the concession, and considering that it was unfinished until the end of the year, the values presented in the table below should be required again to the granting authority through a new procedure yet to be defined.

		Consolidated
Plants	**09/30/2021**	**12/31/2020**
Bracinho HPP	85	85
Cedros HPP	195	195
Salto HPP	1,906	1,906
Palmeiras HPP	235	235
Total	**2,421**	**2,421**

14.2.2 Indemnifiable Financial Asset – Pery Plant Basic Project

Description	**Pery Plant**	**Total**
Balance on December 31, 2020	-	-
Inflows	114,496	114,496
Monetary Restatement	16,118	16,118
Interest	54,468	54,468
Amortization/Write-off	(13,446)	(13,446)
Balance on September 30, 2021	**171,636**	**171,636**
Current		**42,401**
Noncurrent		**129,235**

The proposal presented in Technical Note 55/2021-SRM/ANEEL of June 28, 2021, to the annual installment related to the indemnification of the Pery Power Plant considers a total indemnification amount of one hundred and fourteen million, four hundred and ninety-five thousand, seven hundred and thirteen reais and ninety-seven centavos (R$114,495,713.97), under MME Ordinance 257 of 2017, with a price index of July 2017, and an annualization factor of 0.1217615.

As of July 1, 2021, Celesc G receives indemnification retroactive to July 1, 2018, in the 2021/2022 AGR.

The balance of R$171.6 million recorded on September 30, 2021, refers to the amount recognized as indemnification of the Basic Project of the Pery Power Plant, totaling R$114.5 million, approved by Order 2,018 of July 6, 2021, issued by ANEEL, adjusted by the IPCA and monthly interest calculated based on the effective interest rate (TIR). The balance is monthly amortized until the end of the concession term, in July 2047, according to the amounts annually approved in the AGR. The recognition follows the rules of CPC 48 - Financial instruments (Nota 2.1.2.3, item b).

15. MARKETABLE SECURITIES

Temporary investments classified as noncurrent assets are measured at fair value.

	Parent Company		Consolidated	
Fair Value through Other Comprehensive Income (VJORA)	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Casan Shares	137,261	137,261	137,261	137,261
Other Investments	217	217	217	217
Noncurrent	**137,478**	**137,478**	**137,478**	**137,478**

15.1. Companhia Catarinense de Águas e Saneamento – Casan

The Company holds 56,713,251 Common Shares - ON, and 56,778,178 Preferred Shares - PN, representing 14.19% of Casan's Share Capital. The 14.74% to 14.19% reduction was due to the non-authorization of the use of the dividends proposed to Celesc in 2012 and 2014 for the advance for future capital increase (AFAC), which was subscribed in 2020, and the non-implementation of capital increase proposed by Casan at the end of 2020.

As it does not hold a significant interest in Casan, the Company measured the fair value of its equity interest in the temporary investment, adopting the discounted cash flow method for the annual appraisal of said investment. The historical acquisition cost of Casan's shares is R$110.7 million.

To calculate the valuation, the projection period adopted is 5 years (up to 2025) and has a terminal value (flow of the last 12 months of projection). The discount rate used was a nominal WACC of 10.13% p.a., with a nominal long-term (perpetuity) growth rate of 3.07% (average of the inflation projections for the next 5 years). The debt cost after taxes is 4.43% p.a. and the equity cost is 14.92% p.a., resulting in a fair value of R$138.3 million.

As there was no participant in the active market and because it is an estimate that includes several variables, which did not result in material additions, the Company did not change the fair value of this financial instrument on September 30, 2021.

Book Value Reconciliation

	Parent Company	Consolidated
Casan Shares	**Total**	**Total**
Balance on December 31, 2019	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
Balance on December 31, 2020	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
Balance on September 30, 2021	**137,261**	**137,261**

16. RELATED PARTIES

The Company has a related-party transaction policy, approved by the Board of Directors in 2018.

The balances recorded under related parties in current and noncurrent assets and liabilities, and changes in the result for the period are as follows:

a) The following table shows the changes in the result for the period.

	Parent Company			Consolidated
Description	**Other Expenses**	**Taxes**	**Sales Revenue**	**Financial Expenses**
Santa Catarina State Government:				
ICMS	-	(1,643,427)	-	-
Sales Revenue	-	-	50,310	-
Underground Grid	-	-	-	-
Celos				
Mathematical Reserve Adjustment	-	-	-	(25,404)
Celesc D				
Personnel Available	(3,841)	-	-	-
Balance on September 30, 2020	**(3,841)**	**(1,643,427)**	**50,310**	**(25,404)**
Santa Catarina State Government:				
ICMS	-	(1,952,575)	-	-
Sales Revenue	-	-	59,907	-
Underground Grid	-	-	-	-
Celos				
Mathematical Reserve Adjustment	-	-	-	(40,869)
Celesc D				
Personnel Available	(5,367)	-	-	-
Balance on September 30, 2021	**(5,367)**	**(1,952,575)**	**59,907**	**(40,869)**

b) The table below shows the account balances and transactions in the period.

	Parent Company		Consolidated			
	Assets	Liabilities	Assets		Liabilities	
Description	**Accounts Trade Receivables**	**Others**	**Accounts Trade Receivables**	**Taxes Recoverable**	**Taxes Payable**	**Others**
Santa Catarina State Government						
ICMS	-	-	-	57,208	274,512	-
Electricity Bill	-	-	6,285	-	-	-
Personnel Available	-	-	256	-	-	-
CELOS						
Contrib. Pension Plan, Healthcare Plan, and Others	-	44	-	-	-	17,715
Celesc G						
Dividends and Interest on Equity	20,546	-	-	-	-	-
Celesc D						
Personnel Available	-	546	-	-	-	-
Dividends and Interest on Equity	97,149	-	-	-	-	-
Balance on December 31, 2020	**117,695**	**590**	**6,541**	**57,208**	**274,512**	**17,715**
Santa Catarina State Government						
ICMS	-	-	-	47,205	271,591	-
Electricity Bill	-	-	7,888	-	-	-
Personnel Available	-	-	256	-	-	-
Celos						
Contrib. Pension Plan, Healthcare Plan, and Others	-	67	-	-	-	8,402
Celesc G						
Dividends and Interest on Equity	-	-	-	-	-	-
Celesc D						
Personnel Available	-	669	-	-	-	-
Dividends and Interest on Equity	48,575	-	-	-	-	-
Balance on September 30, 2021	**48,575**	**736**	**8,144**	**47,205**	**271,591**	**8,402**

c) Compensation of Key Management Personnel

Management compensation (Board of Directors, Fiscal Council, Statutory Audit Committee, and Executive Board) is as follows:

	Parent Company		Consolidated	
Description	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Fees	3,905	4,432	3,905	4,432
Profit Sharing	1,241	1,220	1,241	1,220
Social Charges	1,023	1,229	1,023	1,229
Other	708	766	708	766
Total	**6,877**	**7,647**	**6,877**	**7,647**

17. RESULT FROM INCOME TAX (IRPJ) AND SOCIAL CONTRIBUTION ON NET INCOME (CSLL)

17.1. Breakdown of net deferred income tax and social contribution

Deferred Income Tax and Social Contribution assets and liabilities were calculated based on:

(i) Provision for lawsuit contingencies;
(ii) ICPC 10 - Interpretation on the first-time adoption to fixed assets;
(iii) CPC 01 (R1) - Asset impairment on the provision for fixed asset losses;
(iv) CPC 33 (R1) - Employee Benefits;
(v) Adjustment to the fair value of fixed assets, arising from the first-time adoption of Technical Pronouncement CPC 27 - Fixed Assets;
(vi) CPC 39 - Financial Instruments in the recognition and measurement of the New Replacement Value.
(vii) CPC 39 - Financial Instruments. Deferred taxes on the Concession Bonus were calculated according to the Brazilian Revenue Office Regulatory Instruction 1.700, of March 14, 2017;
(viii) CPC 48 – Financial Instruments referring to Financial Asset values related to the indemnification of the Pery Plant;
(ix) CPC 04 (R1) – Intangible Asset referring to the renegotiation of the GSF hydrological risk.

The following table shows deferred income tax and social contribution balances:

Description	**09/30/2021**	**12/31/2020**
Assets	844,841	871,596
Liabilities	(77,510)	(11,642)
Net Deferred Tax	**767,331**	**859,954**

Consolidated

Temporary Differences	**Deferred Assets**		**Deferred Liabilities**		**Deferred Net**	
	09/30/2021	**12/31/2020**	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Provision for Contingencies	157,230	174,057	-	-	157,230	174,057
Provision for Asset Losses	64,941	64,738	-	-	64,941	64,738
Post-Employment Benefit	726,786	766,900	-	-	726,786	766,900
Attributed Cost	-	-	7,345	7,515	(7,345)	(7,515)
Deferred Income Tax and Social Contribution on Tax Losses	17,130	12,827	-	-	17,130	12,827
Effects of ICPC 01 - Concession Agreements	-	-	50,329	51,919	(50,329)	(51,919)
Effects of CPC 39 - Financial Instruments	-	-	62,014	63,971	(62,014)	(63,971)
Concession Bonus	-	-	42,874	35,052	(42,874)	(35,052)
Financial Asset - Pery Plant	-	-	20,515	-	(20,515)	-
Renegotiation of the GSF Hydrological Risk	-	-	15,599	-	(15,599)	-
Other Provisions	-	-	80	111	(80)	(111)
Total	**966,087**	**1,018,522**	**198,756**	**158,568**	**767,331**	**859,954**

17.2. Deferred Asset Realization

The income tax and social contribution tax base derives not only from the profit generated, but from non-taxable revenues, non-deductible expenses, tax incentives, and other variables, without an immediate correlation between the Company's net profit and income tax and social contribution. Therefore, the expectation of the use of tax credits should not be taken as the only indicator of the Company's future results.

The realization of deferred taxes is based on the budget projections approved by the Company's Board of Directors, to define and present actions necessary to meet regulatory demands, also converging to comply with the concession agreement.

The Company's Management considers that the deferred assets arising from temporary differences will be realized, in proportion to the final resolution of the contingencies and the events to which they refer when they will be offset against the profits taxable.

Deferred taxes on actuarial liabilities of employee benefits are being realized through the payment of contributions.

The remaining balance of the initial recognition of the 2014 contractual exposure by the regulatory authority totaling R$141,6 million adjusted until September 30, 2021, is in litigation at federal court. Income tax and social contribution were deferred until a final and unappealable decision is issued. In August 2019, through Confirmatory Resolution 2,593, ANEEL approved the deferral of the financial effect of the 2014 contractual exposure, reflected in five subsequent annual tariff procedures. Accordingly, the financial realization of the 2019, 2020, and 2021 tariff adjustments totaled R$65.7 million, R$68.5 million, and R$70.2 million, respectively, and the subsequent realization of deferred income tax and social contribution on this base.

The realization estimat s for the total asset balance of September 30, 2021 are:

	Consolidated	
Year	**09/30/2021**	**12/31/2020**
2021	50,974	81,847
2022	78,934	78,914
2023	75,324	75,304
2024	74,570	74,550
2025 onwards	686,285	707,907
Total	**966,087**	**1,018,522**

17.3. Reconciliation of Income Tax and Social Contribution Recorded in Equity

Changes of attributed costs and first-time adoption of CPC 48 - Financial Instruments with income tax and social contribution amounts, directly recorded in equity, are as follows:

	Consolidated
Description	**Total**
Balance on December 31, 2019	**26,229**
(-) Write-off of the Attributed Cost	(855)
(+) Taxes (Income Tax/Social Contribution)	291
Balance on December 31, 2020	**25,665**
(-) Write-off of the Attributed Cost	(501)
(+) Taxes (Income Tax/Social Contribution)	170
Balance on September 30, 2021	**25,334**

17.4. Reconciliation of Income Tax and Social Contribution Recorded in other Comprehensive Income

Changes of actuarial liability with income tax and social contribution amounts, directly recorded in other comprehensive income, are as follows:

	Consolidated
Description	**Total**
Balance on December 31, 2019	**1,470,026**
(+) Addition of the Actuarial Liability	(285,293)
(-) Taxes (IRPJ/CSLL)	97,000
Balance on December 31, 2020	**1,281,733**
(+) Addition of the Actuarial Liability	-
(-) Taxes (IRPJ/CSLL)	-
Balance on September 30, 2021	**1,281,733**

17.5. Reconciliation of Current and Deferred Income Tax and Social Contribution

The reconciliation of Income Tax and Social Contribution expenses at the nominal and effective rate is as follows:

	Parent Company		Consolidated	
Description	**09/30/2021**	**09/30/2020**	**09/30/2021**	**09/30/2020**
Profit/(Loss) before Income Tax and Social Contribution	**470,403**	**285,043**	**714,452**	**440,192**
Income Tax and Social Contribution Combined Nominal Rate	34%	34%	34%	34%
Income Tax and Social Contribution	**(159,937)**	**(96,915)**	**(242,914)**	**(149,665)**
Permanent Additions and Exclusions				
Equity Pickup	163,688	100,823	20,984	12,666
Tax Benefit	-	-	(56)	(64)
Tax Incentive	-	-	2,646	2,403
Non-Deductible Provisions	(482)	(506)	(488)	(506)
Non-Deductible Fines	-	-	(6,675)	(8,042)
Income Tax/Social Contribution Not Recognized on the Tax Loss	-	(4,827)	-	(4,827)
Management Interest	(244)	(209)	(275)	(238)
Non-Technical Losses	-	-	(14,256)	(8,499)
Other Additions (Exclusions)	1,471	1,634	1,481	1,623
Total Current and Deferred Income Tax and Social Contribution	**4,496**	-	**(239,553)**	**(155,149)**
Current	-	-	(146,931)	(140,291)
Deferred	4,496	-	(92,622)	(14,858)
Effective Rate	**-0.96%**	**0.00%**	**33.53%**	**35.25%**

17.6. Uncertainty about Income Tax and Social Contribution Treatment

On September 24, 2018, the Special Office of the Brazilian Federal Revenue Service (SERFB) filed Tax Proceeding 0900100-2018-00117-1. This procedure resulted in the issuance of Deficiency Notice 10980.727742/2018-81, totaling R$306.8 million. Said deficiency notice is related to the calculation of the taxable income and the social contribution tax base, thus attributing to the concessionaire:

a) Undue adjustments related to the Variation Compensation Account of Portion A Items - CVA;

b) The failure to comply with the remaining term of the concession agreement for the determinations provided for in article 69 of Federal Law 12973/2014.

After Management's analysis, it was found that the amounts calculated by the tax entity are separated from the tax rules, doctrine, and court decisions in similar cases. Management, supported by its legal advisors, understands that the procedures adopted will probably be accepted in decisions of higher courts of last resort (probability of acceptance > 50%) for its total value and, therefore, did not record any income tax/social contribution liability for these lawsuits.

In 2020, the Board of Tax Appeals (CARF), in deciding the Voluntary Appeal filed by the Company, partially granted the claim to cancel the requirements related to the adjustments (additions) referred to in article 69 of Law 12,973/2014, and the application of individual fines due to the failure to collect estimates, maintaining the requirement to charge the positive adjustments related to the CVA on an accrual basis. As a result, it is estimated that the granting of the appeal reduced the contingency to R$107 million. The taxpayer filed a motion for clarification of the decision, which is pending trial before CARF.

18. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES, AND AFFILIATED COMPANIES

	Parent Company		Consolidated	
Description	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Subsidiaries	**1,985,216**	**1,558,988**	**-**	**-**
Celesc D	1,289,369	990,001	-	-
Celesc G	695,847	568,987	-	-
Joint Ventures	**121,097**	**98,631**	**121,097**	**98,631**
SCGÁS	121,097	98,631	121,097	98,631
Affiliated Companies	**109,765**	**91,104**	**199,969**	**170,302**
ECTE	84,508	62,955	84,508	62,955
DFESA	25,257	28,149	25,257	28,149
SPCs	-	-	90,204	79,198
Cubatão	3,353	3,353	3,353	3,353
(-) Provision for Loss in Cubatão	(3,353)	(3,353)	(3,353)	(3,353)
Total	**2,216,078**	**1,748,723**	**321,066**	**268,933**

18.1. Information on Investments

						Parent Company
Description	**Company's Shares**	**Company's Interest**		**Equity**	**Total Assets**	**Profit (Loss)**
	Common Shares	**Share Capital**	**Voting Capital**			
Balance on December 31, 2020						
Celesc D	630,000	100.00%	100.00%	990,001	9,553,390	409,048
Celesc G	43,209	100.00%	100.00%	568,987	768,717	81,909
ECTE	13,001	30.88%	30.88%	203,837	538,314	80,619
SCGÁS	1,827	17.00%	51.00%	379,388	627,715	70,357
DFESA	153,382	23.03%	23.03%	122,227	128,798	42,007
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Balance on September 30, 2021						
Celesc D	630,000	100.00%	100.00%	1,289,369	10,676,048	299,368
Celesc G	43,209	100.00%	100.00%	695,847	808,745	126,860
ECTE	13,001	30.88%	30.88%	273,622	637,510	75,807
SCGÁS	1,827	17.00%	51.00%	518,020	877,174	142,150
DFESA	153,381	23.03%	23.03%	109,667	121,688	29,027
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)

Consolidated

Description	Company's Shares Common Shares	Company's Interest Share Capital	Company's Interest Voting Capital	Equity	Total Assets	Profit (Loss)
Balance on December 31, 2020						
ECTE	13,001	30.88%	30.88%	203,837	538,314	80,619
SCGÁS	1,827	17.00%	51.00%	379,388	627,715	70,357
DFESA	153,382	23.03%	23.03%	122,227	128,798	42,007
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Rondinha Energética S.A.	15,113	32.50%	32.50%	44,716	54,652	2,712
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	49,843	59,662	7,775
Xavantina Energética S.A.	266	40.00%	40.00%	25,464	38,065	736
Garça Branca Energética S.A.	22,326	49.00%	49.00%	36,983	62,655	(719)
EDP Transmissão Aliança SC	2,650	10.00%	10.00%	232,092	1,784,077	74,871
Balance on September 30, 2021						
ECTE	13,001	30.88%	30.88%	273,622	637,510	75,807
SCGÁS	1,827	17.00%	51.00%	518,020	877,174	142,150
DFESA	153,381	23.03%	23.03%	109,667	121,688	29,027
Cubatão	1,600	40.00%	40.00%	1,566	5,739	(125)
Rondinha Energética S.A.	15,113	32.50%	32.50%	46,608	54,470	1,586
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	38,455	65,245	(12,307)
Xavantina Energética S.A.	271	40.00%	40.00%	26,164	36,974	638
Garça Branca Energética S.A.	23,793	49.00%	49.00%	37,581	60,860	(819)
EDP Transmissão Aliança SC	12,650	10.00%	10.00%	360,070	2,155,232	83,486

18.2. Changes in Investments

Parent Company

Description	Celesc D	Celesc G	ECTE	SCGÁS	DFESA	Total
Balance on December 31, 2020	**990.001**	**568,987**	**62,955**	**98,631**	**28,149**	**1,748,723**
Dividends and Interest on Equity Credited	-	-	(2,805)	(599)	(9,577)	(12,981)
Amortization of the Concession Right of Use	-	-	-	(1,101)	-	(1,101)
Equity Pickup	299,368	126,860	24,358	24,166	6,685	481,437
Balance on September 30, 2021	**1,289,369**	**695,847**	**84,508**	**121,097**	**25,257**	**2,216,078**

Consolidated

Description	ECTE	SCGÁS	DFESA	SPCs	Total
Balance on December 31, 2020	**62,955**	**98,631**	**28,149**	**79,198**	**268,933**
Payments	-	-	-	4,497	4,497
Dividends and Interest on Equity (ISE) Credited	(2,805)	(599)	(9,577)	-	(12,981)
Amortization of the Concession Right of Use	-	(1,101)	-	-	(1,101)
Equity Pickup	24,358	24,166	6,685	6,509	61,718
Balance on September 30, 2021	**84,508**	**121,097**	**25,257**	**90,204**	**321,066**

18.3. Acquisition of the Concessions' Right of Use

The balance of the concession use right generated in the acquisition of SCGÁS on September 30, 2021, is R$33,034 (R$34,135 on December 31, 2020). The concession use right is amortized by the concession term of the public services rendered by said company.

19. PROPERTY, PLANT AND EQUIPMENT

19.1. Balance Breakdown

Consolidated

Description	Lands	Reservoirs, Dams and Water Mains	Buildings and Constructions	Machinery and Equipment	Others	Construction in Progress	Total
Balance on December 31, 2020	**8,447**	**13,975**	**30,949**	**84,302**	**731**	**63,023**	**201,427**
Property, Plant and Equipment Costs	20,202	169,061	50,166	171,152	2,087	63,023	475,691
Provision for Losses	(4,427)	(23,138)	(436)	(2,778)	78	-	(30,701)
Accumulated Depreciation	(7,328)	(131,948)	(18,781)	(84,072)	(1,434)	-	(243,563)
Balance on December 31, 2020	**8,447**	**13,975**	**30,949**	**84,302**	**731**	**63,023**	**201,427**
Additions	-	-	-	-	-	14,630	14,630
Write-offs - Gross Balance	(993)	(13,774)	(37,455)	(90,947)	(8)	(22)	(143,199)
Write-offs - Depreciation	-	9,134	3,545	14,365	4	-	27,048
Ind. Depreciation Adjustment Pery Plant	-	381	3,465	10,452	1	-	14,299
Depreciation	-	(473)	(587)	(2,604)	(132)	-	(3,796)
(+/-) Transfers	-	94	144	3,416	-	(3,654)	-
Reversal/Loss of Asset Recoverability	-	-	-	-	-	-	-
Balance on September 30, 2021	**7,454**	**9,337**	**61**	**18,984**	**596**	**73,977**	**110,409**
Property, Plant and Equipment Costs	19,209	164,515	16,400	97,986	2,083	73,977	374,170
Provision for Losses	(4,427)	(23,138)	(436)	(2,778)	78	-	(30,701)
Accumulated Depreciation	(7,328)	(132,040)	(15,903)	(76,224)	(1,565)	-	(233,060)
Balance on September 30, 2021	**7,454**	**9,337**	**61**	**18,984**	**596**	**73,977**	**110,409**
Average Depreciation Rate	**0%**	**2.62%**	**1.97%**	**2.71%**	**13.29%**	**0.00%**	

Of the main investments in the generation park from January to September 2021, R$10.6 million were paid in debenture charges and costs, ancillary mechanical system, turbines and generation parts, electrical assembly, mobilization and work sites of the Celso Ramos Plant; R$2.2 million were spent in plant automation, executive project, supervision and control panel, and speed control of the Palmeiras Plant; R$803,000 were used for the acquisition of vehicles, development of the integration software, notebooks, electromechanical maintenance service for the Central Administration; R$385,000 were allocated in 24KV synchronism circuit breakers, main border meters, and replacement of excitation cables of the Salto Plant; R$384,000 were used in 24KV synchronism circuit breakers, remodeling of the UG-02 generator, grid extension, battery banks, and maintenance services of the Pery Plant; R$152,000 were used in 24KV synchronism power circuits of the Caveiras Plant; and R$131,000 refer to centrifugal pumps, power cables of UG-01, power cables and IP change of the Bracinho Plant.

In September 2021, the Company wrote off the gross balance of unamortized or not depreciated assets of the Pery Plant, calculated from the end of the concession term (subsequently renewed), according to clause 11th of the concession agreement 006/2013. The amount written-off and changed into financial assets considers the total indemnified amount of R$114.5 million presented in Technical Note 55/2021-SRM/ANEEL of June 28, 2021 (Note 2.1.2.3, item b)

19.2. Depreciation

The average annual depreciation rates estimated for the current year are as follows:

Consolidated

Management	Percentage (%)
Buildings and Constructions	6.3
Machinery and Equipment	4.2
Vehicles	14.3
Furniture and Utensils	6.3

Operation	Percentage (%)
Buildings and Constructions	2.0
Machinery and Equipment	2.7
Reservoirs, Dams and Water Mains	2.6
Vehicles	7.0
Furniture and Utensils	1.4

The straight-line depreciation method, useful lives, and residual values are reviewed at each reporting date any adjustments are recorded as changes in accounting estimates.

The Garcia, Palmeiras, Salto Weissbach, Cedros, and Bracinho Plants are depreciated based on the concession term defined in the agreement.

The assets of the Pery Plant, Celso Ramos SHP, and Caveiras, Ivo Silveira, Piraí, São Lourenço, and Rio do Peixe HGPs are depreciated at the rates established by ANEEL Resolution 674, from August 11, 2015, since they have a registration agreement.

Investments for expansion in the Celso Ramos, Garcia, Palmeiras, Salto Weissbach, Cedros, and Bracinho Plants, which are susceptible to indemnification at the end of the concession, are also depreciated according to the same Resolution.

The assets of the Central Management (buildings and constructions, machinery and equipment, vehicles, and furniture fixtures) are also depreciated by the rates established in the aforementioned Resolution.

19.3. Operating PP&E Fully Depreciated

The gross accounting value of operating PPE that are fully depreciated on September 30, 2021, is as follows:

		Consolidated
Description	**09/30/2021**	**12/31/2020**
Reservoirs, Dams and Water Mains	121,993	132,349
Buildings, Works and Improvements	11,331	11,935
Machinery and Equipment	43,618	48,297
Other	13,824	13,826
Total	**190,766**	**206,407**

20. INTANGIBLE ASSETS

20.1. Goodwill ECTE

The goodwill generated in the acquisition of ECTE is amortized by the concession term of the public services rendered by said company.

			Parent Company
Description	**12/31/2020**	**Amortizations**	**09/30/2021**
Goodwill ECTE	4,944	(377)	4,567

20.2. Concession Agreements

(i) The fees established by ANEEL are used in the tariff revisions, indemnification calculation at the end of the concession, and are recorded as a reasonable estimate of the useful life of the concession assets. Therefore, these fees were used as a basis for valuing and amortizing the intangible asset.

(ii) The extension of the concession period by the granting authority for the plants renegotiated because of the GSF hydrological risk was calculated by the fair value and recorded as Intangible Asset. These assets will be amortized on a straight-line basis until the end of the new concession term of each renegotiated plant (Note 2.1.2.3, item c).

Description	Concession Assets - Celesc D (i)	Software Purchased	Renegotiation of the GSF Hydrological Risk (ii)	Goodwill	Right-of-Way	Items in Progress	Total
Balance on December 31, 2020	**3,610,710**	**832**	**-**	**4,944**	**70**	**1,500**	**3,618,056**
Total Cost	5,757,746	7,404	-	14,248	70	1,500	5,780,968
Accumulated Amortization	(2,147,036)	(6,572)	-	(9,304)	-	-	(2,162,912)
Balance on December 31, 2020	**3,610,710**	**832**	**-**	**4,944**	**70**	**1,500**	**3,618,056**
Additions	353,724	-	45,879	-	-	201	399,804
Write-offs	(40,348)	-	-	-	(70)	-	(40,418)
Amortization	(183,090)	(136)	-	(377)	-	-	(183,603)
Transfers	-	-	-	-	-	-	-
Balance on September 30, 2021	**3,740,996**	**696**	**45,879**	**4,567**	**-**	**1,701**	**3,793,839**
Total Cost	6,071,122	7,404	45,879	14,248	-	1,701	6,140,354
Accumulated Amortization	(2,330,126)	(6,708)	-	(9,681)	-	-	(2,346,515)
Balance on September 30, 2021	**3,740,996**	**696**	**45,879**	**4,567**	**-**	**1,701**	**3,793,839**
Average Amortization Rate	**4.3%**	**20.0%**	**0%**	**1.3%**	**0%**	**0%**	

21. TRADE PAYABLES

		Consolidated
Description	**09/30/2021**	**12/31/2020**
Electricity	813,409	571,122

Charges from the Use of the Power Grid	117,316	121,416
Materials and Services	134,927	138,291
Electricity Trading Chamber – CCEE (i)	450,973	393,718
Total	**1,516,625**	**1,224,547**

(i) One of CCEE's attributions is to determine the value of agents' recording. In the case of the distributors, these values include, in addition to short-term sales and acquisitions, charges, the effect of thermal station relocations, and also several hydrological risk impacts.

In the case of distributors, the hydrological risk is associated with the energy contracts (CCEAR-QT) that have been renegotiated, contracts of physical guarantee quota, and contracts with Itaipu, where the buyer assumes the hydrological risk. Within this context, the Summary costs (SUM001) remained high in 3Q21 because of the low level of the National Interconnected Systems (SIN) reservoirs, which led the Brazilian Electric System's operation authorities to relocate the entire Brazilian thermal park to preserve water levels at the power plants, to minimize the likelihood of rationing. Accordingly, GSF is negatively impacted, increasing payment in terms of hydrological risk. The relocation of these thermal plants increases costs, given that fuel, such as gas, diesel, and coal, is more expensive. Moreover, within this context of low water availability, importing power from Argentina and Uruguay also increased charges.

22. LOANS AND FINANCING

Loans and Financing have five distinct classifications: (i) Bank Loans, (ii) Commercial Promissory Note, (iii) Eletrobras Loans, (iv) Finame Loans, and (v) Loans - IDB, and some of them are guaranteed by the Celesc Holding's receivables and suretyship, according to contractual provisions.

			Consolidated
Description		**09/30/2021**	**12/31/2020**
Total in Domestic Currency		**163,860**	**944,422**
Bank Loans (i)	CDI + 1.3% p.a.	22,293	122,406
Bank Loans (i)	CDI + 0.8% p.a.	130,814	298,315
Commercial Promissory Note (ii)	CDI + 4.5% p.a.	-	507,939
Eletrobras Loans (iii)	5% p.a.	3,202	3,857
Finame Loans (iv)	2.5% to 9.5% p.a.	7,551	11,905
Total in Foreign Currency		**871,235**	**710,522**
Loans - IDB (v)	CDI + 0.77% to 1.98% p.a.	871,235	710,522
Total		**1,035,095**	**1,654,944**
Current		**180,685**	**865,901**
Noncurrent		**854,410**	**789,043**

i) Bank Loans

Bank Loans balances refer to contracting, whose funds were exclusively used to strengthen the Company's cash.

In November 2018, R$200 million in Bank Credit Bills (CCB) were contracted with Banco Safra, yielding CDI + 1.3% p.a. as a monthly requirement. The CCBs are effective for 36 months, with an 18-month grace period for the beginning of the amortization of the principal, to be settled in 18 monthly installments, starting in June 2020 and expected to end in November 2021.

Supplementing the Bank Loans, in April 2019 another R$335 million was contracted with Banco Safra through CCBs, yielding CDI + 0.80% p.a. as a monthly requirement. The validity, grace period, and settlement of principal are identical to those described in the previous contract, with amortization starting in November 2020 and expected to end in April 2022.

ii) Commercial Promissory Note

On May 29, 2020, Celesc D carried out the first issue of four hundred and eighty-nine (489) Commercial Promissory Notes at a unit value of R$1.0 million, totaling R$489.0 million. Interest corresponded to 100% of the accumulated variation of the one-day "over extra group" average daily Interbank Deposit rates (DI)", calculated and disclosed by B3 on a year with 252 business days, exponentially added of a spread equivalent to 4.50% p.a. Principal and interest were paid on a lump sum on May 21, 2021.

iii) Eletrobras

The funds from this contract were allocated to, among others, the rural electrification programs and come from the Global Reversion Reserve (RGR) and Eletrobrás Financing Fund. The contract in effect has a grace period of 24 months, amortization in 120 monthly installments, an interest rate of 5% p.a., and an administration fee of 1% p.a., it has the consent of ANEEL and is expected to expire on May 30, 2025.

iv) Finame

The funds raised from these contracts covered part of Celesc D's insufficient cash to purchase machinery and equipment. Each acquisition comprises a contract at interest rates varying from 2.5% to 9.5% p.a. 96 monthly amortizations referring to Banco do Brasil FINAMEs, and 72 monthly amortizations referring to the Brazilian Federal Savings Bank FINAMEs. All contracts have the consent of ANEEL.

v) Interamerican Development Bank – IDB

The Celesc-IDB is Program is carried out based on Loan Agreement 4404/OC-BR (BR-L1491), which was entered into on October 31, 2018, between Celesc D and the Interamerican Development Bank (IDB).

The transaction totals two hundred and seventy-six million and fifty-one thousand US dollars (US$276,051,000.00), has two hundred and thirty-four (234) months to be amortized, a grace period of up to sixty-six (66) months, totaling three hundred (300) months.

The amortization is carried out every six months on a straight-line basis at 3-month LIBOR (USD-LIBOR 3m) plus spread, adjusted for inflation based on the exchange rate variation. Moreover, up to 0.5% p.a. over the unpaid balance in U.S. dollars should be paid as a commitment fee, as well as up to 1% of the loan amount as a supervision fee, divided by the number of semesters included in the original payment term 5 (five) years.

The loan, guaranteed by the Federative Republic of Brazil and Santa Catarina State, will be used to partially finance the Electricity Infrastructure Investment Program within the authority of Celesc D.

The first amounts totaling eighty million, seventy-eight thousand, six hundred and thirty-one dollars, and five centavos (US$80,078,631.05) were released on December 10, 2018, and January 28, 2019. After that, on May 2, 2019, it decided to translate the amounts released into domestic currency and change the interest rate provided for in the contract, considering IDB costs. Therefore, the foreign exchange variation is no longer considered.

Releases continued and the option to translate the amounts into domestic currency and change the interest rates mentioned above were maintained.

Below are all releases until September 30, 2021, with dates, amounts, and interest rates currently used:

Dates	Amounts in US$	Interest Rate
10.12.2018	70,374,302.95	CDI + 0.99% p.a.
28.01.2019	9,704,328.10	CDI + 0.99% p.a.
10.07.2019	26,210,755.00	CDI + 1.04% p.a.
10.12.2019	9,767,891.73	CDI + 0.87% p.a.
6.09.2020	7,273,169.76	CDI + 1.24% p.a.
10.13.2020	35,000,000.00	CDI + 1.90% p.a.
19.03.2021	25,000,000.00	CDI + 1.98% p.a.

All interest rates consider IDB costs and may change as one spread item is variable and defined by IDB every quarter.

It is worth noting that the payments for the contracted financing are made based on the Loan Agreement 4404/OC-BR (BR-L1491), according to Chapter IV of the General Provisions.

The Program financial statements are subject to an independent audit performed by the General Accounting Office of the Santa Catarina State (TCE/SC), according to Clause 5.02 of the Special Provisions of the aforementioned Agreement.

a) Investment Breakdown

The amounts recorded in noncurrent liabilities are broken down as follows, by maturity year:

						Consolidated
Description	Domestic		Foreigner		Total	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020	09/30/2021	12/31/2020
2022	975	79,107	-	-	975	79,107
2023	3,260	3,260	-	-	3,260	3,260
2024	1,139	1,139	42,434	35,259	43,573	36,398
2025 onwards	364	364	806,238	669,914	806,602	670,278
Total	**5,738**	**83,870**	**848,672**	**705,173**	**854,410**	**789,043**

b) Changes in Loans and Financing - Brazil

			Consolidated
Description	Current	Noncurrent	Total

Balance on December 31, 2020	**860,552**	**83,870**	**944,422**
Inflows	-	-	-
Monetary Restatement	-	-	-
Accrued Fees	22,212	-	22,212
Transfers	78,132	(78,132)	-
Principal Amortization	(761,493)	-	(761,493)
Payment of Charges	(41,281)	-	(41,281)
Balance on September 30, 2021	**158,122**	**5,738**	**163,860**

c) Changes in Loans and Financing - Foreign – IDB
1

			Consolidated
Description	**Current**	**Noncurrent**	**Total**
Balance on December 31, 2020	**5,349**	**705,173**	**710,522**
Inflows	-	141,025	141,025
Monetary Restatement	-	2,474	2,474
Accrued Fees	30,597	-	30,597
Payment of Charges	(13,383)	-	(13,383)
Balance on September 30, 2021	**22,563**	**848,672**	**871,235**

23. DEBENTURES

23.1. Debentures 2018 - Celesc D

On July 13, 2018, Celesc D issued two hundred and fifty thousand (250,000) debentures, not convertible into shares, at a face value of R$1.0 thousand, totaling R$250 million and maturing on July 13, 2023. The proceeds from this issue were used to strengthen the issuer’s cash for the management of its business.

The issue has a personal guarantee of present or future receivables arising from the gross supply of electricity to Celesc D's customers. Celesc Holding will provide suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture.

The debentures mature 5 years as from the issue date, i.e. July 13, 2023, at 100% of the cumulative variation of the one-day daily average rates of the Interbank Deposit rate (DI), plus a surcharge or spread of 1.9% per year.

The amortization was expected to be paid in 15 consecutive quarterly installments, on January 13, April 13, July 13, and October 13, starting on January 13, 2020, and ending on the maturity date. The remuneration will occur in quarterly and consecutive installments, with no grace period, as of October 13, 2018. Until September 30, 2021, R$41.0 million in remuneration and R$116.6 million in principal had been paid.

As a guarantor, the Company is annually committed to a covenant linked to the Debenture issue to present a Net Debt/EBITDA ratio lower than 2.5. The failure to comply with this financial indicator may imply the early maturity of the total debt. As of December 31, 2020, the calculation result of this ratio was 0.92, thus meeting this obligation.

23.2. Debentures 2021 - Celesc D

On April 15, 2021, Celesc D issued five hundred and fifty thousand (550,000) simple debentures, not convertible into shares, at a face value of R$1,000, totaling R$550 million and maturing on April 15, 2026. The proceeds from this issue were used to reinforce cash.

The debentures are unsecured, with no preference, thus not granting any special or general privilege to their holders. Moreover, they have a personal guarantee. Celesc Holding will provide suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture.

Interest correspond to 100% of the accumulated variation of the average daily rates of the “over extra-group” Interbank Deposit rate (DI), as a percentage per year, on a year with 252 business days, calculated and daily disclosed by B3, plus a surcharge or spread of 2.6 % p.a.

The remuneration is expected to be paid as follows: quarterly and as of the issue date, maturing on January 15, April 15, July 15, and October 15, and ending on October 15, 2022; and monthly as from November 15, 2022, with the other maturities on the 15th of the subsequent months until the end of the validity. Until September 30, 2021, R$6.5 million in remuneration was paid.

The amortization is expected to occur in forty-three (43) consecutive monthly installments, always on the 15th of each month, the first of which on October 15, 2022.

From the fiscal year to be ended on December 31, 2021, to the maturity date of the debt, the Company, as a guarantor, and Celesc D, as the issuer, are annually committed to the covenant linked to the debenture issue to present a Net Debt/EBITDA ration lower than 3.00. The failure to comply with this financial indicator may imply the early maturity of the total debt.

23.3. Debentures 2018 - Celesc G

On June 1, 2018, Celesc G issued 15,000 debentures at a face value of R$10,000, not monetarily restated, totaling R$150 million. The simple debentures were issued in a single series, not convertible into shares. The issue has a personal guarantee of present or future receivables arising from the gross supply of electricity to Celesc G's customers. The personal guarantee, in turn, was provided as a suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture. The debentures mature in five years as of the issue date and yield 100% of the accumulated variation of the average daily rates of the “over extra-group” Interbank Deposit rate (DI), as a percentage per year, plus a surcharge or spread of 2.5 % p.a., until the actual payment date.

Interest has been paid since September 2018 and the amortization has been made since June 2019, both quarterly and consecutively. Until September 30, 2021, R$28.0 million in remuneration, and R$88.2 in principal were paid.

The Company, as a guarantor, and Celesc G, as the issuer, are annually committed to a covenant linked to the Debenture issue to present a Net Debt/EBITDA ratio lower than 2. The failure to comply with this financial indicator may lead to the early maturity of the total debt. On June 30, 2021, the result of the calculation of these ratios was 0.85 and 0.38, respectively, thus meeting these obligations.

23.4. 2020 Debentures – Celesc G

On December 10, 2020, Celesc G issued 37,000 debentures with a face value of R$1,000 totaling R$37 million. The monetary restatement is calculated by the accumulated variation of the IPCA monthly disclosed by the Brazilian Institute of Geography and Statistics (IBGE). The simple debentures were issued in a single series, not convertible into shares. The personal guarantee was provided as a suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture. The debentures mature in ten years, as of the issue date, and yield 4.30% p.a., until the actual payment date.

Interest started to be paid in June 2021, and the amortization will start in December 2023, both quarterly and consecutively. Until December 30, 2021, R$782.3 million in remuneration was paid.

As the issuer, Celesc G is annually committed to a covenant linked to the Debenture issue to present a Net Debt/EBITDA ratio lower than 3.50. The failure to comply with this financial indicator may lead to the early maturity of the total debt. As of December31, 2020, the calculation result of this ratio was 0.65, thus meeting this obligation.

23.5. Changes in Debentures

	Consolidated
Description	**Total**
Balance on December 31, 2020	**306,508**
Inflows	545,450
Accrued Fees	25,923
Payments of Charges	(15,841)
Principal Payment	(76,471)
Debenture Issue Costs - Celesc D	835
Debenture Issue Costs - Celesc G	401
Interest on Construction in Progress	2,457
Balance on September 30, 2021	**789,262**
Current	**111,488**
Noncurrent	**677,774**

23.6. Prepaid Costs of Debenture Fundraising

		Consolidated
Description	**09/30/2021**	**12/31/2020**
2021	546	1,248
2022	2,168	1,248
2023	1,580	660
2024	922	-
2025 onwards	1,185	-
Total	**6,401**	**3,156**

23.7 Reconciliation of Liabilities Resulting from Financing Activities

Description	Parent Company
Balance of Dividends and Interest on Equity on December 31, 2020	**123,621**
Payments - Changes in the Financing Flow	(61,505)
Changes Not Affecting Cash	-
Balance of Dividends and Interest on Equity Balance on September 30, 2021	**62,116**

Consolidated

Description	12/31/2020	Inflow of Funds	Principal Payment	Total Changes in the Financing Flow	Interest Payment (i)	Changes not Affecting Cash (ii)	09/30/2021
Loans/Financing	1,654,944	141,025	(761,493)	(620,468)	(54,664)	55,283	1,035,095
Debentures	306,508	545,450	(76,471)	468,979	(15,841)	29,616	789,262
Dividends and Interest on Equity	123,621	-	(61,505)	(61,505)	-	-	62,116
Total	**2,085,073**	**686,475**	**(899,469)**	**(212,994)**	**(70,505)**	**84,899**	**1,886,473**

(i) Interest paid is recorded in the flow of Operating Activities in the Statement of Cash Flow.
(ii) Accrued interest and monetary variations of Loans and Financing totaled R$55,283. Debentures totaled R$29,616, R$1,236 of the total refers to debenture costs in 2021 and R$2,457 of interest from works in progress (CPC – 20 Borrowing Costs).

24. LABOR AND SOCIAL SECURITY OBLIGATIONS

	Parent Company		Consolidated	
Description	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Provisions and Payroll Social Charges	1,236	658	119,909	94,946
Separation Incentive Plan - PDI (i)	-	-	87,684	132,670
Consignment in Favor of Third Parties	-	-	3,670	7,479
Provision for Profit Sharing - PLR	-	-	27,196	24,155
Net Payroll	263	221	17,493	12,670
Total	**1,499**	**879**	**255,952**	**271,920**
Current	**1,499**	**879**	**220,317**	**211,656**
Noncurrent	**-**	**-**	**35,635**	**60,264**

24.1. Separation Incentive Plan - PDI

The program is part of the Company's strategy to adjust its operating costs, optimize processes, and improve indicators to add value to shareholders.

On February 22, 2016, Celesc D approved the regulation of the Separation Incentive Plan (PDI). This program was first implemented in December 2016. New editions were made in the following years with the same criteria and regulations. The only change was regarding the minimum time worked at the Company that became an eligibility rule.

Plans	Minimum Time at the Company	Number of Installments	Number of Installments by Joining the CD Plan
PDI 2016	25 years	24 to 60	None
PDI 2017	25 years	24 to 60	None
PDI 2018	25 years	24 to 60	None
PDI 2019	25 years	24 to 60	None
PDI 2020	24 years	24 to 60	None

On April 23, 2020, Celesc D obtained approval to carry out an Emergency Separation Incentive Plan, called PDI-E, for employees with over 33 years of work. 86 employees voluntarily left the Company.

Plan	Minimum Time at the Company	Number of Installments	Number of Installments by Joining the CD Plan
PDI-E 2020	33 years	36 to 60	18

In July 2020, a new edition was approved. The PDI 2020 dismissals started in September with 18 employees leaving (until December 2020) and ended July 2021.

From the implementation of the plan to September 30, 2021, 1,028 employees were dismissed, with expenses totaling R$386,491.

The table below shows the number of employees dismissed and the related expense per year.

Year	Number of Employees Dismissed	PDI Expenses (R$ thousand)

2016	61	16,183
2017	125	79,531
2018	181	68,737
2019	273	87,250
2020	303	112,847
2021	85	21,943
Total	**1,028**	**386,491**

In December of each year, installments are updated based on the INPC variation of the last 12 months.

25. TAXES

25.1. Income Tax and Social Contribution on Net Income and Withholding Income Tax on IoE

	Parent Company		Consolidated	
Description	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
Income Tax (IRPJ)	-	-	108,054	10,123
Social Contribution (CSLL)	-	971	41,255	5,239
Withholding Income Tax on Interest on Equity (IoE)	-	6,272	-	6,272
Total Payable	**-**	**7,243**	**149,309**	**21,634**
(-) Taxes Recoverable	(17,859)	(25,888)	(176,888)	(14,831)
Net Taxes	**(17,859)**	**(18,645)**	**-27,579**	**6,803**

25.2. Other Taxes

	Parent Company		Consolidated	
Description	**09/30/2021**	**12/31/2020**	**09/30/2021**	**12/31/2020**
ICMS	-	-	271,591	274,512
PIS and COFINS	152	11,329	60,988	70,171
Other	335	223	4,213	4,540
Total Payable	487	11,552	**336,792**	**349,223**
(-) Taxes to be Offset	-	-	(1,661,005)	(686,910)
Net Taxes	**487**	**11,552**	**(1,324,213)**	**(337,687)**

26. REGULATORY FEES

		Consolidated
Description	**09/30/2021**	**12/31/2020**
Energy Efficiency Program – PEE (i)	104,728	118,427
Research and Development – R&D (i)	59,130	131,873
Electricity Development Account – CDE	19,472	-
Emergency Capacity Charge - ECE (ii)	19,406	19,442
ECE Installments	42,996	53,596
Tariff Flags	125,941	36,244
ANEEL Inspection Fee	734	768
Emergency Power Purchase Charge - EAEEE	417	417
Other	141	232
Total	**372,965**	**360,999**
Current	**324,123**	**177,921**
Noncurrent	**48,842**	**183,078**

i) R&D and PEE - According to Law 9,991, of July 24, 2000, power distribution concessionaires must annually apply a minimum percentage of their net operating revenues (NOR) in Research and Technological Development projects of the Energy sector (R&D), and in Efficiency Electricity Programs (PEE), according to regulations established by ANEEL.

Under the same Law, generation concessionaires and companies authorized to independent production of electricity, except for some modalities, must also apply this minimum percentage of their net operating revenues, but only in research and development of the energy sector.

On September 1, 2020, Provisional Measure 998 was published providing for changes in legal regulations, which included a temporary emergency measure aimed at mitigating the economic effects of the COVID-19 pandemic on electricity tariffs.

On March 30, 2021, ANEEL published Normative Resolution 229 and Order 904, defining the amounts to be transferred to the Account for Energy Development (CDE) and how to do so. CDE payments correspond to uncommitted balances with the liabilities of the R&D and EEP programs on August 31, 2020, and 30% of the current amounts from September 1, 2020, to December 31, 2025.

Regarding the balance recorded on August 31, 2020, and the retroactive amounts from September 2020 to January 2021, Celesc D and Celesc G will transfer R$172.7 million and R$2.6 million, respectively, in nine successive installments, from April to December 2021, adjusted by the SELIC rate. From February 2021 to December 2025, the calculated amounts will be monthly transferred on the 10th day of the second subsequent month.

ii) Emergency Capacity Charge (ECE) – Enacted by Law 10,438, of April 26, 2002, to cover the contracting cost of emergency thermoelectric plants installed in Brazil, available to generate electricity when there is a risk of shortage. This cost was paid by all consumers in the National Interconnected System, except for the low-income bracket.

27. PROVISION FOR CONTINGENCIES AND COURT DEPOSITS

On the Quarterly Information reporting date, the balances of liabilities and contingency-related court deposits were as follows:

27.1. Probable Contingencies

				Parent Company
Contingencies		**Court Deposits**		**Provision for Risks**
	09/30/2021	**12/31/2020**	**09/30/2021**	**12/31/2020**
Tax	2,117	2,117	1,666	1,263
Labor	4,686	4,686	-	-
Civil	21,535	6,361	287	182
Regulatory	8,182	8,182	3,483	3,483
Environmental	-	-	-	-
Total	**36,520**	**21,346**	**5,436**	**4,928**

				Consolidated
Contingencies		**Court Deposits**		**Provision for Risks**
	09/30/2021	**12/31/2020**	**09/30/2021**	**12/31/2020**
Tax (i)	3,753	3,753	26,497	19,677
Labor (ii)	27,599	35,919	48,287	45,002
Civil (iii)	135,834	96,982	169,596	162,161
Regulatory (iv)	155,198	155,215	181,656	247,250
Environmental (v)	-	-	18,648	18,703
Total	**322,384**	**291,869**	**444,684**	**492,793**

Changes in provisions and deposits are as follows:

		Parent Company		Consolidated
Description	**Court Deposits**	**Provision for Risks**	**Court Deposits**	**Provision for Risks**
Balance on December 31, 2020	**21,346**	**4,928**	**291,869**	**492,793**
Creation	15,253	610	134,147	164,430
Financial Adjustment	-	-	-	4,618
Write-offs	(79)	(102)	(103,632)	(217,157)
Balance on September 30, 2021	**36,520**	**5,436**	**322,384**	**444,684**

The most important court deposit refers to Mandatory Injunction 5012500-94.2020.4.04.7200, of R$17.8 million, proposed by Celesc requesting the inclusion in the Special Tax Regularization Program (PERT), with subsequent application of payment for the Certificate of Overdue Tax Liability 37.314.383-4. The lawsuit was held valid in the lower court and is awaiting appeal in the higher court.

The most significant write-offs due to court deposit losses total R$16.2 million from a lawsuit addressing a collection suit arising from material supply contracts and service rendering in which the plaintiff claims underpayments, and other three lawsuits totaling R$6.2 million, R$3.3 million, and R$2.2 million, where the plaintiffs claim that the service contract underwent contractual imbalance and seek financial compensation.

The most significant reversals of probable provisions total R$70.2 million related to CVA for contractual exposure (Note 2.1.1.1, item c), R$18.8 million in a public lawsuit filed by the Prosecution Office to recognize the illegality of the use of the CDI-Over index as a way to adjust installments granted by the Company, R$14.0 million in a lawsuit addressing charges related to material supply and service contracts to solve underpayment issues, and R$10.0 million in a lawsuit that claims the increase in electricity tariff imposed by DNAEE Administrative Rule 045/1986, seeking the refund of amounts.

The changes in court deposits in the period result from payments for new and existing lawsuits.

The Company is a party in labor, civil, tax, regulatory, and environmental lawsuits in progress, and is discussing these claims at both the administrative and judicial levels.

These lawsuits, when applicable, are supported by court deposits. The provisions for possible losses in these lawsuits are estimated and updated by Management, supported by the opinion of its internal and external legal advisors.
The nature of probable contingencies are summarized as follows:

i) Tax Contingencies

They are related to tax contingencies at the federal level, related to the collection of COFINS and Social Security Contribution, and, at the municipal level, they are related to tax notices issued by the City of Florianópolis for ISS requirement.

The most significant lawsuit, at the federal level, has an estimated loss of R$15.1 million and refers to debits registered as overdue tax liabilities and object of tax foreclosure 50290494820214047200, from PIS, IRPJ, IRRF, COFINS, and CSLL excluded from the extraordinary installment payment program. Celesc filed Motions to the Tax Foreclosure, sustaining the unenforceability of the tax credit. The lawsuit is pending a decision.

Another relevant lawsuit, at the federal level, has an estimated loss of R$3.6 million and refers to the tax foreclosed filed by the Federal Government, whose object is the social security contribution, provided for in article 31 of Law 8212/91, levied on invoices for services rendered through assignment of labor. Celesc D filed motions to the tax foreclosure, sustaining the unenforceability of the tax, which was partially granted, requiring the Federal Government to rectify the Certificate of Overdue Tax Liability (CDA) under the terms of the decision. The lawsuit is in the final stage of adjusting the CDA and calculation of the remaining tax credit.

ii) Labor Contingencies

Related to claims filed by the Group's employees and former employees, as well as employees from outsourced service companies, for overtime payments, mainly those related to breaches of breaks during the work shifts and rest periods between working days, as well as to a revision of the wage payment calculation basis, additional, severance payments, among other labor rights.

iii) Civil Contingencies

Related to civil lawsuits in general, with the purpose of compensation for damages (pecuniary injury and/or pain and suffering) arising from the undue suspension of power supply, registration of consumers before credit reporting agencies, electrical damages, damages caused by loss of production (smoking, chickens), accidents involving third parties.

Likewise, there are other types of lawsuits that generate the payment of amounts by Celesc D, such as revision of billing, tariff reclassification, revision of bidding contracts (economic and financial rebalancing), among others.

iv) Regulatory Contingencies

Related to notifications from ANEEL, ARESC, or CCEE in punitive administrative lawsuits from events that have already occurred, the settlement of which may result in compensation for contractual or regulatory violations of the energy sector. Regulatory contingencies are also lawsuits in which Celesc D claims before other sector agents (electricity generation, sale, transmission, or distribution concessionaires, as well as institutional agents such as ANEEL, CCEE, ONS, EPE, and MME) regarding the application of regulation to the sector. The most significant regulatory contingency refers to the 2014 contractual exposure (Note 2.1.1.1, item e).

v) Environmental Contingencies

Refer to litigations for the compensation of pecuniary injury and pain and suffering caused by an environmental accident at Celesc D' concession area. The most significant lawsuit refers to an estimated loss of R$16.7 million from the occupation of the domain area of BR-101, with power distribution infrastructure equipment.

27.2. Possible Contingencies

The Company is also a party in tax, labor, civil, regulatory, and environmental lawsuits, involving the risk of loss classified by Management as possible, based on its legal advisors' assessment, for which there is no provision created, according to the estimate below:

		Consolidated
Contingencies	**09/30/2021**	**12/31/2020**
Tax (i)	9,350	4,237
Labor (ii)	27,167	15,908
Civil (iii)	264,778	212,033
Regulatory (iv)	230,209	176,772
Environmental (v)	22,556	24,079
Total	**554,060**	**433,029**

The increase in the balance of possible regulatory contingencies was due, among other factors, to the recognition of R$14.3 million related to the Deficiency Notice 030/2020-ANEEL issued against Celesc D for the non-compliance with the quality standards established by the regulatory agency regarding the continuity and frequency of power interruptions. A power interruption was noticed during the inspection from January 3 to March 9, 2020, which analyzed the period from January to December 2019. Another important factor for the increase in this balance was the significant amount received by CCEE from revenues recognized in Celesc G through the GSF preliminary injunction (Note 2.1.2.3, letter "c"). When such amounts are received, are reversed from the PECLD accrued at the time of revenue recognition and included in the balance of regulatory contingencies with a possible risk of refund. From January to September 2021, these amounts totaled R$39.1 million.

The nature of possible contingencies can be summarized as follows:

i) Tax Contingencies

Tax contingencies at the federal level related to the payment of PIS/COFINS.

ii) Labor Contingencies

Most of them are related to claims filed by the Group's employees and former employees, as well as employees from outsourced service companies, for joint and several obligations/secondary liability, overtime payments, severance payments, among other labor rights.

iii) Civil Contingencies

Related to several civil lawsuits filed by individuals and legal entities for compensation caused by pecuniary loss, pain and suffering, loss of profits, accidents, bidding processes, and others.

iv) Regulatory Contingencies

Related to notifications from ANEEL, ARESC, or CCEE in punitive administrative lawsuits that resulted in fines for the breach of contractual provisions or regulatory provisions of the energy sector. The Company filed appeals for all of them in the administrative and judicial levels. Regulatory contingencies are also lawsuits in which the Company claims before sector agents (other electricity generation, sale, transmission, or distribution concessionaires, as well as institutional agents such as ANEEL, CCEE, ONS, EPE, and MME) regarding the application of regulation to the energy sector.

v) Environmental Contingencies

Related to administrative and judicial environmental contingencies filed by individuals and legal entities, consisting mainly of compensation for pecuniary loss, pain and suffering, and loss of profits.

28. ACTUARIAL LIABILITIES

		Consolidated
Liabilities Recorded	**09/30/2021**	**12/31/2020**
Social Security Plans	**1,155,784**	**1,239,278**
Mixed Plan and Transition Plan (a)	1,155,784	1,239,278
Benefit Plans	**1,240,627**	**1,278,055**
Celos Healthcare Agreement Plan (b)	1,177,201	1,213,968
Other Benefits (c)	63,426	64,087
Total	**2,396,411**	**2,517,333**
Current	**202,465**	**197,901**
Noncurrent	**2,193,946**	**2,319,432**

Celesc D sponsors Celesc Social Security Foundation (CELOS), a non-profit closed private pension fund entity, whose main objective is the administration of social security benefit plans for its participants, basically represented by Celesc D's employees.

a) Mixed Plan and Transition Plan

The Mixed Plan has defined benefit characteristics for the mathematical reserve portion already existing on the transition date and benefits granted, and defined contribution characteristics for post-transition contributions related to scheduled retirement benefits to be granted. The previously defined benefit plan ("Transition Plan") is still effective and covers only retired participants and their beneficiaries.

Of the total amount, R$376.8 million refers to the debt negotiated with CELOS on November 30, 2001, for the payment of 277 additional monthly contributions, at an interest rate of 6% p.a. adjusted by the IPCA, to cover the actuarial liability of the Mixed and Transition Plans.

Given that such debt should be paid even in the event of a surplus of the Foundation, as of 2015 Celesc D records monetary adjustment and interest as a financial result, according to CPC 33 (R1) - Benefits to Employee.

b) CELOS Healthcare Plan

Celesc D offers a healthcare plan (medical, hospital, and dental care) to its active employees, retirees, and pensioners.

c) Other Benefits

These are amounts referring to handicapped aid, funeral aid, compensation for natural or accidental death, and minimum benefit to retirees.

28.1. Actuarial Assessment Results

a) Actuarial Obligations

						Consolidated
Description	**Mixed Plan**	**Transition Plan**	**CELOS Healthcare Plan**	**Savings Plan**	**Other Benefits**	**Total**
Balance on December 31, 2019	**2,687,478**	**778,947**	**1,335,525**	**2,146**	**62,920**	**4,867,016**
Current Cost of Service, Net	7,524	-	(25,801)	147	-	(18,130)
Contributions from Participants in the Period	27,529	14,831	41,238	-	-	83,598
Interest on Actuarial Liability	183,018	50,274	93,198	134	4,180	330,804
Benefits Paid in the Period	(182,457)	(83,046)	(84,518)	(218)	(4,514)	(354,753)
(Gains) Losses on Actuarial Liabilities	(104)	5,504	(102,520)	(276)	1,501	(95,895)
Balance on December 31, 2020	**2,722,988**	**766,510**	**1,257,122**	**1,933**	**64,087**	**4,812,640**

b) Calculation of Net Liabilities (Assets)

						Consolidated
Description	**Mixed Plan**	**Transition Plan**	**CELOS Healthcare Plan**	**Savings Plan**	**Other Benefits**	**Total**
Liabilities (Assets) on December 31, 2019	**1,050,428**	**417,126**	**1,308,002**	**-**	**62,920**	**2,838,476**
Fair Value of Assets at the End of the Period	(1,887,276)	(362,944)	(43,154)	(12,490)	-	(2,305,864)
Actuarial Liabilities at the End of the Period	2,722,988	766,510	1,257,122	1,933	64,087	4,812,640
Effect of Additional Asset and Liability Ceiling at the End of the Period	-	-	-	10,557	-	10,557
Liability (Asset) on December 31, 2020	**835,712**	**403,566**	**1,213,968**	**-**	**64,087**	**2,517,333**

c) Reconciliation of the Fair Value of Assets

					Consolidated
Description	**Mixed Plan**	**Transition Plan**	**CELOS Healthcare Plan**	**Savings Plan**	**Total**
Balance on December 31, 2019	**1,637,050**	**361,821**	**27,523**	**11,362**	**2,037,756**
Benefits Paid in the Period Using the Plan Assets	(182,457)	(83,046)	(84,518)	(218)	(350,239)
Contributions from Participants in the Period	27,529	14,831	41,239	-	83,599
Employer Contributions in the Period	76,016	62,274	53,856	-	192,146
Expected Return on Assets	111,923	24,054	2,234	769	138,980
Gain (Loss) on the Fair Value of the Plan's Assets	217,215	(16,990)	2,820	577	203,622
Balance on December 31, 2020	**1,887,276**	**362,944**	**43,154**	**12,490**	**2,305,864**

d) Costs Recorded in the Income Statement for the Period

Consolidated

Description	09/30/2021	09/30/2020
Transition Plan	6,124	8,870
Mixed Plan	24,540	38,603
Healthcare Plan	3,249	20,738
Other Benefits	3,218	3,245
Total	**37,131**	**71,456**
Personnel Expenses	(3,738)	46,052
Financial Expenses	40,869	25,404
Total	**37,131**	**71,456**

e) Estimated Expense for 2021

The estimated expense for 2021 financial is as follows:

Plans	Expenses to be Recognized in 2021
Transition Plan	8,165
Mixed Plan	32,720
Savings Plan	127
Healthcare Plan	4,332
Other	4,163
Total	**49,507**

f) Changes in Actuarial Liabilities

Description	Transition/Mixed Plan	CELOS Healthcare Plan	Other Benefits	Total
Balance on December 31, 2020	**1,239,278**	**1,213,968**	**64,087**	**2,517,333**
Payment	(114,158)	(40,016)	(3,879)	(158,053)
Provision	30,664	3,249	3,218	37,131
Balance on September 30, 2021	**1,155,784**	**1,177,201**	**63,426**	**2,396,411**

29. PIS/COFINS TO BE REFUNDED TO CONSUMERS

As already explained in Note 11 - Taxes Recoverable, on April 1, 2019, Celesc D was granted the final and unappealable decision of lawsuit 5006834-93.2012.4.04.7200, which recognized the right to recover PIS/COFINS overpayments, due to the inclusion of ICMS in the tax base of the taxes paid. The decision limited the effects from April 13, 2007, to December 31, 2014.

The Company believes that all amounts recovered in the lawsuit will be refunded to consumers through mechanisms to be defined by ANEEL. Due to the method adopted, the records were accounted for in Assets (Taxes Recoverable) and Liabilities (PIS/COFINS to Refund to Consumers).
The Liability and the respective refund are still under administrative interpretation by ANEEL's Board through the opening of Public Consultation 005/2021, published on February 10, 2021. The contribution period was defined until March 29, 2021, to raise subsidies for the improvement of the proposal for a refund of tax credits resulting from the exclusion of ICMS from the PIS/COFINStax base mentioned above.

Regarding the refund proposal, the main points addressed by the regulatory agency are i) how the amounts should be refunded; ii) how long the refund should take; iii) incentives for the distributors to proceed in court to settle the matter, and iv) the changes to the operationalization of the credit refund and possible consequences.

Given the scope of the discussion, Celesc D considered that it is necessary, among others, to also evaluate the statute of limitations as the limit for the refund, which is fundamental not to incur in repayment of debts. Accordingly, the evaluation of the regulatory agency is essential regarding the statute of limitations of said credits, considering the discussion on how to refund such amounts, due to the high time interval covered in the lawsuits and the clear definition of the statute of limitations, which may be moved over to the judiciary, depending on the recommendation of the regulatory agency.

It is worth noting that under the opening of Public Consultation 26/2021 – Celesc D's Tariff Revision, the distributor sent a proposal for provisional anticipation to consumers in its concession area, totaling R$652.9 million, as an extraordinary negative financial item, based on part of the entitled amount, under ratification with the Brazilian Revenue Office. Celesc D emphasized the prerogative to claim future adjustments that would balance any financial differences between the aforementioned amount and the regulation to be issued by ANEEL, as well as financial adjustments in subsequent tariff suits in the event of proposals by individual consumers not benefitted from the PIS/COFINS refund.

It is also worth noting that the funds addressed on the Tariff Revision of August 22 to be refunded to consumers as a financial tariff item are provisional, and the definitive refund proposal is pending decision (lawsuit 48500.001747/2020-22). With the end of the aforementioned Public Consultation, the ratification of the final result of Celesc's Tariff Revision totaled R$795.0 million as provisional anticipation in favor of consumers.

30. EQUITY

30.1. Share Capital

On April 29, 2021, the Annual and Extraordinary Shareholders' Meeting approved the amendment of the Company's Bylaw that established new Share Capital amounts, among others.

With the amendment, the Authorized Capital is limited to two billion and six hundred million reais (R$2,600,000,000.00), represented by common and preferred registered shares with no par value.

Of the Authorized Capital, two billion, four hundred and eighty million reais (R$2,480,000,000.00) are subscribed and paid-up, represented by 38,571,591 registered shares with no par value, of which 15,527,137 voting common shares, and 23,044,454 non-voting preferred shares.

30.2. Legal Reserve and Profit Retention Reserve

The legal reserve is annually created by allocating 5% of the net income for the fiscal year, and may not exceed 20% of the share capital. The legal reserve aims to ensure the integrity of the share capital, and can only be used to offset losses and increase capital.

The profit retention reserve refers to the retention of the remaining balance of retained earnings to meet the business growth project established in its investment plan, according to the capital budget approved and proposed by the Company's Management, to be resolved at the General Shareholders' Meeting.

30.3. Basic and Diluted Earnings per Share

The calculation of basic and diluted earnings per share on September 30, 2021 and 2020 was based on the net income for the period, and the weighted average number of outstanding common and preferred shares in the periods presented.

On September 30, 2021 and 2020, the number of Company shares did not change. No transactions involving common shares or potential common shares between the balance sheet date and the date of completion of the Quarterly Information occurred in the period.

On September 30, 2021 and 2020, the Company did not have any instruments convertible into shares that would have a dilutive impact on the earnings per share.

30.4. Breakdown of Basic and Diluted Earnings

Description	09/30/2021	09/30/2020
Weighted Average Number of Shares (thousands)		
Common Shares - ON	15,527	15,527
Preferred Shares - PN	23,044	23,044
Basic and Diluted Earnings per Share Attributed to Company Shareholders (R$)		
Common Shares - ON	11.6180	6.9734
Preferred Shares - PN	12.7798	7.6707
Basic and Diluted Earnings Attributed to the Company's Shareholders		
Common Shares - ON	180,395	108,276
Preferred Shares - PN	294,504	176,767
Total Basic and Diluted Profit Assigned to the Company's Shareholders	**474,899**	**285,043**

30.5. Equity Valuation Adjustments

The table below shows the net effect in Equity, totaling R$1,267.5 million on September 30, 2021, and R$1,267.1 million on December 31, 2020:

	Consolidated	
Equity Valuation Adjustments	**09/30/2021**	**12/31/2020**
Attributed Cost – Celesc G (a)	14,258	14,589
Actuarial Liability Adjustment - Celesc D (b)	(1,281,733)	(1,281,733)
Total	**(1,267,475)**	**(1,267,144)**

(a) The attributed cost, measured at fair value at the date of the first-time adoption of CPCs in 2009, was recognized under equity valuation adjustment in shareholders' equity, net of deferred income tax and social contribution, and debited in fixed assets. Its realization is credited in retained earnings when the depreciation of the fair value of the fixed asset is recognized in the income statement.

(b) Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are recorded directly in equity, as other comprehensive income - equity valuation adjustments.

31. INSURANCES

See below the insurance amounts contracted on September 30, 2021, according to the insurance policies:

				Consolidated
Company	**Field**	**Covered Assets**	**Validity**	**Insured Amount (i)**
Celesc D	Guarantee Insurance	Guarantee of Judicial/Administrative Suits	12/29/2017 to 12/31/2021	300,000
Celesc D	Risks	Substations	5/14/2021 to 5/14/2022	25,000
Celesc G	Fire/Lightning/Explosion	Plants and Substations	8/08/2021 to 8/08/2022	24,272
Celesc G	Aircraft Fall	Plants and Substations	8/08/2021 to 8/08/2022	12,136
Celesc G	Gale	Plants and Substations	8/08/2021 to 8/08/2022	12,136
Celesc G	Electrical Damage	Plants and Substations	8/08/2021 to 8/08/2022	24,272
Celesc G	Guarantee Insurance	Hydroelectric Use Guarantee - Caveiras Plant	11/25/2020 to 11/25/2022	307

(i) Given their nature, the assumptions and risks adopted are not part of the scope of an audit of the Financial Statements, therefore they were not reviewed by our independent auditors.

32. INFORMATION BY BUSINESS SEGMENT

Management has defined the Company's operating segments, based on the reports used to make strategic decisions, reviewed by the Executive Board.

The presentation of the segments is consistent with the internal reports provided to the Company's Executive Board, responsible for allocating funds and evaluating the segments' performance.

The information by business segment, as reviewed by the Executive Board for the years ended on September 30, 2021 and 2020, is as follows:

					09/30/2021
Description	**Parent Company**	**Celesc D**	**Celesc G**	**Consolidation Adjustments**	**Total**
Net Operating Revenue – NOR	**-**	**8,338,159**	**205,559**	**(5,482)**	**8,538,236**
Cost of Sales	-	(7,516,164)	(38,475)	5,482	(7,549,157)
Gross Operating Income	**-**	**821,995**	**167,084**	**-**	**989,079**
Selling Expenses	-	(192,414)	28,744	-	(163,670)
General and Administrative Expenses	(17,742)	(213,624)	(12,385)	-	(243,751)
Other Revenues/Expenses, Net	1,130	17,610	(1,406)	-	17,334
Equity Pickup	481,437	-	6,509	(426,228)	61,718
Result from Activities	**464,825**	**433,567**	**188,546**	**(426,228)**	**660,710**
Financial Income	5,653	190,283	5,528	-	201,464
Financial Expenses	(75)	(142,415)	(5,232)	-	(147,722)
Net Financial Result	**5,578**	**47,868**	**296**	**-**	**53,742**
Earnings before Income Tax and Social Contribution	**470,403**	**481,435**	**188,842**	**(426,228)**	**714,452**
Income Tax (IRPJ) and Social Contribution (CSLL)	4,496	(182,067)	(61,982)	-	(239,553)
Net Income for the Period	**474,899**	**299,368**	**126,860**	**(426,228)**	**474,899**
Total Assets	**2,531,050**	**10,676,048**	**981,918**		
Total Liabilities	**71,509**	**9,386,679**	**286,071**		

					09/30/2020
Description	**Parent Company**	**Celesc D**	**Celesc G**	**Consolidation Adjustments**	**Total**
Net Operating Revenue – NOR	**-**	**6,032,277**	**99,020**	**(4,334)**	**6,126,963**
Cost of Sales	-	(5,295,298)	(25,879)	4,334	(5,316,843)
Gross Operating Income	**-**	**736,979**	**73,141**	**-**	**810,120**
Selling Expenses	-	(143,454)	(1,356)	-	(144,810)
General and Administrative Expenses	(15,288)	(274,423)	(11,308)	-	(301,019)
Other Revenues/Expenses, Net	(1,533)	33,337	390	-	32,194
Equity Pickup	296,538	-	7,022	(266,308)	37,252

Result from Activities	**279,717**	**352,439**	**67,889**	**(266,308)**	**433,737**
Financial Income	5,382	145,019	2,773	(1,415)	151,759
Financial Expenses	(56)	(141,413)	(5,250)	1,415	(145,304)
Net Financial Result	**5,326**	**3,606**	**(2,477)**	**-**	**6,455**
Earnings before Income Tax and Social Contribution	**285,043**	**356,045**	**65,412**	**(266,308)**	**440,192**
Income Tax (IRPJ) and Social Contribution (CSLL)	-	(135,314)	(19,835)	-	(155,149)
Net Income for the Period	**285,043**	**220,731**	**45,577**	**(266,308)**	**285,043**
Total Assets	**1,766,397**	**9,388,495**	**727,259**		
Total Liabilities	**74,230**	**8,663,526**	**170,432**		

32.1. Consolidated Operating Revenue

Description	**09/30/2021**	**09/30/2020**
Gross Operating Revenue – GOR	**12,731,252**	**9,546,857**
Power Supply (a)	5,344,644	4,249,196
Unbilled sales (a)	33,056	(17,731)
Power Supply (a)	442,044	353,628
Unbilled Supply (a)	3,633	248
Power Grid Availability (i)	3,677,875	3,289,537
Indemnifiable Financial Asset Adjustment - Concession	13,473	1,969
Financial Income - Concession Bonus (a)	116,754	28,532
Income from Services	1,011	614
Short-Term Electricity	1,109,658	298,171
Revenue from Regulatory Assets and Liabilities	1,007,293	480,226
Other Operating Revenues	6,199	3,321
Donations and Subsidies (ii)	477,728	462,975
Construction revenue	497,884	396,171
Gross Operating Revenue Deductions	**(4,193,016)**	**(3,419,894)**
ICMS	(1,952,575)	(1,643,427)
PIS	(192,910)	(150,636)
COFINS	(888,556)	(693,842)
Electricity Development Account – CDE	(981,992)	(902,356)
Research and Development – R&D	(40,152)	(28,886)
Energy Efficiency Program – PEE (EEP)	(39,232)	(28,216)
Inspection Fee – ANEEL	(6,811)	(6,206)
Financial Compensation for the Use of Water Resources – CFURH	(1,091)	(1,971)
Other Charges (Tariff Flags)	(89,697)	35,646
Net Operating Revenue – NOR	**8,538,236**	**6,126,963**

(i) According to the Accounting Manual for the Energy sector (MCSE) approved by Regulatory Resolution 605/2014, Celesc D separated TUSD's revenue from Captive Consumers for Power Supply from Power Grid Availability.

(ii) Amount transferred by Eletrobras, referring to the refund of discounts on the tariffs applicable to users of the public power distribution service. Revenue accounted for as CDE Subsidy (Decree 7891/2013) totaled R$427,688 in the third quarter of 2021. The other amounts refer to the Low-Income Program (R$10,507), CCRBT Flag supply (R$46,258), and the difference of CDE refund (R$6,725), the latter has a negative effect on the total reported in the statement.

a) Power Supply

Description	**Number of Consumers (i)**		**MWh (i)**		**Gross Revenue**	
	09/30/2021	**09/30/2020**	**09/30/2021**	**09/30/2020**	**09/30/2021**	**09/30/2020**
Residential	2,523,026	2,445,628	4,945,463	4,741,270	3,499,937	2,907,318
Industrial	124,759	114,378	8,391,557	7,336,617	1,284,308	1,037,237
Commercial	295,624	284,003	3,279,910	3,031,022	1,808,852	1,498,545
Rural	231,183	232,541	901,733	912,419	528,175	436,509
Government	24,065	23,631	280,537	268,837	204,625	171,161
Public Lighting	938	875	471,476	478,398	213,071	178,016
Public Service	3,896	3,676	288,279	287,493	186,005	155,312
Reclassif. Rev. Avail. Electricity Grid Cons.Cat.	-	-	-	-	(2,347,273)	(2,152,633)
Total Supply	**3,203,491**	**3,104,732**	**18,558,957**	**17,056,056**	**5,377,700**	**4,231,465**
Power Supply	109	106	2,167,645	1,970,744	445,677	353,876
Fin. Revenue Ind. Pery Plant Basic Project	-		-		46,168	
Fin. Revenue Concession Bonus	-	-	-	-	70,586	28,532
Total	**3,203,600**	**3,104,838**	**20,726,602**	**19,026,800**	**5,940,131**	**4,613,873**

(i) Unaudited information

32.2. Consolidated Operating Costs and Expenses

Consolidated operating costs and expenses consist of the following expenses:

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Others Revenues/Expenses, Net	Total
					09/30/2021
Electricity Purchased for Resale (a)	5,196,067	-	-	-	5,196,067
Hydrological Risk Renegotiation – GSF	28,110				28,110
Charges from the Use of the Power Grid (b)	1,298,076	-	-	-	1,298,076
Personnel (b)	243,001	143,451	43,108	17,071	446,631
Management	-	6,877	-	-	6,877
Actuarial Expenses	-	(3,738)	-	-	(3,738)
Private Pension Entity (c)	10,422	5,445	1,543	-	17,410
Supplies	15,402	5,450	-	-	20,852
Construction Cost	497,884	-	-	-	497,884
Outsourced Costs and Services	97,383	60,523	46,724	1,014	205,644
Depreciation and Amortization	155,890	16,833	-	1,478	174,201
Net Provisions	-	-	48,068	17,486	65,554
Leases and Rental	1,663	13,540	380	(205)	15,378
Shared Infrastructure (d)	-	-	-	(134,072)	(134,072)
Other Revenues	-	-	-	(3,683)	(3,683)
Other	5,259	(4,630)	23,847	83,577	108,053
Total	**7,549,157**	**243,751**	**163,670**	**(17,334)**	**7,939,244**

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Others Expenses / Revenues Net	Total
					09/30/2020 (Reclassified)
Electricity Purchased for Resale (a)	3,573,037	-	-	-	3,573,037
Charges from the Use of the Power Grid (b)	782,916	-	-	-	782,916
Personnel (b)	306,292	141,858	44,388	15,565	508,103
Management	-	6,031	-	-	6,031
Actuarial Expenses	-	46,052	-	-	46,052
Private Pension Entity (c)	11,522	5,844	1,754	-	19,120
Supplies	7,832	4,039	-	-	11,871
Construction Cost	396,171	-	-	-	396,171
Outsourced Costs and Services	73,784	54,516	43,175	841	172,316
Depreciation and Amortization	159,268	19,269	-	1,478	180,015
Net Provisions	-	-	16,625	51,347	67,972
Leases and Rental	1,482	15,124	431	(231)	16,806
Shared Infrastructure (d)	-	-	-	(113,069)	(113,069)
Other	4,539	8,286	38,437	11,875	63,137
Total	**5,316,843**	**301,019**	**144,810**	**(32,194)**	**5,730,478**

a) Electricity Purchased for Resale

		Consolidated
Description	**09/30/2021**	**09/30/2020**
Electricity Purchase in the Regulated Environment - CCEAR	2,748,591	1,739,132
Electricity Selling Chamber – CCEE	1,353,401	580,281
Itaipu Binacional	966,776	1,003,426
Bilateral Contracts	14,680	16,189
Nuclear Energy Quotas	121,398	147,119
Physical Guarantee Quotas	358,448	317,539
Proinfa	157,584	127,981
PIS/COFINS	(524,811)	(358,630)
Total	**5,196,067**	**3,573,037**

b) Charges from the Use of the Power Grid

		Consolidated
Description	**09/30/2021**	**09/30/2020 (Reclassified)**
System Use Charge	900,409	700,275
System Services Charges - ESS	420,732	7,972
Itaipu Transportation Charges	60,290	80,193
Reserve Electricity Charge - EER	48,956	74,278
PIS/COFINS	(132,311)	(79,802)
Total	**1,298,076**	**782,916**

c) Personnel and Private Pension

	Parent Company		Consolidated	
Description	**09/30/2021**	**09/30/2020**	**09/30/2021**	**09/30/2020**
Personnel	**5,895**	**4,424**	**446,631**	**508,103**

Compensations	5,684	4,208	209,424	210,182
Social Charges	142	147	77,246	78,418
Profit Sharing	25	-	28,968	28,984
Benefits	-	-	55,082	46,104
Provisions and Indemnifications	-	34	75,632	144,343
Other	44	35	279	74
Private Pension Plans - CELOS	**7**	**-**	**17,410**	**19,118**
Total	**5,902**	**4,424**	**464,041**	**527,223**

d) Shared Infrastructure

Refers to the use of fixing points on Celesc D's posts, carried out by third parties, for the provision of collective interest telecommunications services, such as telephony, internet, cable TV, and others.

32.3. Financial Result

	Parent Company		Consolidated	
	09/30/2021	**09/30/2020**	**09/30/2021**	**09/30/2020**
Financial Revenues	**5,653**	**5,382**	**201,464**	**151,759**
Earnings from Financial Investment	1,051	315	22,275	11,541
Late Payment Additions on Electricity Bills	-	-	82,139	67,436
Monetary Variations	-	-	66,043	25,910
Monetary Restatement on Financial Assets - CVA	-	-	28,026	37,928
Dividend Gains	4,324	4,805	4,324	4,805
Interest on equity	3	-	3	-
Reversal of the Provision for Losses of Financial Asset	-	-	-	80
Other Financial Income	340	293	8,267	11,295
(-) PIS/COFINS excluding Financial Revenue	(65)	(31)	(9,613)	(7,236)
Financial Expenses	**(75)**	**(56)**	**(147,722)**	**(145,304)**
Debt Charges	-	-	(52,818)	(67,900)
Adjustment of the Mathematical Reserve to be Amortized	-	-	(40,869)	(25,404)
Tax on Financial Transactions - IOF	-	-	(2,527)	(1,572)
Monetary Variations	-	-	(21,304)	(12,244)
R&D Update and Energy Efficiency	-	-	(5,312)	(5,980)
Monetary Restatement on Financial Liabilities - CVA	-	-	(11,341)	(24,358)
Interest and Costs with Debentures	-	-	(5,999)	(5,504)
Other Financial Expenses	(75)	(56)	(7,552)	(2,342)
Financial Result	**5,578**	**5,326**	**53,742**	**6,455**

33. CELESC D SUPPLEMENTAL INFORMATION

33.1. Statement of Financial Position – Assets

Assets	09/30/2021	12/31/2020
Current	**3,399,098**	**3,765,236**
Cash and Cash Equivalents	514,870	1,061,116
Trade Receivables	1,896,878	1,889,243
Inventories	17,120	12,221
Taxes Recoverable	752,570	583,781
CDE - Subsidy Decree 7891/2013	49,231	47,032
Other	168,429	171,843
Noncurrent	**7,276,950**	**5,788,154**
Long-Term Receivables	**3,535,954**	**2,177,444**
Indemnifiable Financial Assets - Concession	699,253	610,216
Trade Receivables	24,704	29,236
Deferred Taxes	827,518	871,596
Taxes Recoverable	1,052,445	106,149
Court Deposits	285,754	270,170
Financial Asset - CVA	644,187	286,861
Other	2,093	3,216
Intangible Assets	**3,740,996**	**3,610,710**
Total Assets	**10,676,048**	**9,553,390**

33.2. Statement of Financial Position – Liabilities

Liabilities	09/30/2021	12/31/2020
Current	**3,466,451**	**3,523,748**
Trade payables	1,507,518	1,217,190
Domestic Currency Loans	158,122	860,552
Foreign Currency Loans	22,563	5,349
Debentures	75,929	67,558
Social Security and Labor Obligations	218,818	210,777
Taxes Payable	473,925	351,984
Dividends and Interest on Equity - Declared	48,575	97,149
Regulatory Fees	322,793	176,672
Loans (i)	-	91,832
Actuarial Liabilities (CPC 33)	202,465	197,901
Financial Liabilities - CVA	337,667	142,491
Other Liabilities	98,076	104,293
Noncurrent	**5,920,228**	**5,039,641**
Domestic Currency Loans	5,738	83,870
Foreign Currency Loans	848,672	705,173
Debentures	612,920	115,714
Regulatory Fees	47,929	180,358
Social Security and Labor Obligations	35,635	60,264
Actuarial Liabilities (CPC 33)	2,193,946	2,319,432
Provision for Contingencies	439,248	487,375
PIS/COFINS to be Refunded to Consumers	1,728,640	1,087,455
Other Liabilities	7,500	-
Equity	**1,289,369**	**990,001**
Paid-up Share Capital	1,250,000	1,053,590
Profit Reserves	1,021,734	1,218,144
Equity Valuation Adjustments	(1,281,733)	(1,281,733)
Retained Earnings	299,368	-
Total Liabilities	**10,676,048**	**9,553,390**

(i) Loan between Celesc D and Celesc G

At the annual meeting held on January 21, 2020, the Board of Directors approved the transfer of funds from Celesc G to Celesc D in the form of a Loan Agreement. The operation aimed at working capital and was approved by ANEEL through Order 3679/2019, of December 27, 2019.

The agreement was executed on February 26, 2020, and is effective for twelve (12) months. The transfers totaled R$40 million on the execution date, and R$50 million on the following day, totaling R$90 million, which is equivalent to the limit established.

Interest corresponds to 96.75% of the CDI per year, the accumulated variation of the one-day "over extra group" average daily Interbank Deposit rates (DI) based on a year of 252 business days, calculated and disclosed by B3 on its daily bulletin. R$2.18 million was recognized as interest during the validity of the contract, settled on its maturity, i.e. February 25, 2021.

33.3. Income Statement

Description	09/30/2021	09/30/2020
Net Operating Revenue – NOR	**8,338,159**	**6,032,277**
Net Revenue from Electricity Sales and Service	6,819,509	5,153,911
Revenue from Financial Assets (Liabilities) (CVA)	1,007,293	480,226
Construction Revenue - CPC 47	497,884	396,171
Indemnifiable Financial Asset Adjustment - Concession	13,473	1,969
Costs of Sales/Services	**(7,516,164)**	**(5,295,298)**
Cost of Goods Sold	(6,484,224)	(4,344,142)
Cost of Services	(534,056)	(554,985)
Construction Cost - CPC 47	(497,884)	(396,171)
Gross Operating Income	**821,995**	**736,979**
Operating Expenses	**(388,428)**	**(384,540)**
Selling Expenses	(192,414)	(143,454)
General and Administrative Expenses	(213,624)	(274,423)
Other Operating Revenues (Expenses)	17,610	33,337
Operating Income before the Finance Result	**433,567**	**352,439**
Financial Result	**47,868**	**3,606**
Financial Income	190,283	145,019
Financial Expenses	(142,415)	(141,413)
Earnings before Income Tax and Social Contribution	**481,435**	**356,045**
Income Tax and Social Contribution	**(182,067)**	**(135,314)**
Current	(137,989)	(123,085)
Deferred	(44,078)	(12,229)
Net Income for the Period	**299,368**	**220,731**

33.3.1. Operating Revenue

Description	09/30/2021	09/30/2020
Gross Operating Revenue – GOR	**12,515,735**	**9,439,346**
Power Supply (a)	5,324,145	4,222,689
Unbilled Sales (a)	32,082	(17,732)
Power Supply (a)	366,408	299,617
Financial Assets and (Liabilities) – CVA	1,007,293	480,226
Power Grid Availability	3,679,854	3,291,325
Short-Term Power	1,109,658	298,171
Donations and Subsidies	477,728	462,975
Construction Revenue	497,884	396,171
Indemnifiable Financial Asset Adjustment - Concession	13,473	1,969
Other Operating Revenues	7,210	3,935
Gross Operating Revenue Deductions	**(4,177,576)**	**(3,407,069)**
ICMS	(1,952,575)	(1,643,427)
PIS	(190,668)	(148,903)
COFINS	(878,230)	(685,857)
Electricity Development Account – CDE	(981,992)	(902,356)
Research and Development – R&D	(39,232)	(28,216)
Energy Efficiency Program – PEE	(39,232)	(28,216)
Inspection Fee	(5,950)	(5,740)
Other Charges	(89,697)	35,646
Net Operating Revenue – NOR	**8,338,159**	**6,032,277**

a) Power Supply

The breakdown of Gross Revenue from power supply by consumer class is as follows:

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Residential	2,523,026	2,445,628	4,945,463	4,741,270	3,499,937	2,907,318
Industrial	124,750	114,370	8,325,662	7,240,242	1,269,538	1,016,531
Commercial	295,623	284,002	3,243,034	2,995,672	1,802,149	1,492,743
Rural	231,183	232,541	901,733	912,419	528,175	436,509
Government	24,065	23,631	280,537	268,837	204,625	171,161
Public Lighting	938	875	471,476	478,398	213,071	178,016
Public Service	3,896	3,676	288,279	287,493	186,005	155,312
Reclassif. Revenue Avail. Power Grid – Captive Cons.	-	-	-	-	(2,347,273)	(2,152,633)
Total Supply	**3,203,481**	**3,104,723**	**18,456,186**	**16,924,331**	**5,356,227**	**4,204,957**
Power Supply	51	51	1,777,729	1,598,244	366,408	299,617
Total	**3,203,532**	**3,104,774**	**20,233,915**	**18,522,575**	**5,722,635**	**4,504,574**

(i) Unaudited information

33.3.2. Operating Costs and Expenses

09/30/2021

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
Electricity Purchased for Resale	6,484,224	-	-	-	6,484,224
Employees	241,162	128,313	42,686	16,895	429,056
Actuarial Expenses	-	(3,738)	-	-	(3,738)
Private Pension Entity	10,422	5,438	1,543	-	17,403
Supplies	15,119	5,113	-	-	20,232
Construction Cost	497,884	-	-	-	497,884
Outsourced Costs and Services	93,842	53,834	46,570	1,014	195,260
Depreciation and Amortization	166,536	16,554	-	-	183,090
Net Provisions	-	-	77,433	17,467	94,900
Other	6,975	8,110	24,182	(52,986)	(13,719)
Total	**7,516,164**	**213,624**	**192,414**	**(17,610)**	**7,904,592**

09/30/2020

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
Electricity Purchased for Resale	4,344,142	-	-	-	4,344,142
Employees	304,543	129,165	43,943	15,565	493,216
Actuarial Expenses	-	46,052	-	-	46,052
Private Pension Entity	11,522	5,842	1,754	-	19,118
Supplies	7,501	3,997	-	-	11,498
Construction Cost	396,171	-	-	-	396,171
Outsourced Costs and Services	69,849	48,335	42,710	841	161,735
Depreciation and Amortization	155,495	18,542	-	-	174,037
Net Provisions	-	-	16,231	51,716	67,947
Other	6,075	22,490	38,816	(101,459)	(34,078)
Total	**5,295,298**	**274,423**	**143,454**	**(33,337)**	**5,679,838**

34. CELESC G SUPPLEMENTAL INFORMATION

34.1. Statement of Financial Position – Assets

Assets	09/30/2021	12/31/2020
Current	**302,032**	**119,428**
Cash and Cash Equivalents	191,840	54,668
Trade Receivables	19,224	29,727
Inventories	77	92
Taxes Recoverable	10,529	223
Advance to Suppliers	1,805	918
Prepaid expenses	178	125
Financial Asset – Concession Bonus	35,977	33,674
Financial Asset - Indemnification of the Pery Plant's Basic Project	42,401	-
Other	1	1
Noncurrent	**679,886**	**649,289**
Long-Term Receivables	**431,008**	**366,276**
Loans	-	91,832
Court Deposits	110	353
Taxes Recoverable	4,490	3,755
Prepaid expenses	-	2
Indemnifiable Financial Assets - Concession	2,421	2,421
Financial Asset – Concession Bonus	284,752	267,913
Financial Asset - Indemnification of the Pery Plant's Basic Project	129,235	-
Advance for Future Capital Increase	10,000	-
Investments	**90,204**	**79,198**
Property, Plant & Equipment	**110,398**	**201,413**
Intangible Assets	**48,276**	**2,402**
Total Assets	**981,918**	**768,717**

34.2. Statement of Financial Position – Liabilities

Liabilities	09/30/2021	12/31/2020
Current	**142,794**	**83,849**
Trade payables	8,368	7,530
Debentures	35,559	35,034
Taxes Payable	11,689	18,134
Regulatory Fees	1,330	1,249
Dividends Payable	10,273	20,546
Hydrological Risk Renegotiation – GSF	73,989	-
Other	1,586	1,356
Noncurrent	**143,277**	**115,881**
Debentures	64,854	88,202
Deferred Taxes	77,510	24,469
Regulatory Fees	913	2,720
Provision for Contingencies	-	490
Equity	**695,847**	**568,987**
Share Capital	450,000	250,000
Legal reserve	21,700	21,700
Retained Profits Reserve	82,698	279,900
Dividends Available to the ASM	-	2,798
Equity Valuation Adjustments	14,258	14,589
Retained Earnings	127,191	-
Total Liabilities	**981,918**	**768,717**

34.3. Income Statement

Description	09/30/2021	09/30/2020
Net Operating Revenue – NOR	**205,559**	**99,020**
Net Revenue from Electricity Sales	205,559	99,020
Cost of Sales	**(38,475)**	**(25,879)**
Operation Cost	(38,475)	(25,879)
Gross Income	**167,084**	**73,141**
Operating Expenses	**21,462**	**(5,252)**
Sales	28,744	(1,356)
General and Administrative	(12,385)	(11,308)
Other Revenues/Expenses, Net	(1,406)	390
Equity Pickup	6,509	7,022
Operating Income before the Finance Result	**188,546**	**67,889**
Financial Result	**296**	**(2,477)**
Financial Income	5,528	2,773
Financial Expenses	(5,232)	(5,250)
Earnings before Income Tax and Social Contribution	**188,842**	**65,412**
Income Tax and Social Contribution	**(61,982)**	**(19,835)**
Current	(8,942)	(17,206)
Deferred	(53,040)	(2,629)
Net Income for the Period	**126,860**	**45,577**

34.3.1. Operating Revenue

Description	09/30/2021	09/30/2020
Gross Operating Revenue - GOR (a)	**220,999**	**111,845**
Power Supply - Industrial	13,829	20,705
Power Supply - Industrial - Unbilled	974	1
Power Supply - Commercial	6,703	5,802
Power Supply	60,170	46,331
Power Supply - Unbilled	3,633	248
Short-Term Electricity	18,936	10,226
Adjustment/Interest - Refund - Concession Bonus	46,168	28,532
Adjustment/Interest Ind. Pery Plant Basic Project	70,586	-
Deductions from Operating Revenue	**(15,440)**	**(12,825)**
PIS	(2,242)	(1,733)
COFINS	(10,326)	(7,985)
ANEEL Inspection Fee	(861)	(466)
Research and Development – R&D	(920)	(670)
Financial Compensation for the Use of Water Resources	(1,091)	(1,971)
Net Operating Revenue – NOR	**205,559**	**99,020**

a) Power Supply

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Industrial	9	8	65,895	96,375	14,803	20,706
Commercial, Services and Others	1	1	36,876	35,350	6,703	5,802
Power Supply	58	55	375,372	339,108	63,803	46,579
Short-Term Electricity (CCEE)	-	-	14,544	33,392	18,936	10,226
Adjustment/Interest - Refund - Concession Bonus	-	-	-	-	46,168	28,532
Adjustment/Interest Ind. Pery Plant Basic Project	-	-	-	-	70,586	-
Total	**68**	**64**	**492,687**	**504,225**	**220,999**	**111,845**

(i) Unaudited information

34.3.2. Operating Costs and Expenses

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
					09/30/2021
Electricity Purchased for Resale	13,389	-	-	-	13,389
Hydrological Risk Renegotiation – GSF	28,110	-	-	-	28,110
Charges from the Use of the Power Grid	1,979	-	-	-	1,979
Employees	1,839	9,243	422	176	11,680
Supplies	283	337	-	-	620
Outsourced Costs and Services	3,574	2,335	154	-	6,063
Depreciation and Amortization	(10,646)	276	-	-	(10,370)
Insurance	160	-	-	-	160
Net Provisions	-	-	(29,365)	(489)	(29,854)
Taxes	(213)	74	45	-	(94)
Rental	-	77	-	-	77
Other	-	43	-	1,719	1,762
Total	**38,475**	**12,385**	**(28,744)**	**1,406**	**23,522**

Description	Costs of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
					09/30/2020
Electricity Purchased for Resale	14,357	-	-	-	14,357
Charges from the Use of the Power Grid	1,788	-	-	-	1,788
Employees	1,749	8,271	445	-	10,465
Supplies	331	42	-	-	373
Outsourced Costs and Services	3,935	1,994	465	-	6,394
Depreciation and Amortization	3,773	724	-	-	4,497
Insurance	169	-	-	-	169
Net Provisions	-	-	394	(379)	15
Taxes	(223)	69	52	-	(102)
Rental	-	208	-	-	208
Others	-	-	-	(11)	(11)
Total	**25,879**	**11,308**	**1,356**	**(390)**	**38,153**

35. SUBSEQUENT EVENTS

35.1 Loan between Celesc D and Celesc G

On October 28, 2021, the Company’s Board of Directors approved the transfer of R$70 million from Celesc G to Celesc D in the form of a Loan Agreement. ANEEL approved the transaction through Order 3,316, of October 19, 2021, and the agreement was executed on November 1, 2021.

Interest of CDI +2.1% p.a. will be added to the principal and paid at the end of the agreement, which is valid for 12 months.

The funds are intended to mitigate cash shifts, especially because of the challenges to comply with the Concession Agreement and all regulatory requirements for meeting quality indicators.

The funds were transferred to Celesc D on November 1, 2021.

35.1 Loan between Celesc D and Celesc H

On October 28, 2021, the Company's Board of Directors approved the transfer of R$15 million to Celesc D in the form of a Loan Agreement, executed on October 29, 2021. ANEEL approved the transaction through Order 3,317, of October 19, 2021, and the agreement was executed on November 1, 2021.

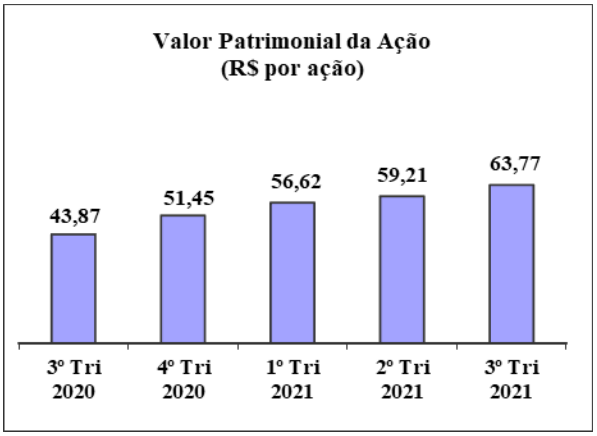
Interest of CDI +2.1% p.a. will be added to the principal and paid at the end of the agreement, which is valid for 12 months.

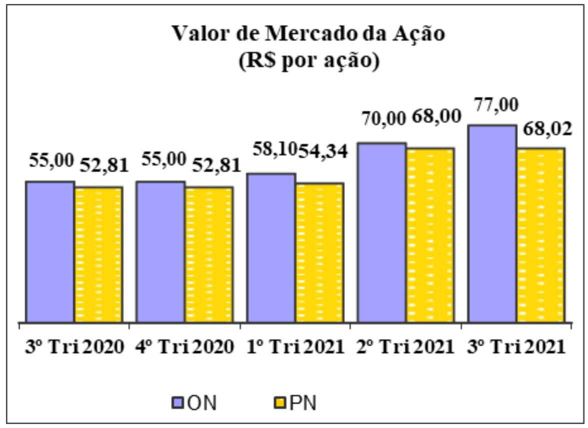
The funds are intended to mitigate cash shifts, especially because of the challenges to comply with the Concession Agreement and all regulatory requirements for meeting quality indicators.

The funds were transferred to Celesc D on November 1, 2021.

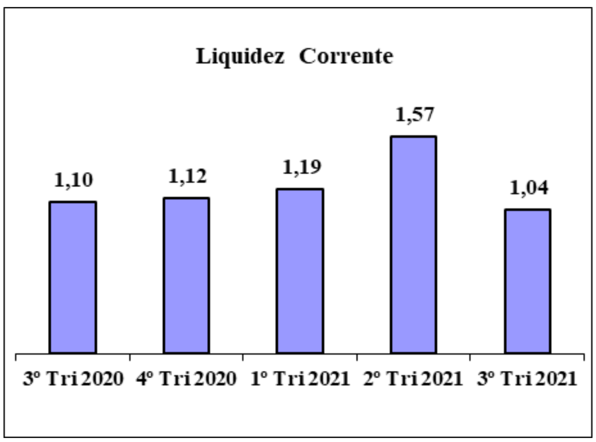
1. QUARTERLY FINANCIAL INDICATORS (Unrevised information)

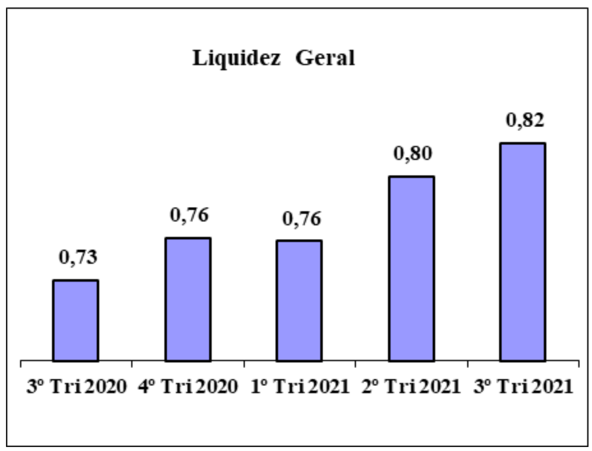
1.1. Equity



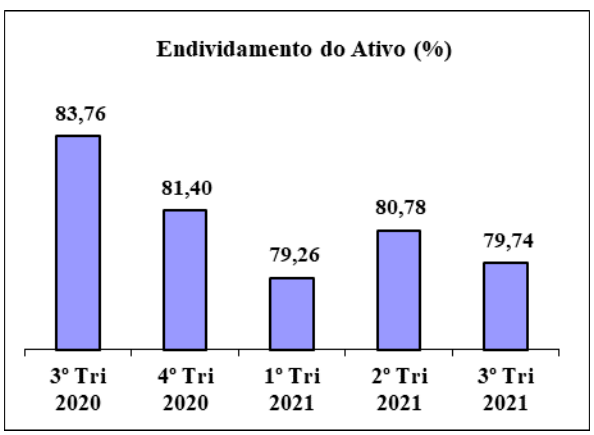


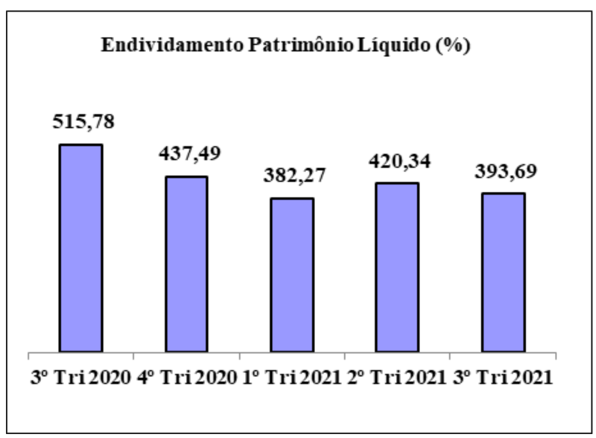
1.2. Liquidity



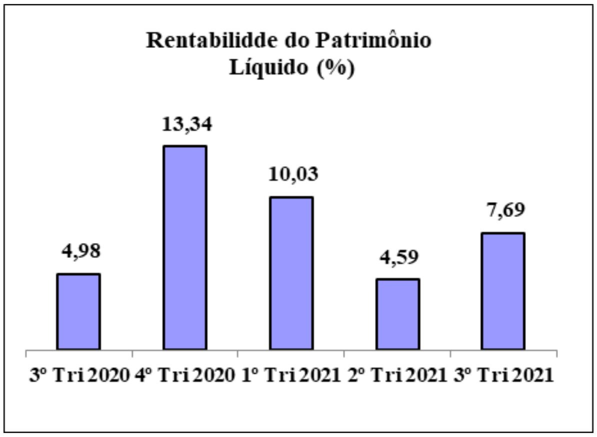


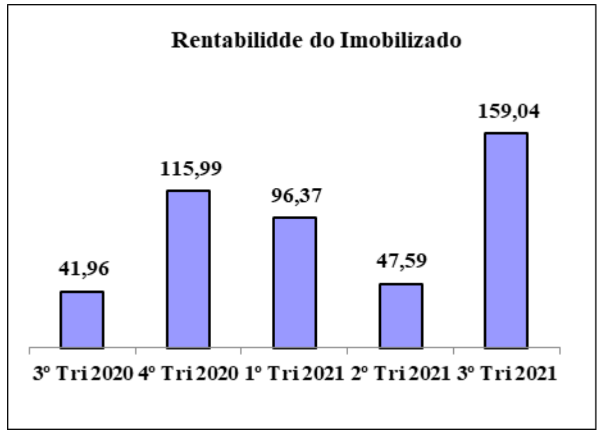
1.3. Indebtedness

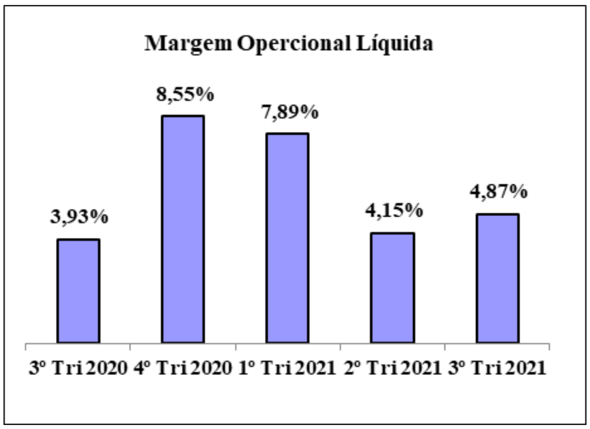


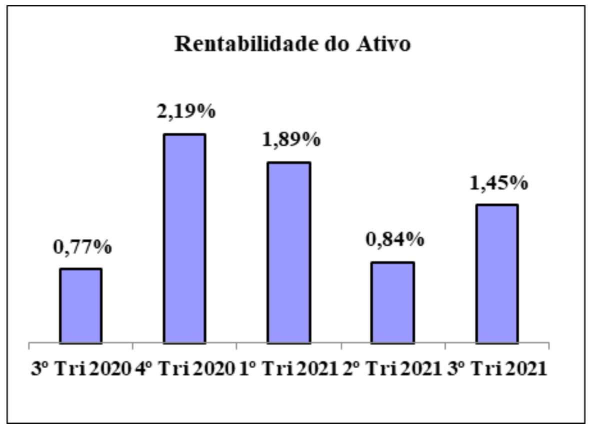


1.4. Profitability

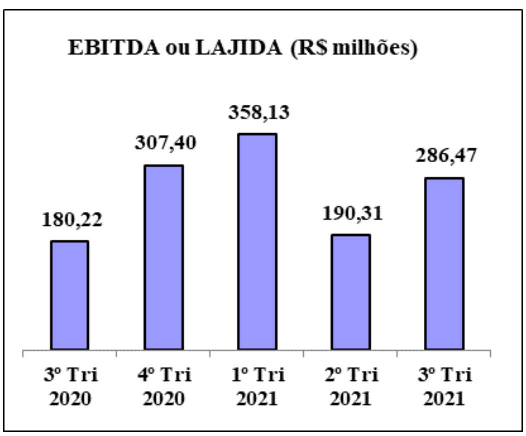


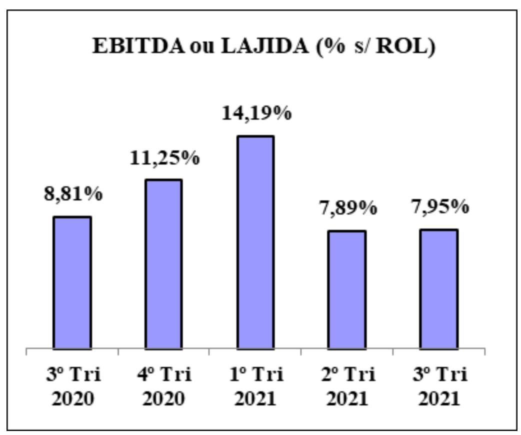




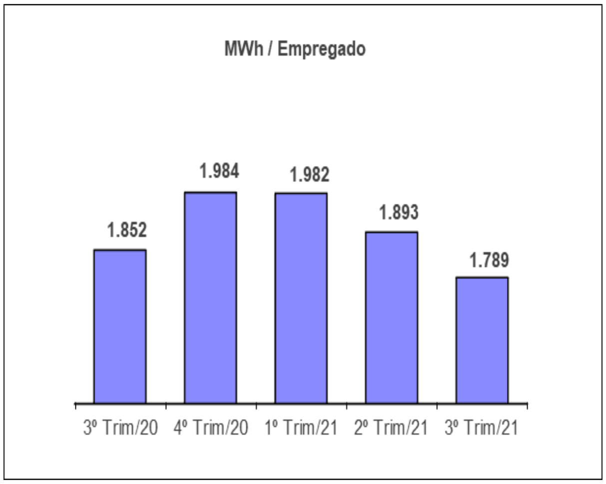


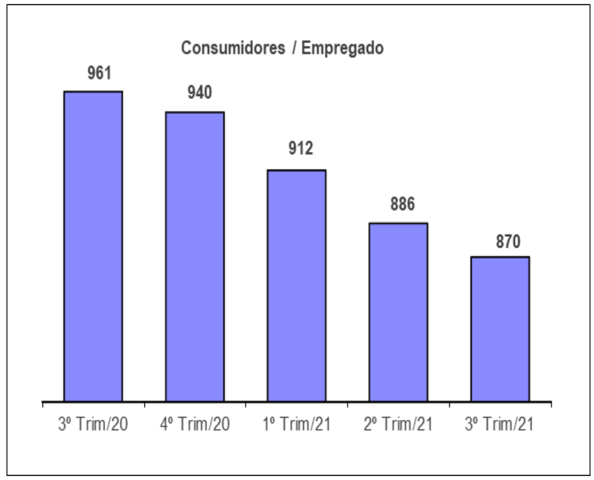
1.5. EBITDA

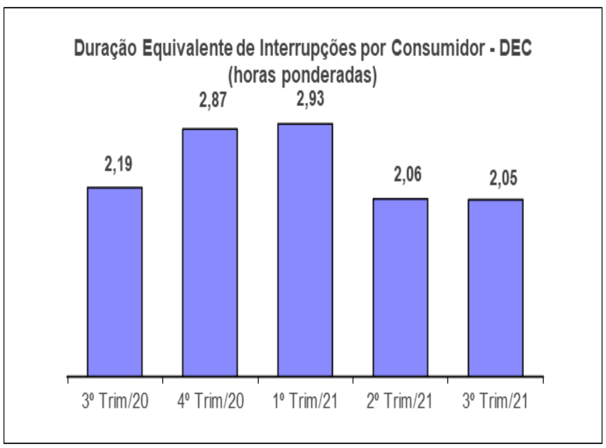


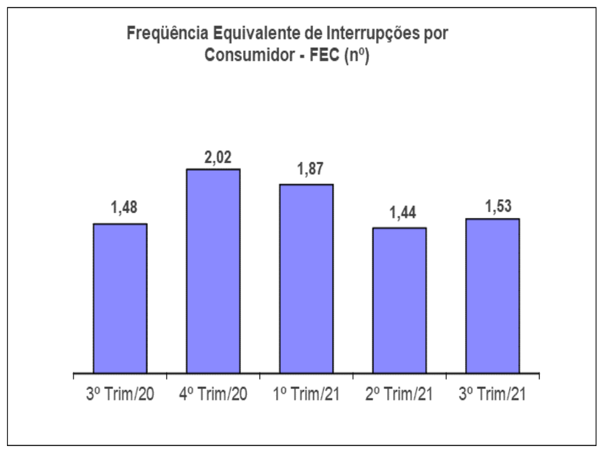


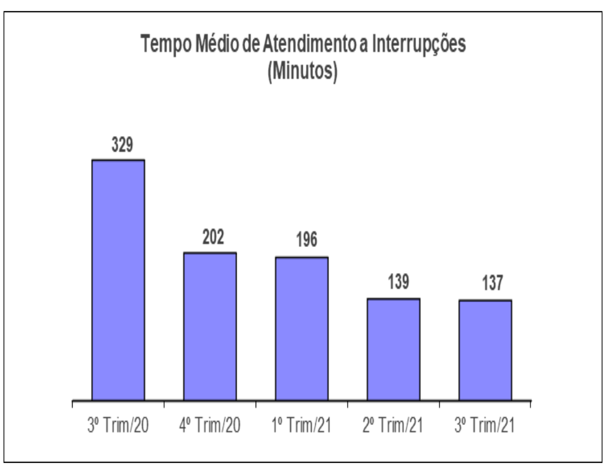
1.6. Efficiency

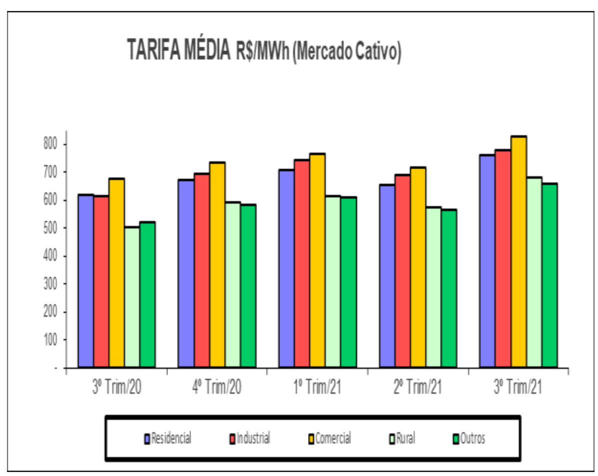












Centrais Elétricas de Santa Catarina S.A.

Quarterly Information (ITR) on September 30, 2021 and Report on the review of quarterly information

Report on the review of quarterly information

To the Management and Shareholders of
Centrais Elétricas de Santa Catarina S.A.

Introduction

We have reviewed the parent company and consolidated quarterly information of Centrais Elétricas de Santa Catarina S.A. ("Company") contained in the Quarterly Financial Form (ITR) for the quarter ended September 30, 2021, that includes the statements of financial on September 30, 2021, and the statements of income and comprehensive income for the three- and nine-month periods then ended, and changes in equity and cash flows for the nine-month period, as well as the summary of the main accounting policies and other notes to the quarterly information.

Management is responsible for preparing the parent company and consolidated quarterly financial information according to Technical Pronouncement CPC 21 - "Interim Financial Reporting" and the international accounting standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as for presenting this information in compliance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this quarterly information based on our review.

Scope of the review

We have reviewed the quarterly information according to Brazilian and international standards on the review of quarterly information (NBC TR 2410 and ISRE 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of quarterly information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted under standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the Interim Information

Based on our review, nothing has come to our attention that causes us to believe that the parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material aspects, under CPC 21 and IAS 34, applicable to the preparation of the Quarterly Information Form (ITR) and presented under the standards issued by the Brazilian Securities and Exchange Commission.

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Phone: +55 (48) 3212 0200, www.pwc.com.br

Centrais Elétricas de Santa Catarina S.A.

Other matters

Value Added Statement

The quarterly information referred to above includes the parent company and consolidated Value Added Statements for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company's Management and presented as supplementary information for purposes of IAS 34. These statements were subject to review procedures performed together with the review of the quarterly information, with the purpose of evaluate whether they are reconciled to the interim financial information and accounting records, as applicable, and whether their form and content are under the criteria established on Technical Pronouncement CPC 09 – Value Added Statement. Based on our review, nothing has come to our attention that causes us to believe that the value added statements referred to above have not been prepared, in all material respects, according to the criteria defined in this Standards and consistently to the parent company and consolidated quarterly information taken as a whole.

Florianópolis, November 12, 2021.

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Leandro Sidney Camilo da Costa
Engagement Party CRC 1SP236051/O-7

STATEMENT FROM THE EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc have examined, reviewed, and agreed with all information in the Company's Interim Financial Statements for the third quarter of 2021.

Cleicio Poleto Martins
Chief Executive Officer

Claudine Furtado Anchite
Chief Financial and Investor Relations Officer

Fábio Valentim da Silva
Energy Regulation and Management Officer

Marcos Penna
Corporate Management Officer

Pablo Cupani Carena
Generation, Transmission and New Business Officer

Pilar Sabino da Silva
Planning, Control and Compliance Officer

Sandro Ricardo Levandoski
Distribution Officer

Vitor Lopes Guimarães
Chief Commercial Officer

Rogéria Rodrigues Machado
Accountant – CRC/SC 024797/O-0

STATEMENT FROM THE EXECUTIVE OFFICERS ON THE INDEPENDENT AUDITORS' REPORT

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc have examined, reviewed and agreed with all information included in the Independent Auditors' Report on the Company's Interim Financial Statements for the third quarter of 2021.

Cleicio Poleto Martins
Chief Executive Officer

Claudine Furtado Anchite
Chief Financial and Investor Relations Officer

Fábio Valentim da Silva
Energy Regulation and Management Officer

Marcos Penna
Corporate Management Officer

Pablo Cupani Carena
Generation, Transmission and New Business Officer

Pilar Sabino da Silva
Planning, Control and Compliance Officer

Sandro Ricardo Levandoski
Distribution Officer

Vitor Lopes Guimarães
Chief Commercial Officer

Rogéria Rodrigues Machado
Accountant – CRC/SC 024797/O-0