



Celesc

**EARNINGS RELEASE | 2Q22**



Índice de  
Ações com Top Atos  
Diferenciado **ITAG**

Índice de  
Ações com Governança  
Corporativa Diferenciada **IGC**

## **DISCLAIMER**

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The information contained in this document related to business prospects, projected operating and financial results, and Celesc's growth outlooks are merely projections and, as such, are exclusively based on the Executive Board's expectations. These expectations crucially depend on market conditions, Brazil's economic performance, the industry, and international markets and, therefore, are subject to change.


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## OPERATING AND FINANCIAL HIGHLIGHTS

 **EBITDA**  
R\$221.4M (2Q22)  
R\$678.3M (6M22)


-12.4% (year) **PMOO**  
 R\$249.0M (2Q22)  
R\$475.5M (6M22)


 **Net Income**  
R\$101.2M (2Q22)  
R\$361.0M (6M22)


**Net Operating Income**  
 R\$2.4B (2Q22)  
R\$5.0B (6M22)


 **EBITDA Variation**  
+16.3% (quarter)  
+23.7% (year)

 **Consolidated Investment**  
R\$320.7M (2Q22)  
R\$596.0M (6M22)

 **Net Income Variation**  
+1.0% (quarter)  
+20.6% (year)

 **Consolidated Net Debt**  
R\$1,290.7M

 **Non-Manageable Expenses**  
-15.4% (quarter)

 **Company Shares**  
-3.38% 2Q22)  
-7.75% (12 months)

## RESULTS SUMMARY

Main Results	2Q			YTD 6M22		
	2021	2022	Δ	2021	2022	Δ
<b>Operational Indicators</b>						
Celesc Distribuição – Total Billed Energy (GWh)	6,792	6,778	-0.2%	13,657	13,940	2.1%
Celesc Geração - Billed Energy (GWh)	164	171	4.6%	335	351	4.7%
<b>Financial Indicators – Consolidated (R\$ million)</b>						
Gross Operating Income	3,732	3,933	5.4%	7,659	8,379	9.4%
Net Operating Income	2,411	2,366	-1.9%	4,935	5,043	2.2%
Net Operating Revenue (Excluding Construction Revenue)	2,270	2,064	-9.1%	4,657	4,484	-3.7%
Operating Costs and Expenses	(2,298)	(2,231)	-2.9%	(4,544)	(4,534)	-0.2%
Operating Costs and Expenses (excluding Construction Costs)	(2,157)	(1,929)	-10.6%	(4,266)	(3,974)	-6.8%
<b>(IFRS) EBITDA</b>	<b>190.3</b>	<b>221.4</b>	<b>16.3%</b>	<b>548.4</b>	<b>678.3</b>	<b>23.7%</b>
<b>EBITDA Margin (IFRS)</b>	<b>7.9%</b>	<b>9.4%</b>		<b>11.1%</b>	<b>13.5%</b>	
EBITDA margin - ex-construction revenue	8.4%	10.7%		11.8%	15.1%	
Adjusted EBITDA (non-recurring)	190.3	221.4	16.3%	548.4	678.3	23.7%
Adjusted EBITDA margin	8.4%	10.7%		11.8%	15.1%	
<b>Net Income (IFRS)</b>	<b>100.2</b>	<b>101.2</b>	<b>1.0%</b>	<b>299.3</b>	<b>361.0</b>	<b>20.6%</b>
<b>Net Margin (IFRS)</b>	<b>4.2%</b>	<b>4.3%</b>		<b>6.1%</b>	<b>7.2%</b>	
Net margin - ex-construction revenue	4.4%	4.9%		6.4%	8.1%	
Adjusted net profit (non-recurring)	100.2	101.2	1.0%	299.3	361.0	20.6%
Adjusted net margin	4.4%	4.9%		6.4%	8.1%	
Investments in Generation and Power Distribution	157.4	320.7	103.8%	310.5	596.0	91.9%

### 1. RELEASE INFORMATION

The information of this 2Q22 Release is particularly adherent to the Electoral Law<sup>1</sup> in force.

### 4.42 hours

EDC 2Q22 – below Aneel's limit, of 10.18 hours - 2022

### 1.89 interruptions

EFC 2Q22 – below Aneel's limit, of 7.99 interruptions - 2022

### 13,940 GWh

total electricity consumption in Celesc's concession area 2022

### ↑ 2.1%

compared to 2Q21 Celesc D's billed energy

### 7.46%

Total losses - value lower than the 8.19% reported in 2Q21

<sup>1</sup> Federal Constitution, Law 9,504/97, and Normative Instruction 001/22 – SECOM/SC.

## 2 CELESC GROUP

### 2.1 Corporate Profile

Centrais Elétricas de Santa Catarina S.A. – CELESC is one of the largest companies in the Brazilian electricity industry, especially on the power distribution and generation areas. Structured as a holding company in 2006, it has two wholly-owned subsidiaries: Celesc Distribuição S.A. and Celesc Geração S.A. It also controls Companhia de Gás de Santa Catarina (SCGÁS) and is a partner of Dona Francisca Energética S.A. (DFESA), Empresa Catarinense de Transmissão de Energia S.A. (ECTE), Companhia Catarinense de Água e Saneamento (CASAN), and the Usina Hidrelétrica Cubatão S.A. project.

Its controlling shareholder is the State of Santa Catarina, holder of 50.18% of the Company's common shares, corresponding to 20.2% of the total capital.

**Figure 01 – Ownership and Corporate Structure in June 2022**

SC STATE		EDP ENERGIAS		ELETROBRAS		CELOS		GF LPAR FIA		ALASKA POLAND FIA		OTHERS	
50.18%	O	33.11%	O	0.03%	O	8.63%	O	2.97%	O	0.00%	O	5.09%	O
0.00%	P	27.73%	P	17.98%	P	1.00%	P	13.67%	P	15.34%	P	24.28%	P
20.20%	T	29.90%	T	10.75%	T	4.07%	T	9.36%	T	9.16%	T	16.56%	T

**FREE FLOAT**  
75.5%



**O** = COMMON SHARES  
**P** = PREFERRED SHARES  
**T** = TOTAL SHARES

		51.00%	O					12.98%	O				
		0.00%	P					12.96%	P				
100.00%	T	100.00%	T	17.00%	T	30.88%	T	23.03%	T	40.00%	T	12.97%	T
<b>CELESC DISTRIBUIÇÃO</b>		<b>CELESC GERAÇÃO</b>		<b>SCGÁS</b>		<b>ECTE</b>		<b>DFESA</b>		<b>CUBATÃO<sup>2</sup></b>		<b>CASAN</b>	

<sup>2</sup> Under a divestment process.



**Celesc**  
Distribuição S.A.

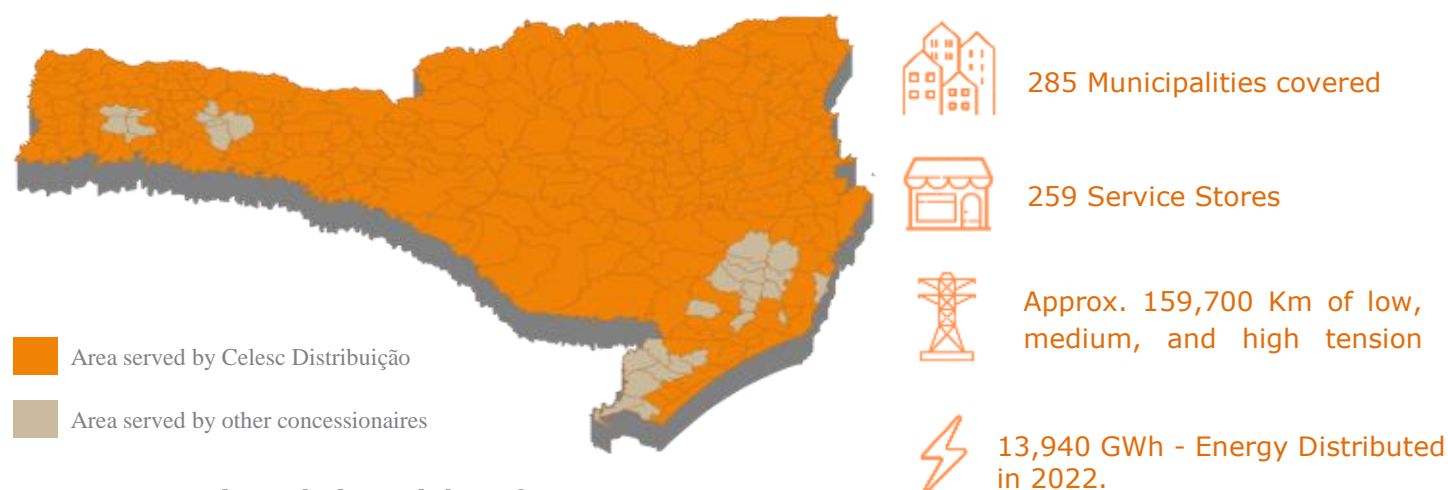
## 3. PERFORMANCE BY SEGMENT

### 3.1. CELESC DISTRIBUIÇÃO S.A.

#### 3.1.1. Company Profile

##### Operating Area

Celesc Distribuição S.A. stands out in the power distribution segment. It is headquartered in the city of Florianópolis. Below is CELESC's area of operation:



#### 3.1.2. Economic and Financial Performance

##### 3.1.2.1. Gross Operating Income, Net Operating Income, EBITDA, and Net Income

The table below shows Celesc Distribuição's main indicators in 2Q22 and 6M22.

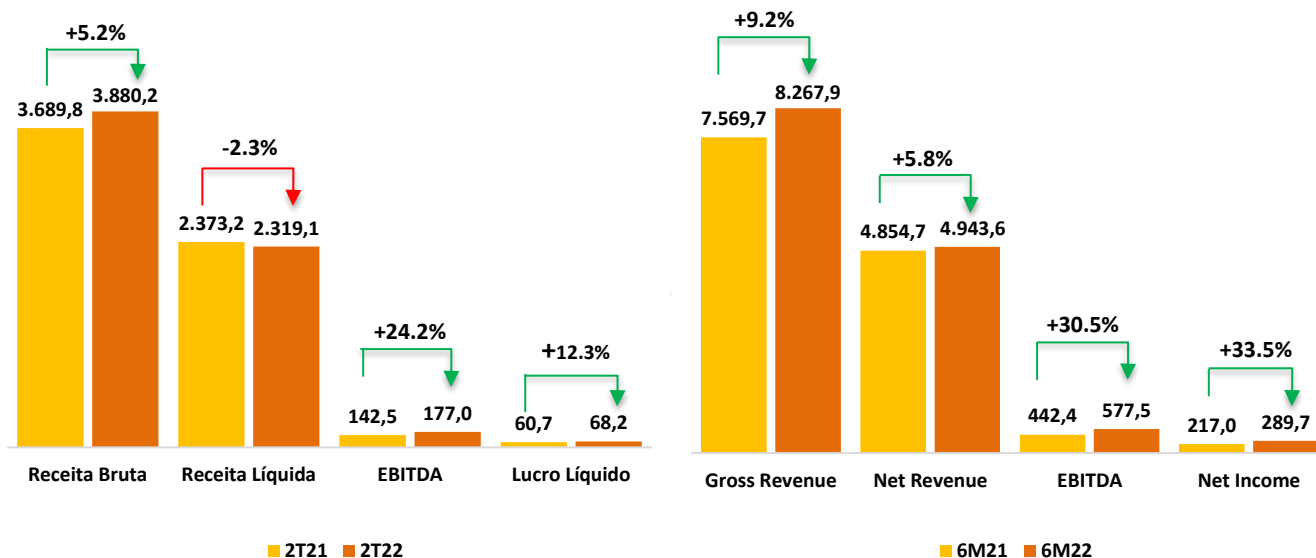
Celesc Distribuição S.A. | Main Financial Indicators (IFRS)

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Gross Operating Income</b>	<b>3,689.8</b>	<b>3,880.2</b>	<b>5.2%</b>	<b>7,569.7</b>	<b>8,267.9</b>	<b>9.2%</b>
Deductions from Operating Income	(1,316.6)	(1,561.0)	18.6%	(2,715.0)	(3,324.3)	22.4%
<b>Net Operating Income</b>	<b>2,373.2</b>	<b>2,319.1</b>	<b>-2.3%</b>	<b>4,854.7</b>	<b>4,943.6</b>	<b>1.8%</b>
Net Operating Income (Excluding Construction Revenue)	2,232.3	2,017.2	-9.6%	4,577.4	4,384.5	-4.2%
Operating Costs and Expenses	(2,291.6)	(2,209.1)	-3.6%	(4,533.8)	(4,499.2)	-0.8%
<i>Electricity Costs</i>	(1,816.1)	(1,536.0)	-15.4%	(3,673.7)	(3,216.7)	-12.4%
<i>Operating Expenses</i>	(475.5)	(673.0)	41.5%	(860.0)	(1,282.4)	49.1%
Operating Costs and Expenses (excluding Construction Costs)	(2,150.8)	(1,907.1)	-11.3%	(4,266.2)	(3,940.0)	-7.6%
<b>Earnings from Activities</b>	<b>81.5</b>	<b>110.1</b>	<b>35.0%</b>	<b>320.9</b>	<b>444.5</b>	<b>38.5%</b>
<b>EBITDA</b>	<b>142.5</b>	<b>177.0</b>	<b>24.2%</b>	<b>442.4</b>	<b>577.5</b>	<b>30.5%</b>
<i>EBITDA margin - IFRS</i>	6.0%	7.63%		9.1%	11.68%	
<i>EBITDA margin (ex- construction costs)</i>	6.4%	8.8%		9.7%	13.2%	
<b>Financial Result</b>	<b>20.0</b>	<b>(11.4)</b>	<b>-157.0%</b>	<b>29.4</b>	<b>(28.4)</b>	<b>-196.5%</b>
<b>Earnings Before Income Tax</b>	<b>101.5</b>	<b>98.7</b>	<b>-2.7%</b>	<b>350.3</b>	<b>416.1</b>	<b>18.8%</b>
IR/CSLL	(40.8)	(30.5)	25.1%	(133.3)	(126.4)	5.2%
<b>Net Income/Loss</b>	<b>60.7</b>	<b>68.2</b>	<b>12.3%</b>	<b>217.0</b>	<b>289.7</b>	<b>33.5%</b>
<i>Net Margin - IFRS</i>	2.6%	2.9%		4.5%	5.9%	
<i>Net margin (ex-construction costs)</i>	2.7%	3.4%		4.7%	6.6%	



**Chart 01** shows the performance of **Gross Operating Income, Net Operating Income, EBITDA, and Net Income**.

**Chart 01 - Gross Revenue, Net Revenue, EBITDA, and Net Income (R\$ million) - 2Q21/2Q22 and 6M21/6M22**



Energy consumption fell by 0.2% in 2Q22 and increased by 2.1% in 6M22.



The Company's Net Operating Revenue (NOR) fell by 2.3% in 2Q22 and increased by 1.8% in 6M22.



Average tariff adjustment of 5.65% (2021/2022 cycle).



Operating costs and expenses fell by 3.6% in 2Q22 and by 0.8% in 6M22.



Lower loss level and higher regulatory coverage in the 5th Tariff Revision allowed reducing the financial value without tariff coverage from 2020/2021 to 2021/2022.



EBITDA and Net Income of R\$177.0 million (R\$577.5 million in 6M22) and R\$68.2 million (R\$289.7 million in 6M22), respectively.



Investments of R\$317.8 million, up by 109.1% over 2Q21. Investments totaled R\$590.8 million in 6M22, up by 98.2% over 6M21.

### 3.1.2.3. Revenue

Charts 02 and 03 show the quarterly and annual variations in the main **Gross Revenue** lines.

Chart 02 - Variation in the main Gross Revenue lines (R\$ million) - 2Q21/2Q22

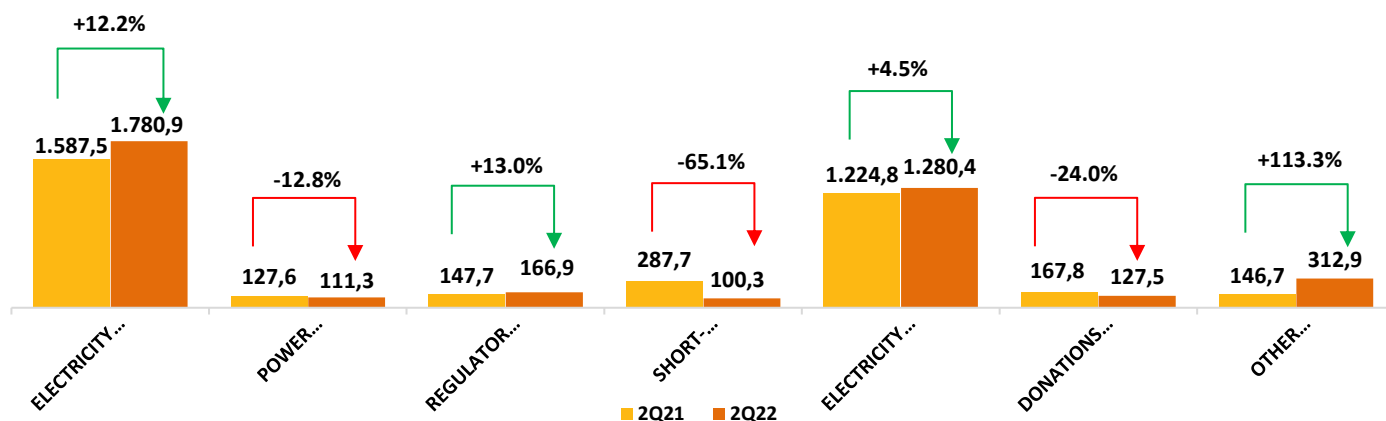
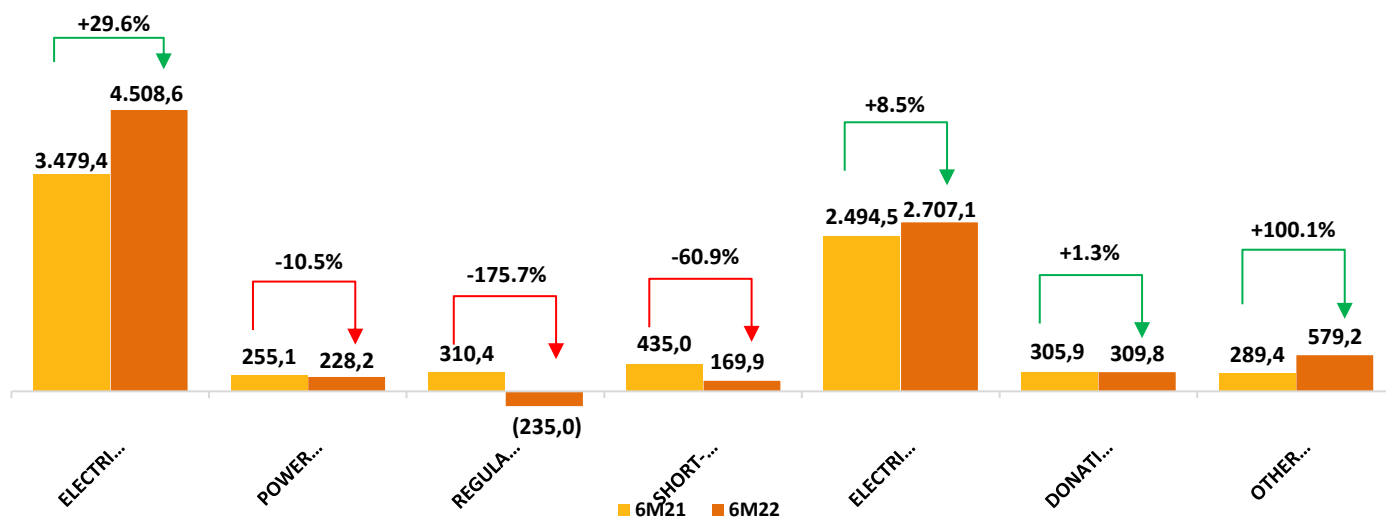


Chart 03 - Variation in the main Gross Revenue lines (R\$ million) - 6M21/6M22



\* IT INCLUDES THE ITEMS: Income from Services Rendered, Taxed Service, Other Income, and Construction Revenue

The main factors influencing **Gross Operating Income** were:

- Increase of 12.2% in 2Q22 (29.6% in 6M22) in the **Power Supply** line (+R\$193.3 million), totaling R\$1,780.9 million (R\$4,508.6 million in 6M22), highlighting:
  - Tariff flag revenue of R\$200.1 million (R\$806.4 million in 6M22), of which: R\$199.5 million (R\$804,9 million in 6M22),** as a result of the water scarcity flag, and R\$0.5 million (R\$1.5 million in 6M22), from the red and yellow flags;
  - Revenue from the consumption categories remained flat in 2Q22 (-0.1%) and grew by 10.3% in 6M22.** Revenue recorded was mainly due to the **average tariff effect of 5.65% from the 5th Tariff Revision cycle**, which became effective in August 2021. The main consumption categories reported the following variations: Residential (+0.3% in the

quarter and +10.7% in 6M22); Industrial (-6.0% in the quarter and +4.7% in 6M22); and Commercial (+4.3% in the quarter and +14.6% in 6M22);

- **Regulatory Assets of R\$166.9 million in the quarter**, due to the net result of CVA in the period. It is worth noting that in YTD 2022 the Company recorded a **Regulatory Liability of R\$235 million**, whose effect is neutralized by energy costs;
- **Short-Term Electricity of R\$100.3 million in 2Q22 (R\$169.9 million in 6M22)**, down by 65.1% in the quarter (60.9% in 6M22), due to the **decrease in Difference Settlement Price ("PLD")** in the Electricity Trading Chamber (CCEE) and the lower sales volume in the Energy Surplus Sales Mechanism (MVE);
- Increase of **4.5% in 2Q22 (8.5% in 6M22) in Revenue from Electricity Network Availability (TUSD)** compared to 2Q21, **totaling R\$1.28 billion (R\$2.70 billion in 6M22)**, mainly due to the average tariff effect of 5.65% in the 5th Tariff Revision cycle. The market expansion also contributed to the increase in 6M22.
- In Other Revenues, we highlight the **recognition of R\$8.0 million in Revenue with NRV in 2Q22 (R\$14.3 million in 6M22)**, due to the IPCA adjustment in the period (5.48% in 1H22 compared to 3.76% in 1H21).

### 3.1.2.2. Operating Costs and Expenses.

**Charts 04 and 05** below show the breakdown and evolution of the Company's Operating Costs and Expenses in 2Q22 and 6M22.

Chart 04 - Operating Costs and Expenses (R\$ million) - 2Q21/2Q22

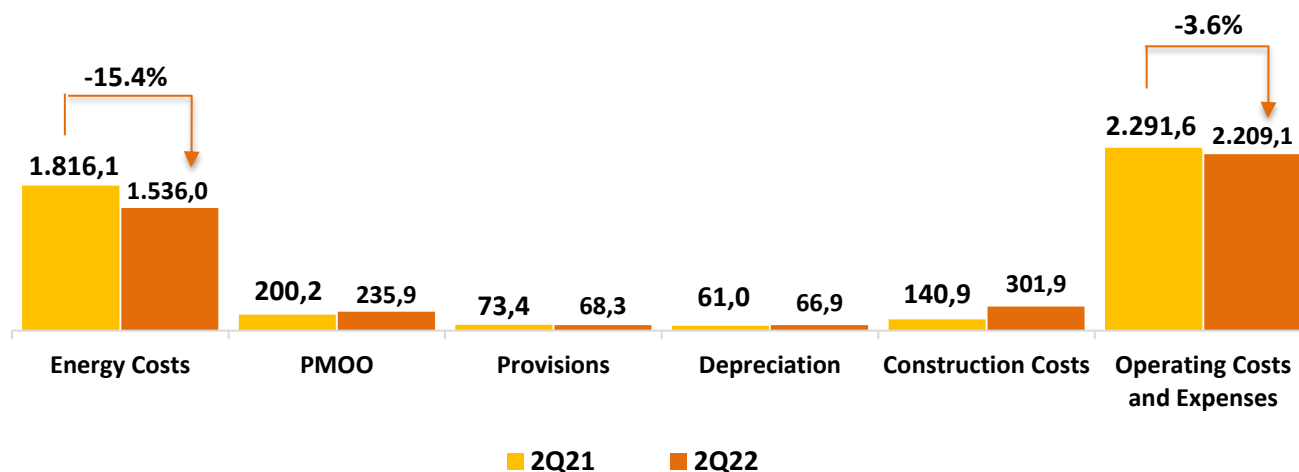


Chart 05 - Operating Costs and Expenses (R\$ million) - 6M21/6M22

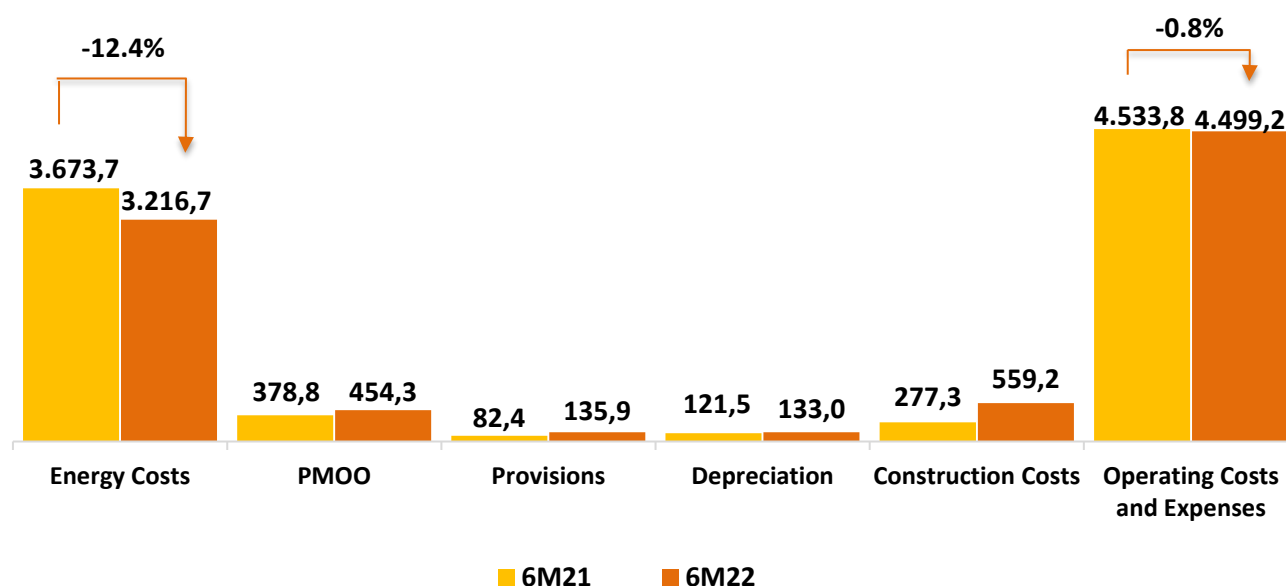
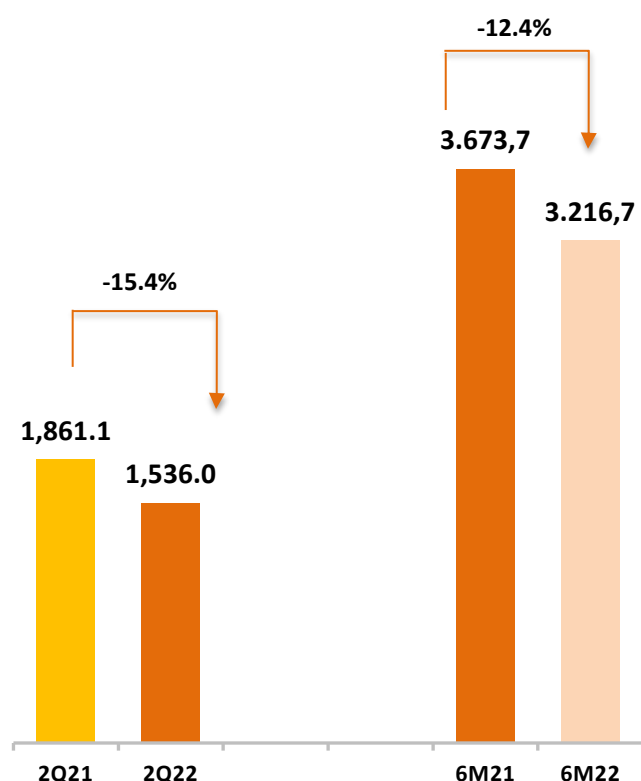


Chart 06, below, shows energy costs in 2Q22 and 2022:

Chart 06 - Energy Costs (R\$ million) 2Q22/6M22



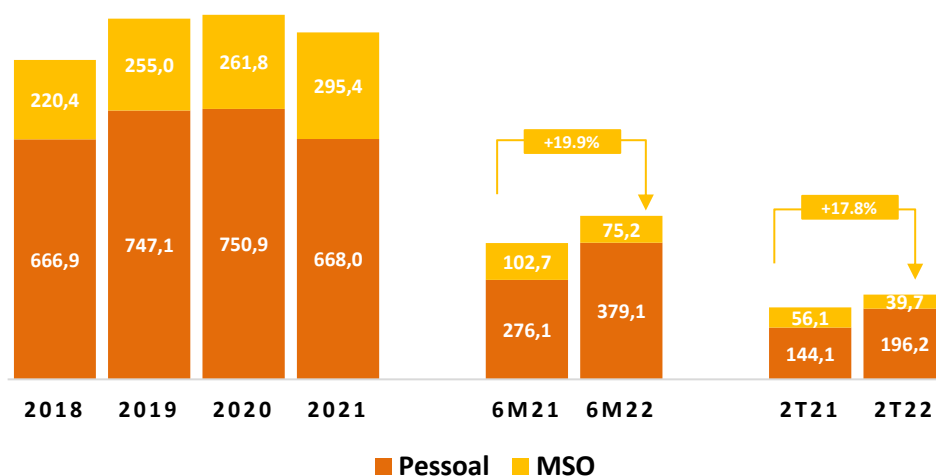
**Main changes in Energy Costs in 2Q22/2022:**

- i) Reduction of 0.9% in average costs from contracting energy from water sources in 2Q22. Decrease of 10.1% in electricity from Itaipu due to the positive exchange variation in the period (6.3% appreciation of the Real against the U.S. dollar in 1H22); an average increase of 1.5% in energy contracts from thermal sources;
- ii) Contracting of 12.9% in 2Q22 (13.9% in 2022) in electricity purchased for resale;
- iii) PROINFA totaled R\$85.8 million in 2Q22 (R\$171.5 million in 6M22) compared to R\$47.7 million in 2Q21 (R\$95.3 million in 6M21). This line is now included in Electricity Purchased for Resale;
- iv) Decrease of 14.0% in 2Q22 (increase of 2.0% in 6M22) in Charges for the Use of the System.

The variation in Energy Costs was mainly due to lower **water risks, as a result of the shut-down of thermal power plants in 2Q22 and lower PLD in the period**. We emphasize that the variations in energy costs are captured by Portion A Revenue.

**Chart 07 below shows the evolution of Celesc Distribuição's PMOO (Personnel + MOO), excluding the net provisions realized in the period.**

Chart 07 - Evolution of PMOO (Personnel + MOO) - (R\$ million)



Expenses with PMOO increased by 17.8% over 2Q21 (+19.9% year-over-year), with Personnel expenses increasing by 36.2% (37.3% in the 6M22) and MOO decreasing by 29.3% in 2Q22 (26.8% in 6M22). See the detailed explanation below. The main factors influencing the performance of PMOO (Personnel + MOO) expenses in 2Q22 were:

- **36.2% increase in Personnel expenses** in 2Q22 (36.2% in 6M22), due to higher actuarial expenses arising from the rise in the discount rate (Actuarial Report), the Collective Bargaining Agreements in October 2021, and the staff.
- **29.3% decrease in MOO expenses** in 2Q22 (reaching R\$39.7 million in 2Q22) and 26.8% in 6M22 (reaching R\$75.2 million in 6M22).
  - In 2Q22, the Company recorded higher expenses with Materials (+95.5%) and Third-Party Services (+8.4%), negatively impacting expenses. We highlight the following lines: (i) LIES (R\$8.3 million/-28.3%); (ii) vegetation clearing (R\$5.5 million/ +18.5%); (iii) network maintenance (R\$17.1 million/+0.3%); (iv) vehicles (R\$10.0 million/+58.8%); (v) consulting services (R\$8.8 million/-23.4%); and (vi) call center (R\$6.0 million/+29.4%).
  - The Other Revenues/Expenses line was positively impacted by higher net revenue, from R\$20.5 million to R\$49.4 million in 2Q22 (+141.0%). We highlight the higher revenue from Infrastructure Sharing Contracts (+22.1%). Furthermore, to comply with the Accounting Manual of the Electricity Sector, in 2022, the lines related to the payment of civil, labor, tax, and environmental indemnifications, and mass lawsuits are now directly recorded under Provisions. Until 2021, the Company reversed the provision upon recognition of the indemnification, recording an entry in Other Revenues/Expenses.

The table below describes **Personnel expenses** in the periods, reflecting the **36.2% increase in 2Q22 (37.3% in 6M22)**, as a result of the factors detailed above.

**Celesc Distribuição S.A. | Total Personnel Expenses**

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Total Personnel</b>	<b>(144.1)</b>	<b>(196.2)</b>	<b>36.2%</b>	<b>(276.1)</b>	<b>(379.1)</b>	<b>37.3%</b>
Personnel and Management	(144.5)	(169.3)	17.2%	(278.9)	(323.4)	15.9%
<i>Personnel and Charges</i>	(138.8)	(162.5)	17.1%	(267.2)	(309.7)	15.9%
<i>Private Pension Plan</i>	(5.8)	(6.9)	19.7%	(11.7)	(13.7)	17.5%
Actuarial Expenses	0.4	(26.8)		2.8	(55.7)	

**Celesc Distribuição is the sponsor of Fundação Celesc de Seguridade Social - CELOS**, a non-profit closed private pension fund entity, which manages the pension benefit plans and the healthcare plan offered to its employees. Expected Expenses/Income are calculated by projecting the variations of actuarial obligations and the fair value of the plan's assets, and are recognized in the Income Statement, according to the Annual Actuarial Evaluation of Post-Employment Benefits, carried out by independent actuaries.

The chart below presents the balance of **Actuarial Liabilities as of June 30, 2022, compared to the closing of 2021**, showing a 1.8% reduction in Celesc Distribuição's estimated obligations in 6M22.

**CELESC DISTRIBUIÇÃO S.A. | Actuarial Liabilities**

R\$ million	On December 31, 2021	On June 30, 2022	Chg. %
<b>Pension Benefit Plans</b>	<b>880.7</b>	<b>840.1</b>	<b>-4.6%</b>
Transition/Mixed Plan	880.7	840.1	-4.6%
<b>Other Post-Employment Benefits</b>	<b>1,137.6</b>	<b>1,141.1</b>	<b>0.3%</b>
Healthcare Plan	1,078.7	1,082.0	0.3%
Other Benefits	58.9	59.1	0.3%
<b>Total</b>	<b>2,018.3</b>	<b>1,981.1</b>	<b>-1.8%</b>
Short Term	219.5	222.2	1.2%
Long Term	1,798.7	1,759.0	-2.2%

**Net provisions totaled R\$68.3 million in 2Q22 (R\$135.9 million in 6M22)**, below the **R\$73.4 million** reported in 2Q21. The Allowance For Doubtful Accounts totaled R\$25.3 million in 2Q22 (R\$52.2 million in 2Q21); and Other Provisions (Labor, Civil, and Tax) totaled R\$45.6 million (compared to the R\$63.9 million reported in 2Q21). In 2Q22, the Reversals from the Other Provisions line fell from R\$28.8 million in 2Q21 to R\$2.5 million in 2Q22 (-91.4%). This line was also impacted by the change mentioned in the Other Revenues/Expenses line. Detailed information about the provisions for PECLD and Other Provisions can be found in Notes 9.2 and 27.1 of ITR 2Q22.

**3.1.2.3. EBITDA and Net Income**

**Charts 08 and 09** below show the breakdown of the **EBITDA conversion into Net Income**:

Chart 08 – 2Q22 EBITDA Formation (R\$ million)

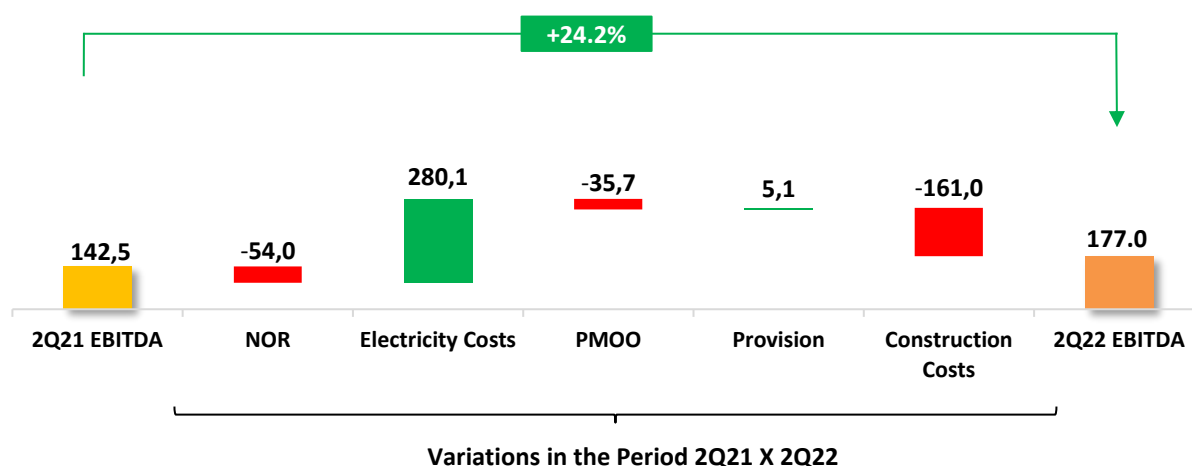
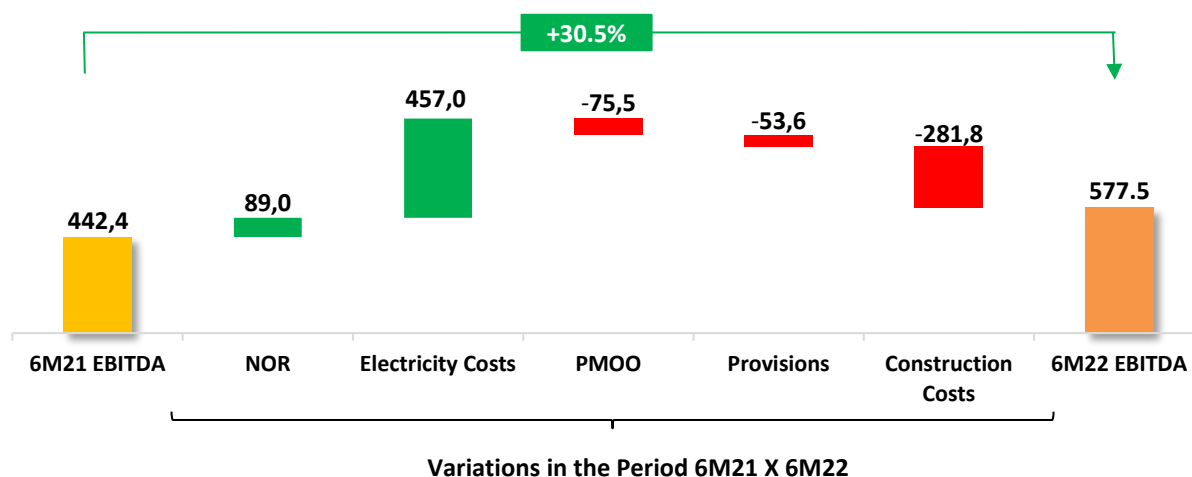


Chart 09 – 6M22 EBITDA Formation (R\$ million)



In 2Q22, **Celesc Distribuição's EBITDA increased by 24.2% (+R\$34.5 million), to R\$177.0 million**. In 6M22, the **increase was 30.5% (+R\$135.1 million), to R\$577.5 million, compared to the R\$442.4 million reported in 6M21**.

The main factors positively impacting EBITDA in 2Q22 were (i) higher generation of Portion B (R\$+30.7 million), mainly due to the 2021/2022 tariff adjustment; and (ii) **Lower Losses** from 2Q21, representing an **increase of R\$28,7 million** in the Company's result.

The **Financial Result** was **negative by R\$11.4 million in 2Q22 (R\$28.4 million in 6M22)**, arising from the **R\$128.1 million in Financial Revenue (R\$227.5 million in 6M22) and R\$139.4 million in Financial Expenses (R\$255.8 million in 6M22)**.

Financial revenue was 82.2% higher (+R\$57.8 million) than in 2Q21 (R\$70.3 million), especially due to (i) increase of 475.4% (+R\$27.6 million in Gains from Financial Investments because of the rise in the Selic rate in the period; (ii) increase of 288.2% (+R\$27.9 million) in Regulatory Asset/Regulatory Fees; and (iii) reduction of 41.6% (-R\$11.1 million) in Monetary Variations.

The 83.7% increase in 6M22 (+R\$103.6 million) was R\$227.5 million, compared to the R\$123.9 million reported in 6M21.

**Financial Expenses** increased by 177.2% in 2Q22 (+R\$89.1 million), to **R\$139.4 million**, especially due to (i) increase of 134.3% (+R\$41.1 million) in debt charges; (ii) increase of 360.3% (+R\$25.5 million) in Regulatory Liability/Regulatory Fees; and increase of 228.6% (+R\$15.6 million) in Interest on

debentures. It is worth mentioning that the company's indebtedness is mostly post-fixed and indexed to the CDI, which rose substantially between the analyzed periods.

The 170.9% increase in 6M22 (+R\$161.4 million) came to R\$255.8 million, compared to the R\$94.4 million reported in 6M21. Overall, the Company's Financial Result has been affected by the policy to increase interest rates implemented by the Monetary Authority.

The table below shows the breakdown of the main lines covered in our explanation:

**Celesc Distribuição S.A. | Main Financial Indicators (IFRS)**

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Earnings from Activities - EBIT</b>	<b>81.5</b>	<b>110.1</b>	35.0%	<b>320.9</b>	<b>444.5</b>	<b>38.5%</b>
Activities Margin (%)	3.4%	4.7%		6.6%	9.0%	
<b>EBITDA</b>	<b>142.5</b>	<b>177.0</b>	<b>24.2%</b>	<b>442.4</b>	<b>577.5</b>	<b>30.5%</b>
EBITDA Margin (%)	6.0%	7.6%		9.1%	11.7%	
<b>Financial Result</b>	<b>20.0</b>	<b>(11.4)</b>	<b>-157.0%</b>	<b>29.4</b>	<b>(28.4)</b>	<b>-196.5%</b>
Financial Revenue	70.3	128.1	82.2%	123.9	227.5	83.7%
Financial Expenses	(50.3)	(139.4)	177.2%	(94.4)	(255.8)	170.9%
<b>Earnings Before Income Tax</b>	<b>101.5</b>	<b>98.7</b>	<b>-2.7%</b>	<b>350.3</b>	<b>416.1</b>	<b>18.8%</b>
IR and CSLL	(47.4)	0.0	100.0%	(122.8)	(131.3)	6.9%
Deferred Income Tax and Social Contribution	6.7	(30.5)	-557.2%	(10.5)	5.0	147.3%
<b>Net Income</b>	<b>60.7</b>	<b>68.2</b>	12.3%	<b>217.0</b>	<b>289.7</b>	<b>33.5%</b>
Net Margin (%)	2.6%	2.9%		4.5%	5.9%	<b>31.1%</b>

Finally, Net Income totaled R\$68.2 million in 2Q22 (R\$289.7 million in 6M22), 12.3% (+R\$7.5 million) higher than in 2Q21. In 2022, the increase was 33.5% (+R\$72.7 million), totaling R\$289.7 million, compared to the R\$217 million reported in 2021. The factors determining the profit variation in 2Q22 were the same as those outlined in the EBITDA analysis, in addition to the financial result (negative by R\$11.4 million in 2Q22 and R\$28.4 million in 6M22).

**Chart 10 – 2Q22 Net Income Formation (R\$ million)**

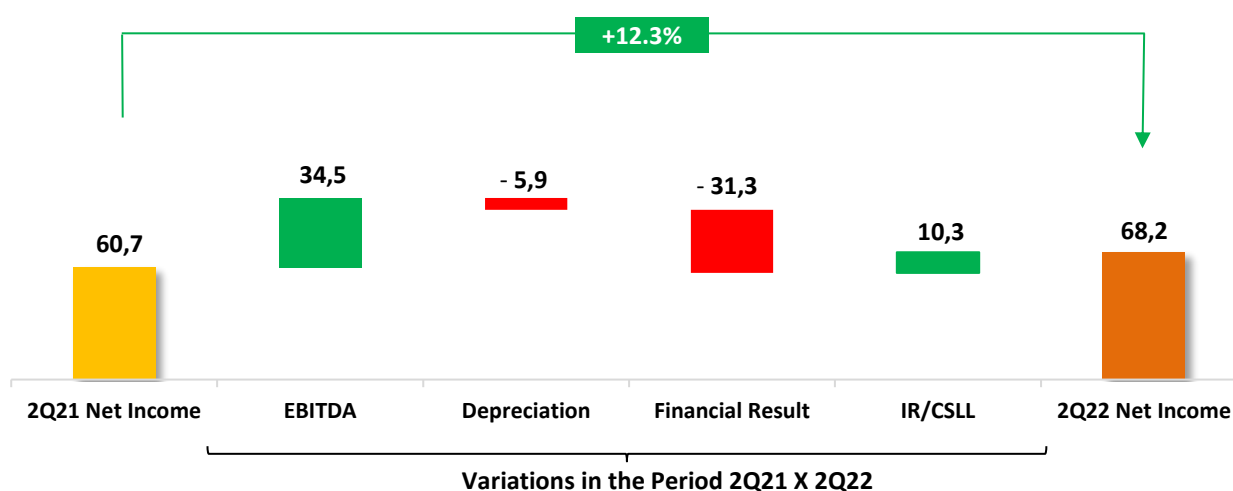
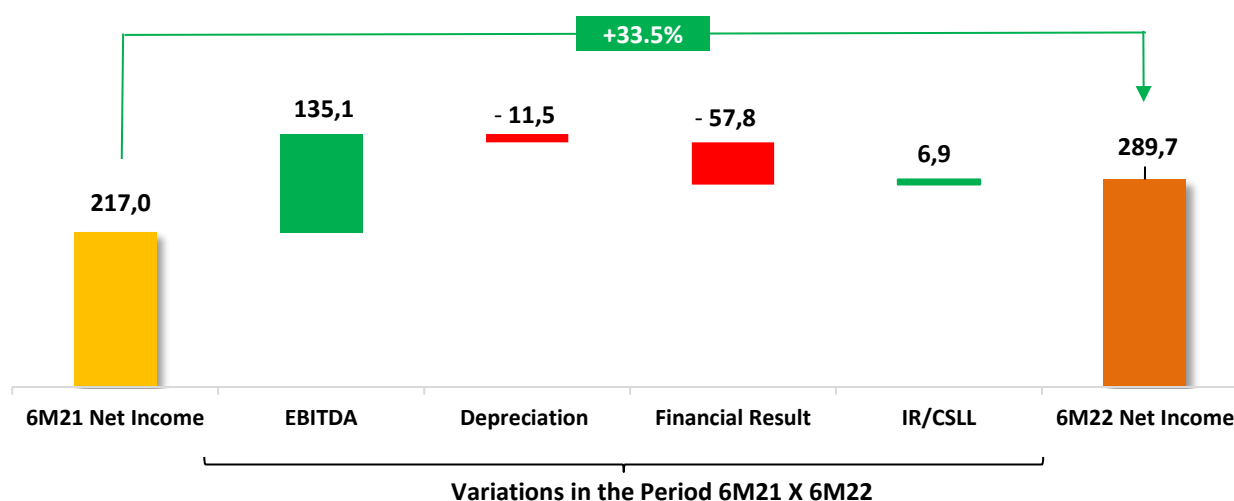




Chart 11 – 6M22 Net Income Formation (R\$ million)



### 3.1.2.4. Indebtedness

**In June 2022, Celesc Distribuição's Gross Financial Debt totaled R\$2,561.3 million, up by 27.1% (R\$545.5 million) over the R\$2,015.7 million reported at the end of 2021 (4Q21).**

The variation is explained by the Company's transaction with Banco Safra in 1Q22, which consists of a **Bank Credit Note ("CCB"), of R\$550 million**, raised to strengthen cash. The transaction has a total term of 36 months, the first 18 months of which correspond to the amortization grace period. Amortization will be made on a six-month basis. The contracted rate was CDI+1.65% p.a.

The Company maintains most of its indebtedness concentrated in the long term, as shown in the table below. It can also be seen that the Company's leverage is at low and preserved levels, as represented by the "Net Debt/EBITDA" ratio.

Net Financial Debt totaled **R\$1,400.7 million** in June 2022, an increase of 11.0% (+R\$138.8 million) compared to December 2021. The variation was mainly due to the **Bank Credit Note ("CCB"), of R\$550 million**, in 1Q22, as detailed above.

#### Celesc Distribuição S.A. | Indebtedness

2Q22 Financial Debt			
R\$ million	On December 31, 2021	On June 30, 2022	Δ
Short-Term Debt	227.7	427.5	87.7%
Long-Term Debt	1,788.0	2,133.8	19.3%
<b>Total Financial Debt</b>	<b>2,015.7</b>	<b>2,561.3</b>	<b>27.1%</b>
( - ) Cash and Cash Equivalents	753.8	1,160.6	54.0%
<b>Net Financial Debt</b>	<b>1,261.9</b>	<b>1,400.7</b>	<b>11.0%</b>
EBITDA (LTM)	783.2	918.2	17.2%
<b>Fin. Debt Net / EBITDA 12M</b>	<b>1.6x</b>	<b>1.5x</b>	
ADJUSTED EBITDA (LTM)	847.0	981.4	15.9%
<b>Fin. Debt Net / Adjusted EBITDA 12M</b>	<b>1.5x</b>	<b>1.4x</b>	
Equity	1,483.5	1,671.7	12.7%
<b>Fin. Debt Total / Equity</b>	<b>1.4x</b>	<b>1.5x</b>	
<b>Fin. Debt Net / Equity</b>	<b>0.9x</b>	<b>0.8x</b>	

**In June 2022, the Net Actuarial Liabilities item fell by 2.7%.** When we include it in the Company's total debt and deduct Cash and Cash Equivalents, the **Adjusted Net Financial Debt** amounts to **R\$2,810.0 million, up by 3.7%** over December 2021.

<b>Celesc Distribuição S.A.   Indebtedness + Actuarial Liabilities</b>			
<b>Financial Debt + Post-Employment Benefits - 2Q22</b>			
<b>R\$ million</b>	<b>As of December 31, 2021</b>	<b>On June 30, 2022</b>	<b>Δ</b>
Short-Term Debt	227.7	427.5	87.7%
Long-Term Debt	1,788.0	2,133.8	19.3%
<b>Total Financial Debt</b>	<b>2,015.7</b>	<b>2,561.3</b>	<b>27.1%</b>
<b>(+) Net Actuarial Liabilities</b>	<b>1,447.8</b>	<b>1,409.3</b>	<b>-2.7%</b>
Social Security Obligations	880.7	840.1	-4.6%
Other employee benefits	1,137.6	1,141.1	0.3%
( - ) Income taxes deferred	570.4	571.8	0.2%
( - ) Cash and Cash Equivalents	753.8	1,160.6	54.0%
<b>Adjusted Net Debt</b>	<b>2,709.7</b>	<b>2,810.0</b>	<b>3.7%</b>
EBITDA (LTM)	783.2	918.2	17.2%
<b>Adjusted Net Debt/12M EBITDA</b>	<b>3.5x</b>	<b>3.1x</b>	
ADJUSTED EBITDA (LTM)	847.0	981.4	11.8%
<b>Adjusted Net Debt/Adjusted EBITDA 12M</b>	<b>3.2x</b>	<b>2.9x</b>	
Equity	1,483.5	1,671.7	12.7%
<b>Total Adj. Debt / Equity</b>	<b>2.3x</b>	<b>2.4x</b>	
<b>Adjusted Net Debt / Equity</b>	<b>1.8x</b>	<b>1.7x</b>	

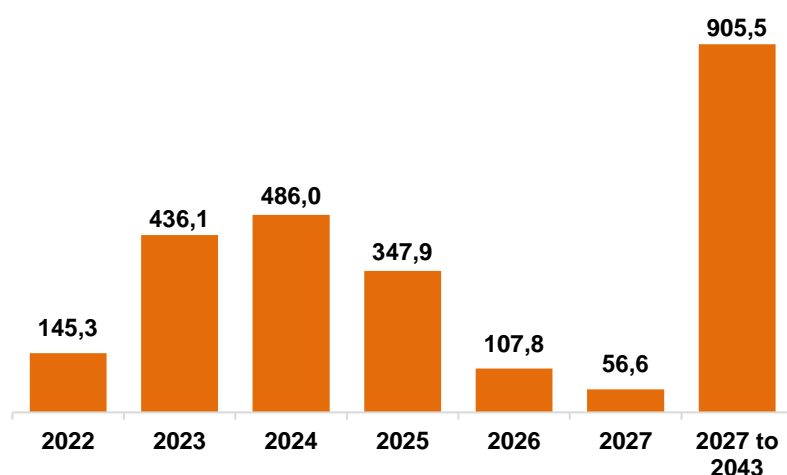
The table<sup>3</sup> below breaks down the Company's indebtedness in 2Q22.

<b>Celesc Distribuição - 2Q22 Debt Breakdown (R\$ thousand)</b>											
<b>Description</b>				<b>Annual Amortization</b>							
<b>Company</b>	<b>Contracts</b>	<b>Issue Date</b>	<b>Rate (p.y.)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>From 2027 to 2043</b>	<b>Outstanding Balance Total</b>
Celesc D	Eletrobrás - D	Jan-13	5.00%	436	872	872	363	-	-	-	<b>2,544</b>
Celesc D	Finame - D	Jul/12 to Dec/15	8.44%	3,148	1,175	36	-	-	-	-	<b>4,359</b>
Celesc D	Working capital - D	Apr-19	CDI + 0.80%	-	93,056	-	-	-	-	-	<b>93,056</b>
Celesc D	Working capital - D	Feb-22	CDI + 1.65%	-	137,500	275,000	137,500	-	-	-	<b>550,000</b>
Celesc D	3 <sup>rd</sup> Debenture Issue	Aug-18	CDI + 1.90%	33,334	49,999	-	-	-	-	-	<b>83,333</b>
Celesc D	4 <sup>th</sup> Debenture Issue	Apr-21	CDI + 2.60%	38,372	153,488	153,488	153,488	51,163	-	-	<b>550,000</b>
Celesc D	IDB - D	Oct-18	CDI + 1.35%	-	-	56,596	56,596	56,596	56,596	905,538	<b>1,131,923</b>
Celesc D	Loan 5th G - D	Nov-21	CDI + 2.10%	70,000	-	-	-	-	-	-	<b>70,000</b>
<b>Celesc D - Total</b>				<b>145,290</b>	<b>436,091</b>	<b>485,993</b>	<b>347,948</b>	<b>107,759</b>	<b>56,596</b>	<b>905,538</b>	<b>2,485,215</b>

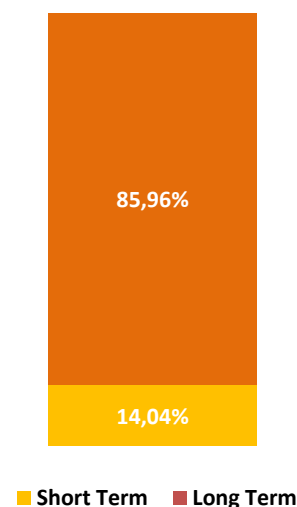
**Charts 12 and 13** outline the estimated maturity schedule of loans and financing and the average indebtedness term, with a position in June 2022.

<sup>3</sup> Excluding charges on debt.

**Chart 12 – Amortization Schedule – June/2022**  
(R\$ million)



**Chart 13 – Average Indebtedness Term – June/2022**



In the last few years, the Company has been extending the debt profile by concentrating it on the long term. **85.96% of the debt is in the long term while 14.04% is in the short term**, as reported at the end of 2Q22.

It is worth noting that the **Company's Average Cost of Debt was 15.05%** and the **Average Term was 11.56 years (138 months)**.

### 3.1.2.5. Investments

**Charts 14 and 15** show Celesc Distribuição's **investments** in capital goods (CAPEX) from 2017 to 2021, as well as the CAPEX breakdown in 2Q22.

In 2Q22, investments to expand and improve the system, increase operating efficiency, and streamline the company's management, totaled R\$317.8 million, up by 109.1% (+R\$165.8 million), compared to the R\$152.0 million recorded in 2Q21.

Investments made in the same lines mentioned in the paragraph above totaled R\$590.8 million in 2022 (6M22), 98.2% (+R\$292.7 million) higher than the R\$298.1 million reported in the same period of 2021.

The highlights were the investments in the Distribution segment in 6M22, to compose the Company's Regulatory Asset Base (RAB), which totaled **R\$559.1 million – 94.6% of total CAPEX, as shown below:**

- Distribution Lines and Substations, totaling **R\$233.2 million** – 41.7% of RAB CAPEX;
- Distribution and Telecommunication Networks, totaling **R\$278.2 million** – 49.8% of RAB CAPEX;
- Trading and Measurement, totaling **R\$38.5 million** – 6.9% of RAB CAPEX;
- Other Investments, totaling **R\$9.2 million** – 1.6% of RAB CAPEX.

Moreover, in 6M22, Celesc Distribuição made mandatory investments of **R\$3.89 million in Research and Development (R&D)** and **R\$6.53 million in Energy Efficiency**.

Chart 14 - CAPEX Celesc Distribuição (R\$ million)

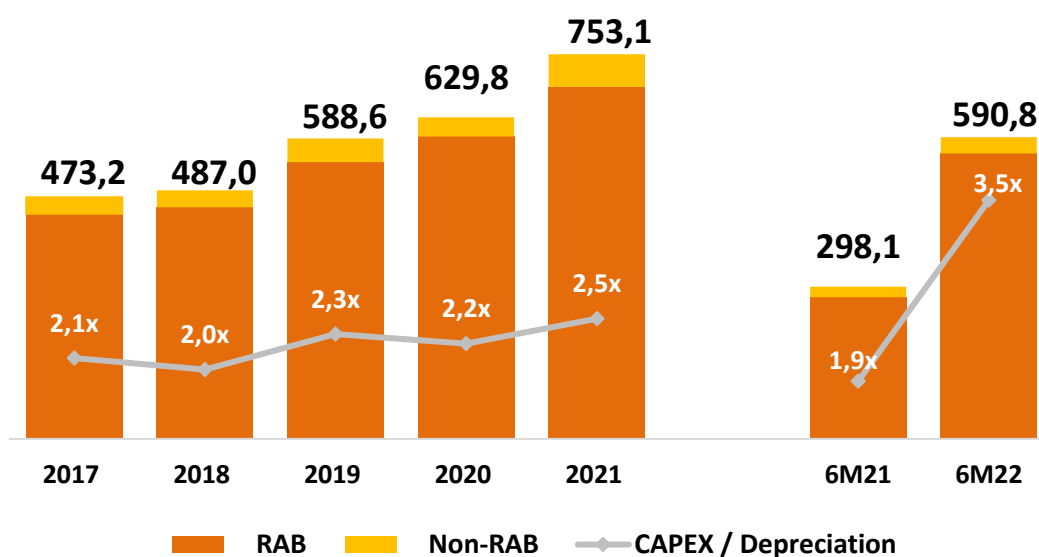
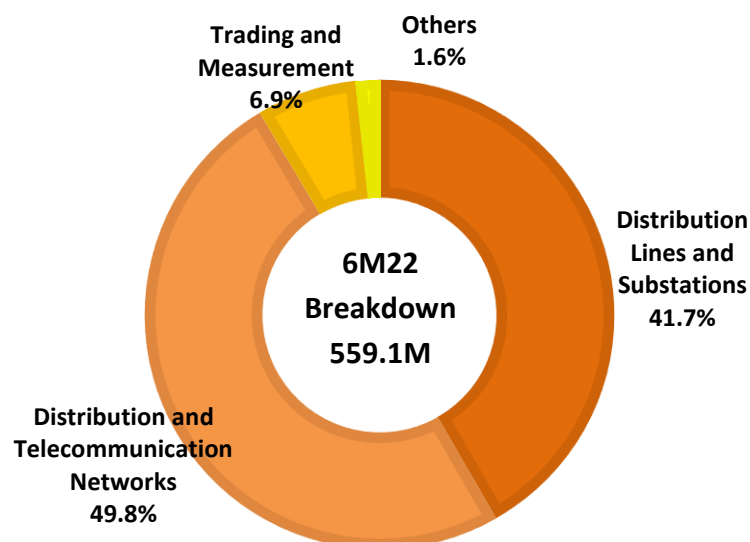


Chart 15 - Investment Breakdown RAB CAPEX



### Celesc + Energia Program

The CELESC + Energia Program corresponds to several interventions proposed to expand and improve the quality of power distribution in Celesc-D's concession area.

Designed to last five years, the Program started on October 31, 2018, and is currently operating with expected investments of US\$377,280,500,00, of which US\$276,051,000.00 is funded by the Interamerican Development Bank (BID) and US\$101,229,500.00 by Celesc-D.

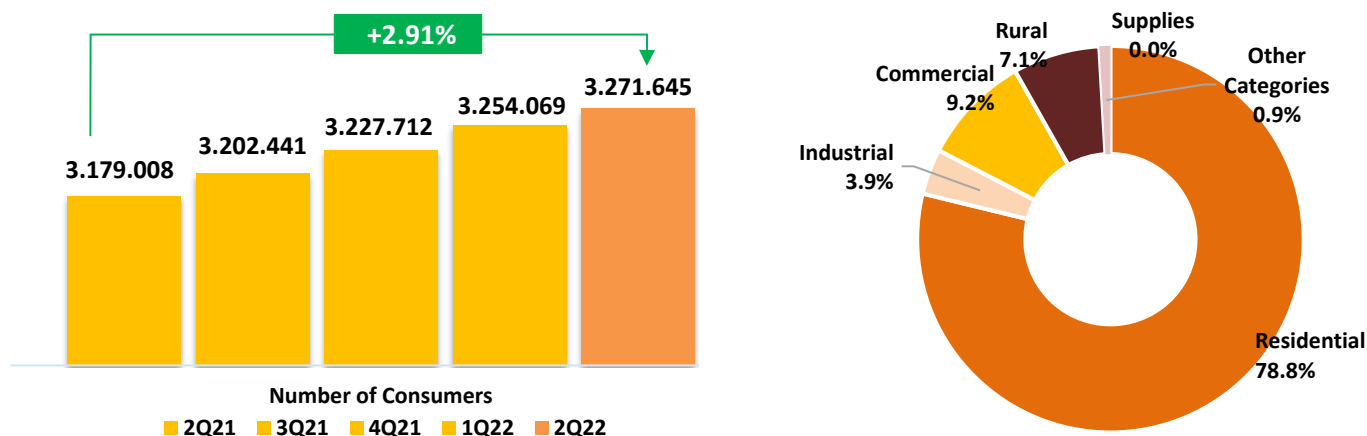
Until 2Q22, the Program's investments totaled US\$278.2 million, invested in new distribution lines and substations, implementation of new substations, and expansion of existing substations, among others.

Some goals already achieved in the Program are worth mentioning: (i) 196.07 MVA increase in the network through new substations implemented; (ii) 366.90 MVA increase in the network through expansions in existing substations; (iii) 83.85 km increase of new high tension lines installed; (iv) 763.39 MVA increase from the expansion of the transformation power of the medium tension distribution network; (v) 317 new feeders installed; (vi) 1,440.87 km of distribution network improved; (vii) 844,39 electricity meters installed/replaced, and (viii) 3,197.00 distribution equipment replaced.

### 3.1.3. Operational Performance

3.1.3.1. Number of Consumers<sup>4</sup> - Charts 16 and 17 below show the evolution of the number of Celesc's captive consumers and the share by type of consumption category, respectively.

Charts 16 and 17 – Number of Captive Consumers and share by type of category

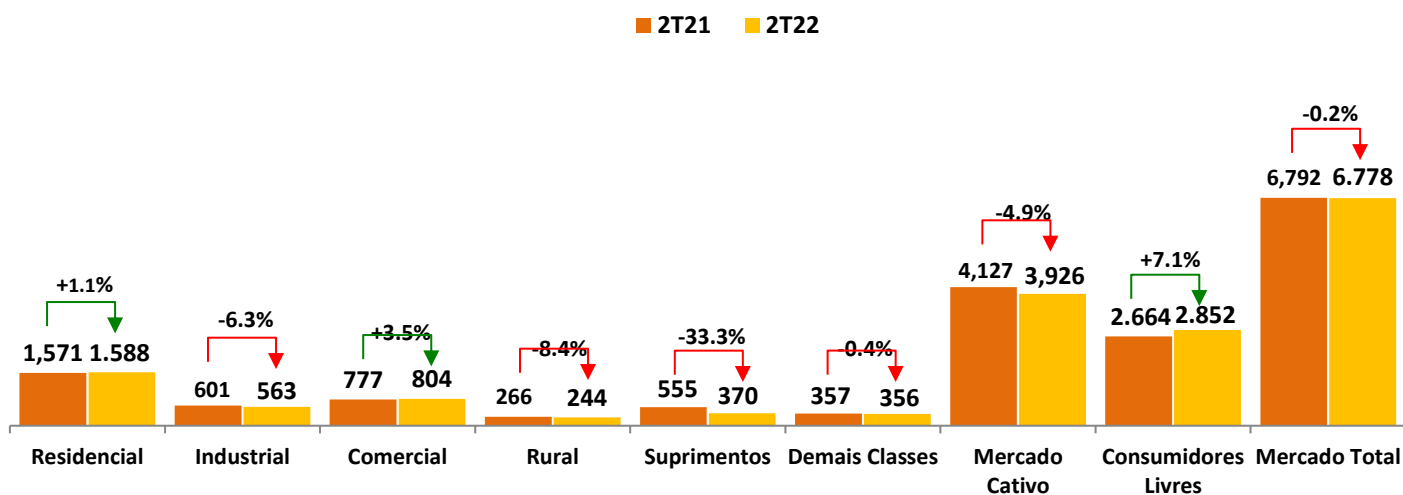


In June 2022, Celesc had **3,271,645** captive consumers, **a growth of 2.91%**, and an addition of **92,637 new customers** compared to June 2021.

### 3.1.3.2. Market

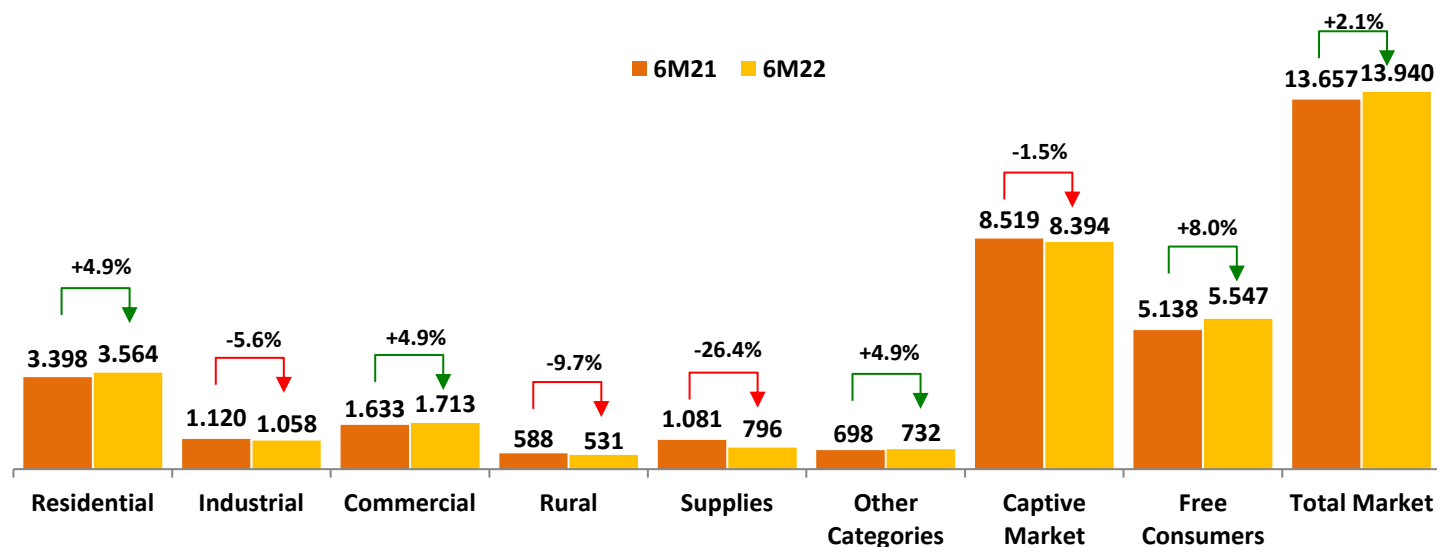
Charts 18 and 19 below show the evolution of the electricity market by Consumer Category in **2Q22** and **6M22**:

Chart 18: Billed Market (GWh) – Quarterly Comparison



<sup>4</sup> Includes Own Consumption and Supplies subcategories.

Chart 19: Billed Market (GWh) – 6M Comparison



**Celesc Distribuição's Captive Market fell by 4.9% in 2Q22 and 1.5% in 6M22, to 3,926 GWh and 8,394 GWh, respectively.** We highlight the Industrial Category (reductions of 6.3% in 2Q22 and 5.6% in 6M22) and the Supply Category (reductions of 33.3% in 2Q22 and 26.4% in 6M22).

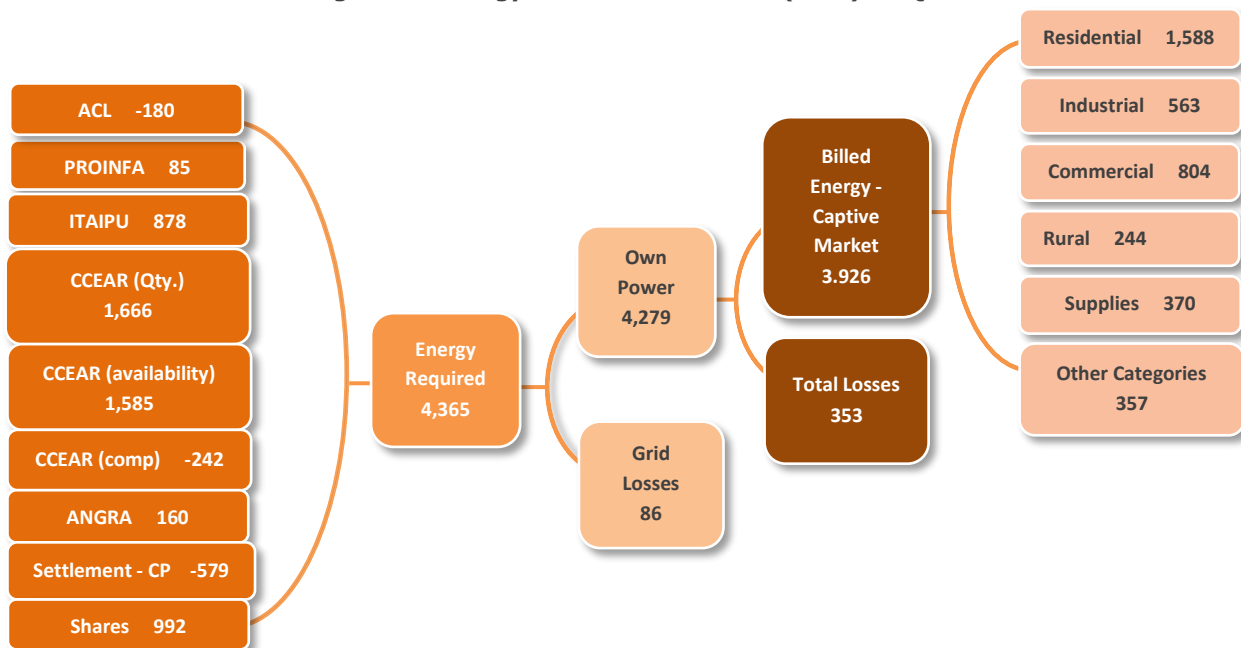
The **4.9% decrease in 2Q22 (1.5% in 6M22)** was due to the significant **number of consumers who migrated to the Free Market Tariff – ACL**, 86 of whom were from the industrial category and 170 from the commercial category. However, the most significant impact was the option to purchase total or partial energy in the free market by some permissionaires that were previously supplied by the Distributor. Excluding this effect, the Captive Market would have slightly fallen by 0.4% in 2Q22 from 2Q21.

**The Free Market rose 7.1% in the quarter and 8.0% in 6M22**, accounting for 39.8% of the Total Market, due to the migration of the Captive Market's consumers. Captive customer migration is a consumer choice that does not affect Celesc, as power continues to be supplied by the concessionaire and remunerated by the TUSD (Distribution System Use Tax), which does not change as consumers continue to pay the concessionaire for the service. Celesc carefully monitors the behavior of its consumption categories, reaffirming the Company's commitment to its customers, and seeking to create value for its stakeholders through its business.

Therefore, the **Total Market (Captive + Free) slightly fell by 0.2% in 2Q22, and increased by 2.1% in 6M22**, due to the excellent performance recorded in 1Q22 (increase of 4.5%).

### 3.1.3.3. Energy Balance

Figure 1 – Energy Distribution Balance (GWh) – 2Q22



### 3.1.3.4. Energy Losses

**Energy Losses** correspond to total losses including **technical losses**, which consist of electricity dissipated during the power transmission process from the supply to the point of delivery, and **non-technical losses**, which consist of the difference between global and technical losses. Therefore, this portion of non-technical losses considers energy theft, malfunction of measurement equipment, errors in the billing process, and consumer units without measurement equipment, among others.

Losses in Distribution (%) - Injected Energy (Last 12 months)

Description	2Q21	3Q21	4Q21	1Q22	2Q22	ANEEL Limit (LTM)*
	%	%	%	%	%	
<b>Losses in Distribution</b>	<b>8.19%</b>	<b>8.14%</b>	<b>7.96%</b>	<b>7.67%</b>	<b>7.46%</b>	<b>8.07%</b>
<b>Technical Losses</b>	5.64%	5.69%	5.77%	5.88%	5.77%	5.79%
<b>Non-Technical Losses</b>	2.55%	2.45%	2.19%	1.79%	1.69%	2.28%

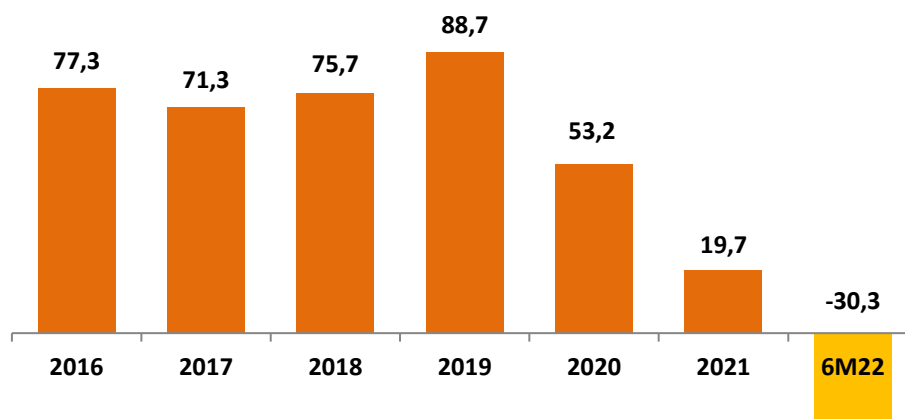
\*Last 12 months of the Regulatory Limit.

In 6M22, the financial gain came to R\$30.3 million regarding tariff coverage, R\$0.06 million of which above coverage with technical losses, R\$39,5 million below tariff coverage with non-technical losses, and R\$9.1 million above the coverage with the basic network.

It is worth noting that basic network losses are not managed by the Distributor since these are transmission losses and mainly depend on the generation at the origin sub-system and energy exchange from other sub-systems. It is also worth noting that basic network losses are annually analyzed by ANEEL and coincide with the Distributor’s tariff adjustment.

**Chart 20** below describes the financial value without tariff coverage from 2016 to 6M22. It is worth noting that the value recorded in 6M was **negative by R\$30.3 million** (total loss below regulatory loss):

Chart 20: Losses in Distribution (Financial Amount in R\$ million)



The Company has been constantly working to reduce loss levels, especially with the **Loss Reduction and Recovery Plan**, whose main actions are described below:

- i) Identifying suspected cases of irregularity through an algorithm (online verification);
- ii) Procedures to identify fraud and/or technical deficiency;
- iii) Reviewing the contractors' labor lawsuits (targets and inspection);
- iv) Integrating corporate systems;
- v) Implementing antitheft systems and regularizing clandestine connections;
- vi) Reviewing the work process (inspection targets);
- vii) Investment in the high tension system: new substations, new distribution lines, and expansion of the transformation capacity of some existing substations; and
- viii) Investment in the medium tension system: new power suppliers, reconnections, and installation of capacitor banks.

### 3.1.3.6. Operational Quality (EDU and EFU)

The quality of the electricity supply is mainly verified by the **EDC** (Equivalent Duration of Interruption per Consumer) and **EFU** (Equivalent Frequency of Interruption per Consumer) indicators, which respectively measure the average duration of interruptions and the average number of interruptions per consumer (Charts 21 and 22).



Chart 21: Historical Data and EDC Limits

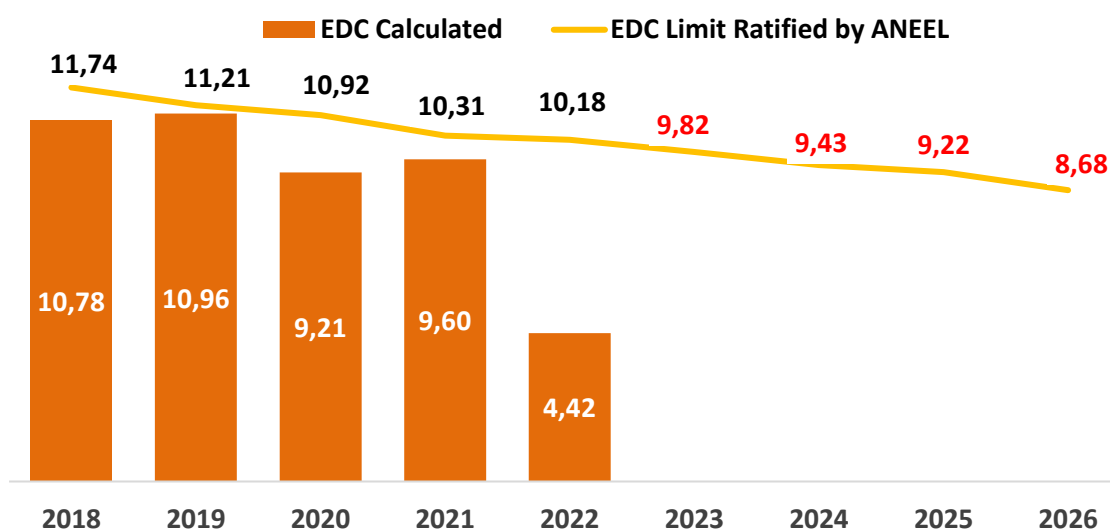
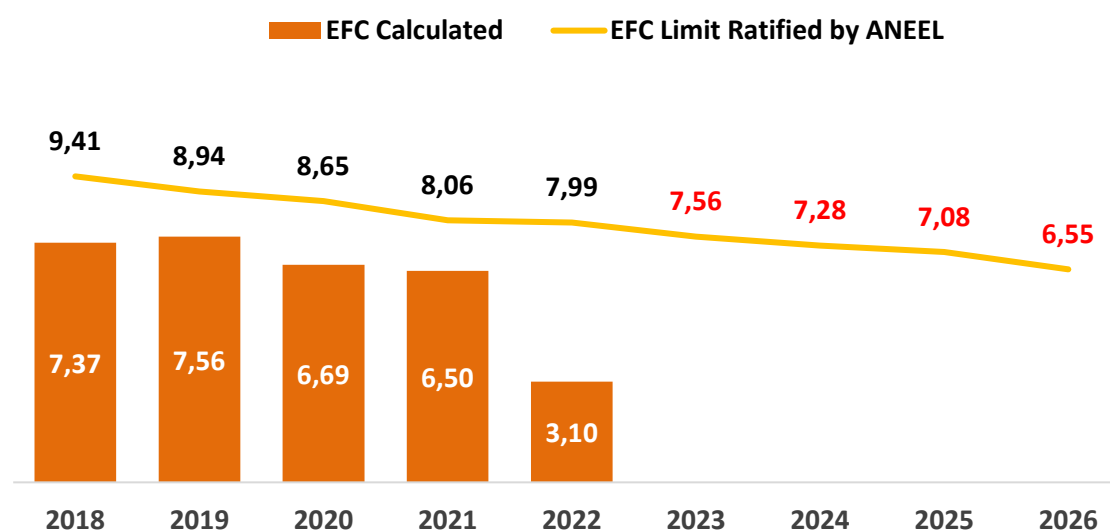


Chart 22: Historical Data and EFC Limits



In 6M21, CELESC recorded 4.42 hours in the EDC indicator, down by 10.89% from 6M21, when it recorded 4.96 hours. In the same period, the Company recorded 3.10 interruptions in the EFC indicator, a 6.34% decrease from the 3.31 interruptions recorded in 6M21.

The violation of quality indicators individually generated consumer credits of R\$11.4 million for Celesc Distribuição in 6M22, below the R\$16.8 million reported in 6M21.

Celesc reinforces its commitment to the continuous improvement of its operational activity by increasingly investing in actions to reduce EDC and EFC.

### 3.1.3.6. Delinquency Management

Delinquency corresponds to billed revenue not received. At the end of June 30, 2022, short-term delinquency of up to 90 days (the period concentrating most collections), considered as a proportion of GOI (LTM Gross Operating Income), fell by 0.73 percentage points from 2Q21. Delinquency above 90

days fell by 1.69 percentage points and total delinquency fell by 2.42 percentage points, as shown in the table below.

### CELESC DISTRIBUIÇÃO S.A. | Delinquency

Delinquency	Delinquency up to 90 days										
	2Q21		3Q21		4Q21		1Q22		2Q22		
	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	Variation
<b>Total</b>	294,426	2.51%	269,177	2.16%	298,609	2.31%	372,779	2.67%	<b>275,467</b>	<b>1.94%</b>	<b>-0.73 p.p.</b>
<b>Gross Operating Income</b>	11,696,472		12,408,532		12,971,057		13,953,982		<b>14,187,254</b>		

Delinquency	Delinquency over 90 days										
	2Q21		3Q21		4Q21		1Q22		2Q22		
	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	Variation
<b>Total</b>	626,275	5.35%	663,225	5.33%	631,285	4.87%	652,821	4.69%	<b>426,409</b>	<b>3.00%</b>	<b>-1.69 p.p.</b>
<b>Gross Operating Income</b>	11,696,472		12,408,532		12,971,057		13,953,982		<b>14,187,254</b>		

Delinquency	Total Delinquency										
	2Q21		3Q21		4Q21		1Q22		2Q22		
	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	R\$ / thousand	% of GOI	Variation
<b>Total</b>	920,701	7.85%	932,402	7.50%	929,894	7.17%	1,025,600	7.37%	<b>701,877</b>	<b>4.95%</b>	<b>-2.42 p.p.</b>
<b>Gross Operating Income</b>	11,696,472		12,408,532		12,971,057		13,953,982		<b>14,187,254</b>		



**Celesc**  
Geração S.A.

## 3.2. CELESC GERAÇÃO

### 3.2.1. Company's Profile

#### Operating Area

Celesc Geração is a subsidiary of the Celesc Group in the electricity generation segment by operating, maintaining, selling, and expanding its generation park, and holding interests in energy generation projects through partnerships with private investors.

The Company has its own generation park made up of 12 plants, of which one Small Hydroelectric Plant (SHP), five Hydroelectric Generation Plants (HGP), and six Hydroelectric Power Plants (HPPs). Also in the generation segment, the company holds a minority interest in another six generation projects, developed in a partnership with private investors, as Special Purpose Entity (SPE), all of them already in operation. In the transmission segment, the company holds a minority interest in an SPC in a partnership with SPE - Energias do Brasil.

Celesc G's total generation capacity in operation on June 30, 2022, was **126.51 MW**, of which **115.27 MW were** from its own park and **11.24 MW** from the generation park set up with partners - already proportional to Celesc G's shareholding interest in these projects.

#### Celesc's Plants



The table below shows the main features of Celesc Geração's wholly-owned plants:

#### Own Generator Site | 100% of Celesc Geração S.A.

PLANTS	Location	Final Concession Term	Installed Capacity (MW)	Physical Guarantee (MW)	Physical Guarantee in Shares
1 Pery HPP	Curitibanos/SC	07/07/2054*	30.00	14.08	100%
2 Palmeiras HPP	Rio dos Cedros/SC	11/06/2053*	24.60	16.70	70%
3 Bracinho HPP	Schroeder/SC	11/06/2053*	15.00	8.80	70%
4 Garcia HPP	Angelina/SC	03/01/2053*	8.92	7.10	70%
5 Cedros HPP	Rio dos Cedros/SC	11/06/2053*	8.40	6.75	70%
6 Salto Weissbach HPP	Blumenau/SC	11/06/2053*	6.28	3.99	70%
7 Celso Ramos SHP	Faxinal dos Guedes/SC	5/31/2039*	13.92	6.77	N/A
8 Caveiras HGP	Lages/SC	**	3.83	2.77	N/A

<b>9</b>	Ivo Silveira HGP	Campos Novos/SC	**	2.60	2.03	N/A
<b>10</b>	Rio do Peixe HGP	Videira/SC	**	0.52	0.50	N/A
<b>11</b>	Piraí HGP	Joinville/SC	**	0.78	0.45	N/A
<b>12</b>	São Lourenço HGP	Mafra/SC	**	0.42	0.22	N/A
<b>Total MW</b>				<b>115.27</b>	<b>70.16</b>	

\* Plants that adhered to the renegotiation of the hydrological risk under Law 14052/2020, according to ANEEL's Authorizing Resolution 11,998/2022, received an extension in the concession term, being 7 years for the Pery, Palmeira, Bracinho, Garcia, Cedro, and Salto Weisbbach Plants, and 4.2 years for the Celso Ramos Plant.

\*\* Plants with a power of less than 5 MW are exempt from the concession act (Federal Law 13,360/16).

The table below shows the main features of the generation projects developed in a partnership with private investors:

#### Projects in operation | minority interest held by Celesc Geração S.A.

PLANTS	Location	Final Concession Term	Installed Capacity (MW)	Physical Guarantee (MW)	Celesc G's Share	Equivalent Installed Power (MW)	Eq. Physical Guarantee (MW)
<b>13</b> SHP Rondinha	Passos Maia/SC	06/09/2041*	9.60	5.48	32.5%	3.12	1.78
<b>14</b> HGP Prata	Bandeirante/SC	**	3.00	1.68	26.1%	0.78	0.44
<b>15</b> HGP Belmonte	Belmonte/SC	**	3.60	1.84	26.1%	0.94	0.48
<b>16</b> HGP Bandeirante	Bandeirante/SC	**	3.00	1.76	26.1%	0.78	0.46
<b>17</b> SHP Xavantina	Xanxerê/SC	4/07/2040	6.08	3.54	40.0%	2.43	1.42
<b>18</b> SHP Garça Branca	Anchieta/SC	03/13/2043	6.50	3.44	49.0%	3.19	1.69
<b>Total MW</b>			<b>31.78</b>	<b>17.74</b>		<b>11.24</b>	<b>6.26</b>

\* Plant that adhered to the renegotiation of the hydrological risk under Law 14052/2020, according to ratification Resolution 2.931/2021, thereby its concession will be extended for another 336 days.

\*\* Plants with a power of less than 5 MW are exempt from the concession act (Federal Law 13,360/16).

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 a system of hydrological risks, in which the participating plants transfer the generated energy surplus to their physical guarantee to the plants generated levels lower than the physical guarantee limits.

In addition to the aforementioned projects, Celesc Geração holds shares in an electric energy transmission undertaking, containing five stretches of 230 and 525kV transmission lines and a 525/230kV substation, as shown in the table below:

Project	Location	Final Concession Term	Transformation Capacity (MVA)	Power Lines (km)	Celesc G Interest
EDP – Transmissão Aliança SC	SC	8/11/2047	1,344	433	10.0%

According to the Notice to the Market released by Celesc on February 18, 2022, the SPE obtained authorization from the ONS – National Operator of the System for the commercial operation of the facilities, six months in advance of the regulatory schedule, and a first stage of the project entered into partial operation on June 14, 2021, 14 months ahead of schedule established by ANEEL. Under the terms of Homologation Resolution 3067/2022 for the 2022/2023 cycle, RAP was R\$232.4 million.

EDP Aliança SC is a partnership between Celesc Geração (10%) and EDP Energias do Brasil (90%), formed from the success of the Transmission Auction 05/2016 held in April 2017.

Seeking to diversify its activities in renewable sources businesses, as one of the guidelines of its Master Plan, in 2022, Celesc started to operate in photovoltaic solar distributed generation. The company's strategic direction points to the opening of new business models that can increase extra-distribution revenues, including DG, given the segment's growth prospects. Thus, at the end of the second quarter of 2022, two bidding processes, of 1 MW each, had already been carried out, being in the stages of conclusion, aiming at the issuance of the service order to start the works.

The Company also has a portfolio with projects to expand/reactivate its own plants.

### 3.2.2. Economic and Financial Performance

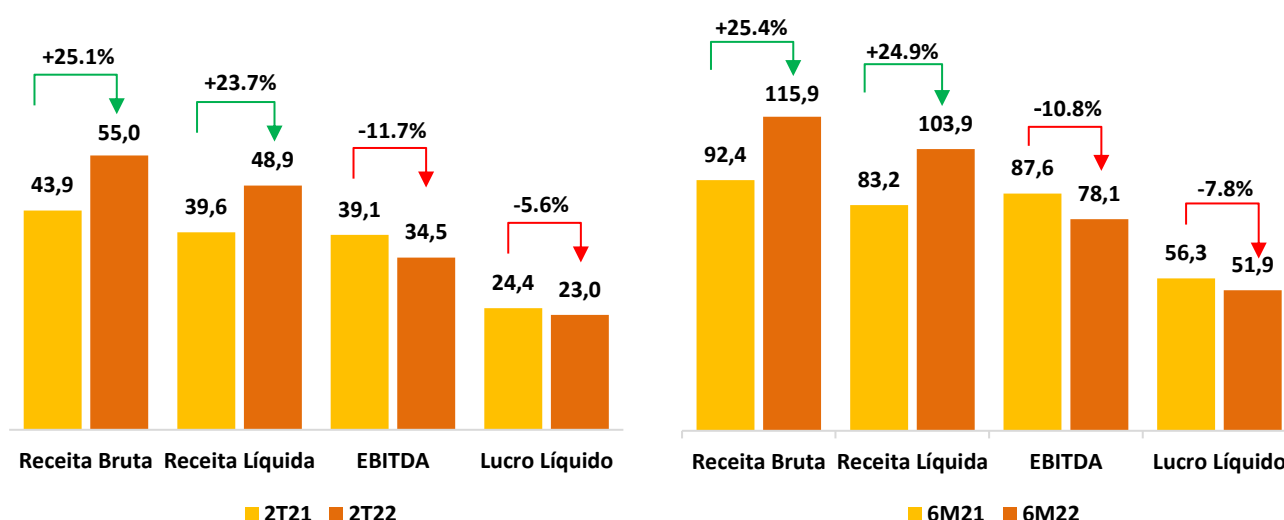
#### 3.2.2.1. Gross Operating Income, Net Operating Income, and Net Income.

The table below shows Celesc Geração's main indicators in 2Q22 and 6M22.

**Celesc Geração S.A. | Main Financial Indicators**

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Gross Operating Income</b>	<b>43.9</b>	<b>55.0</b>	<b>25.1%</b>	<b>92.4</b>	<b>115.9</b>	<b>25.4%</b>
Deductions from Operating Income	(4.4)	(6.0)	37.7%	(9.2)	(12.0)	30.1%
<b>Net Operating Income</b>	<b>39.6</b>	<b>48.9</b>	<b>23.7%</b>	<b>83.2</b>	<b>103.9</b>	<b>24.9%</b>
Operating Costs and Expenses	(0.6)	(14.7)	2535.5%	(0.5)	(28.2)	6145.5%
<i>Electricity Costs</i>	(5.3)	(5.3)	1.3%	(10.3)	(11.4)	10.4%
<i>Operating Expenses</i>	4.7	(9.4)	-299.1%	9.9	(16.8)	-270.2%
<b>Equity Pickup</b>	<b>(1.4)</b>	<b>(0.6)</b>	<b>57.3%</b>	<b>1.9</b>	<b>0.7</b>	<b>-65.5%</b>
<b>Earnings from Activities</b>	<b>37.6</b>	<b>33.7</b>	<b>-10.6%</b>	<b>84.7</b>	<b>76.4</b>	<b>-9.8%</b>
<b>EBITDA</b>	<b>39.1</b>	<b>34.5</b>	<b>-11.7%</b>	<b>87.6</b>	<b>78.1</b>	<b>-10.8%</b>
<i>EBITDA Margin (%)</i>	98.7%	70.5%		105.2%	75.1%	
<b>Financial Result</b>	<b>(0.0)</b>	<b>1.5</b>	<b>9318.8%</b>	<b>(0.5)</b>	<b>1.9</b>	<b>504.4%</b>
<b>Earnings Before Income Tax</b>	<b>37.6</b>	<b>35.1</b>	<b>-6.6%</b>	<b>84.3</b>	<b>78.3</b>	<b>-7.1%</b>
IR/CSLL	(13.2)	(12.1)	-8.4%	(28.0)	(26.4)	-5.7%
<b>Net Income / Loss</b>	<b>24.4</b>	<b>23.0</b>	<b>-5.6%</b>	<b>56.3</b>	<b>51.9</b>	<b>-7.8%</b>
<i>Net Margin (%)</i>	61.6%	47.0%		67.6%	49.9%	

**Chart 23 - Gross and Net Revenue, EBITDA, and Net Income (million) - 2Q21/2Q22 and 6M21/6M22**



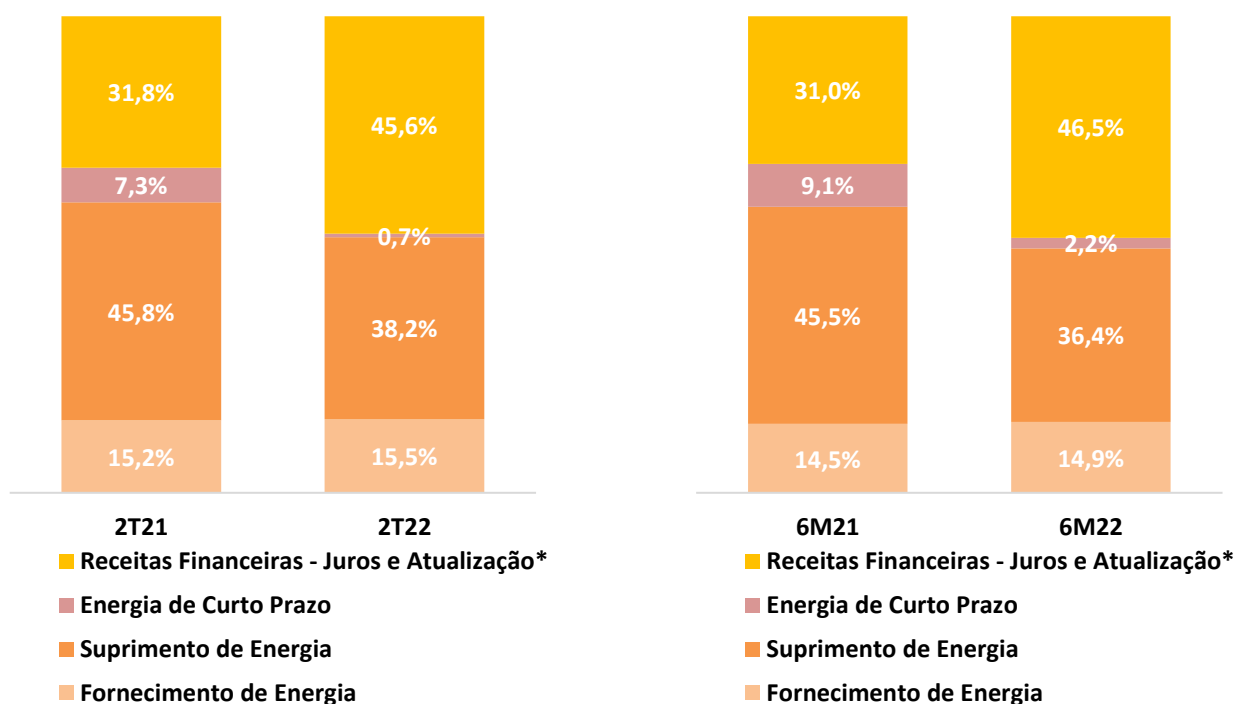
The main factors affecting the quarter's EBITDA and Income were:

- Increase of **23.7% in the Net Operating Income in 2Q22 (24.9% in 6M22)**;
- **R\$17.3 million in 2Q22 (R\$37.0 million in 6M22)** compared to the **R\$14.0 million recorded in 2Q21 (R\$28.6 million in 6M21)**, due to the IPCA adjustment of the concession bonus of the financial asset.
- Indemnification of the Pery Plant totaling **R\$7.9 million** (adjustment plus interest) in 2Q22 (**R\$17,0 million in 6M22**);
- **Increases of 36.3% (35.1% in 6M22) and 23.1% (21.9% in 6M22) in the Average Sale Price excluding and including CCEE**, respectively, in the energy sales contracts;
- **Lower PLD** in the period, due to the improved hydric scenario. In 2Q22, the **average PLD was R\$55.70/MWh (-76.13%)**, while in 6M22, the **average PLD was R\$56.91/MWh, compared to the R\$202.52/MWh reported in 6M21**.
- In 2021, the revisions of provisions for PECLD (GSF) positively impacted the result for 2Q21. No effect in 2022.

In September 2021, Celesc G partially withdrew the lawsuit and renegotiated the hydrological risk – GSF under Law 14,052/2020 for its Plants, except for the HGPs.

### 3.2.2.2. Gross Operating Income - Revenue Breakdown

Chart 24 - Breakdown of Gross Operating Income 2Q21/2Q22 and 6M21/6M22

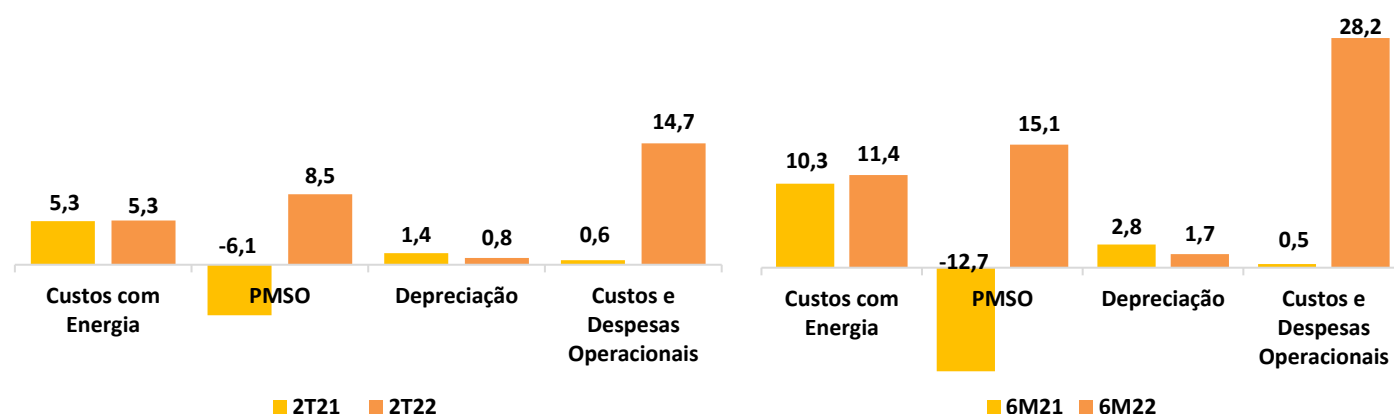


\* Includes Concession Bonus and Indemnification of the Pery Plan

### 3.2.2.3. Operating Costs and Expenses.

The following charts show the breakdown of Operating Costs and Expenses.

Chart 25 - Breakdown of Operating Costs and Expenses (R\$ million) - 2Q21/2Q22 and 6M21/6M22



Operating Costs and Expenses totaled R\$14.7 million in 2Q22 (R\$28.2 million in 6M22), highlighting:

- i) Recording of R\$5.3 million in Energy Costs in 2Q22 (R\$11.4 million in 6M22);
- ii) PMOO expenses of R\$8.5 million (R\$15.1 million in 6M22); the QoQ and YoY increases were due to the reversals of PECLD (GSF) in 1Q21 and 6M21, which reduced the comparison basis.

It is worth noting the effect of the **reversal of PECLD (GSF), of R\$14.1 million (1Q21) and R\$12.1 million (2Q21)**, resulting in a **total net provision of R\$26.2 million**. Accordingly, Operating Costs and Expenses totaled R\$0.6 million in 2Q21 and R\$0.5 million in 2021. In 2Q22, excluding the effect of the reversal of PECLD, Operating Costs and Expenses totaled R\$14.7 million (R\$28.2 million in 6M22).

The lower depreciation expense from 2021 was due to the transfer of part of the PP&E to Financial assets, due to the recognition of indemnification of the Basic Project of the Pery plant in 3Q21.

The table below describes Celesc Geração's operational costs and expenses.

#### Celesc Geração S.A. | Operating Costs and Expenses

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>OPERATING COSTS AND EXPENSES</b>	<b>(0.6)</b>	<b>(14.7)</b>	<b>2535.5%</b>	<b>(0.5)</b>	<b>(28.2)</b>	<b>6154.8%</b>
<b>Electricity Costs</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>1.3%</b>	<b>(10.3)</b>	<b>(11.4)</b>	<b>10.4%</b>
Electricity Purchased for Resale	(4.6)	(4.6)	-0.4%	(9.1)	(9.9)	9.0%
Charge for the Use of the System	(0.7)	(0.8)	13.4%	(1.3)	(1.5)	20.6%
<b>PMOO and Provisions</b>	<b>6.1</b>	<b>(8.5)</b>	<b>-239.3%</b>	<b>12.7</b>	<b>(15.1)</b>	<b>-219.0%</b>
Personnel and Management	(3.8)	(4.8)	25.6%	(7.5)	(9.1)	20.8%
Supplies	(0.3)	(0.3)	3.6%	(0.4)	(0.4)	18.4%
Outsourced Services	(1.9)	(3.2)	67.9%	(3.9)	(5.3)	36.3%
Net Provisions	12.2	0.1	-99.3%	24.6	0.5	-98.1%
Other Revenues / Expenses	(0.0)	(0.3)	770.6%	(0.1)	(0.8)	885.0%
<b>Depreciation / Amortization</b>	<b>(1.4)</b>	<b>(0.8)</b>	<b>-41.3%</b>	<b>(2.8)</b>	<b>(1.7)</b>	<b>-41.8%</b>

#### 3.2.2.4. EBITDA and Net Income

**EBITDA** totaled **R\$34.5 million** in 2Q22, a **decrease of 11.7%** compared to the R\$39.1 million recorded in 2Q21.



The Charts below show the breakdown of the EBITDA conversion into Net Income:

Chart 26 – EBITDA Formation 2Q22 (R\$ million)

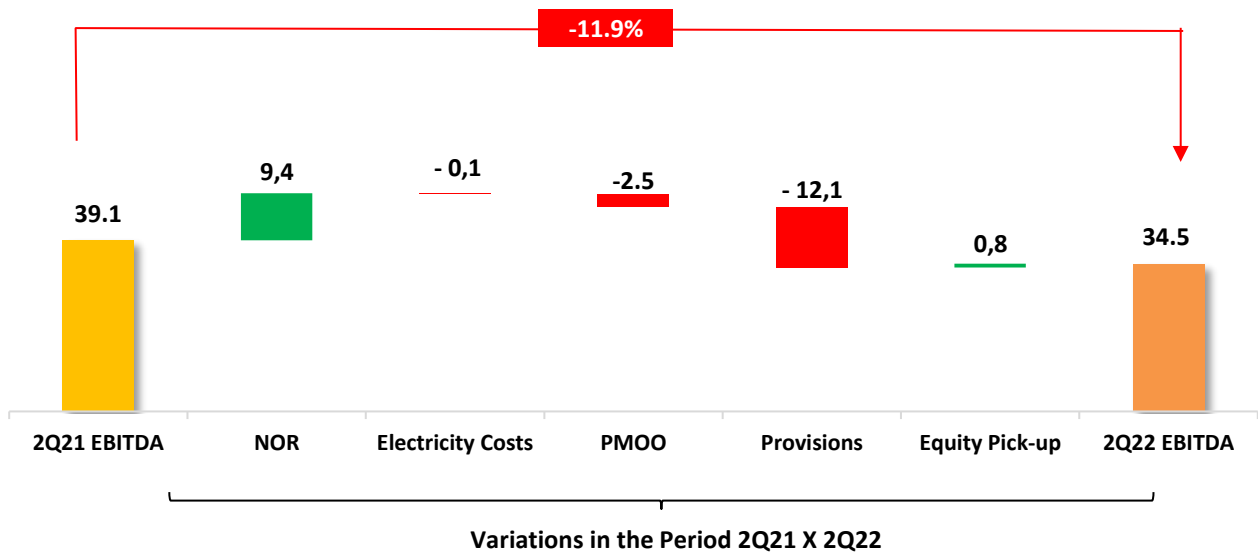
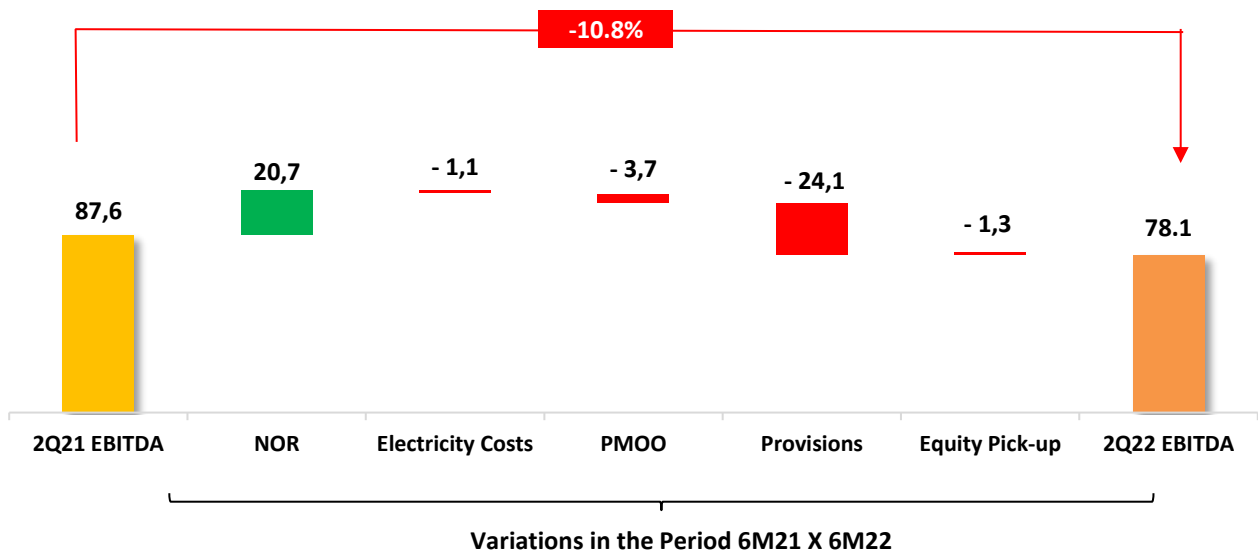


Chart 27 – EBITDA Formation 6M22 (R\$ million)



Among the factors that influenced Celesc Geração's EBITDA in 2Q22, we can highlight **(i) higher Operating Costs and Expenses (effect of the reversal of the provision for PECLD in 2Q21)**; **(ii) equity pick-up (R\$0.6 million in 2Q22 compared to R\$1.4 million in 2Q21)**; and **(iii) lower PLD between the periods analyzed.**

## Celesc Geração S.A. | Main Financial Indicators (IFRS)

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Earnings from Activities - EBIT</b>	<b>37.6</b>	<b>33.7</b>	<b>-10.6%</b>	<b>84.7</b>	<b>76.4</b>	<b>-9.8%</b>
Activities Margin (%)	95.1%	68.8%	-27.7%	101.8%	73.5%	-27.7%
<b>EBITDA</b>	<b>39.1</b>	<b>34.5</b>	<b>-11.7%</b>	<b>87.6</b>	<b>78.1</b>	<b>-10.8%</b>
EBITDA Margin (%)	98.7%	70.5%		105.2%	75.1%	
<b>Financial Result</b>	<b>(0.0)</b>	<b>1.5</b>	<b>9318.8%</b>	<b>(0.5)</b>	<b>1.9</b>	<b>504.4%</b>
Financial Revenue	1.2	4.8	306.2%	1.8	8.4	359.5%
Financial Expenses	(1.2)	(3.3)	177.7%	(2.3)	(6.6)	186.6%
<b>Earnings Before Income Tax</b>	<b>37.6</b>	<b>35.1</b>	<b>-6.6%</b>	<b>84.3</b>	<b>78.3</b>	<b>-7.1%</b>
IR and CSLL	(6.9)	(10.2)	47.5%	(15.0)	(21.2)	40.8%
Deferred Income Tax and Social Contribution	(6.3)	(1.9)	-69.4%	(12.9)	(5.2)	-59.7%
<b>Net Income</b>	<b>24.4</b>	<b>23.0</b>	<b>-5.6%</b>	<b>56.3</b>	<b>51.9</b>	<b>-7.8%</b>
Net Margin (%)	61.6%	47.0%		67.6%	49.9%	

In 2Q22, the financial result was a positive R\$1.5 million (R\$1.9 in 6M22). The Financial Revenue totaled R\$4.8 million in 2Q22 (R\$8.4 million in 6M22), as a result of earnings from financial investments (R\$2.5 million) and interest from the loan with Celesc Distribuição (R\$2.5 million). The Financial Expenses came to R\$3.3 million in 2Q22 (R\$6.6 million in 6M22), due to interest (R\$3.1 million) and debenture costs (R\$0.2 million).

Chart 28 – Net Income Formation 2Q22 (R\$ million)

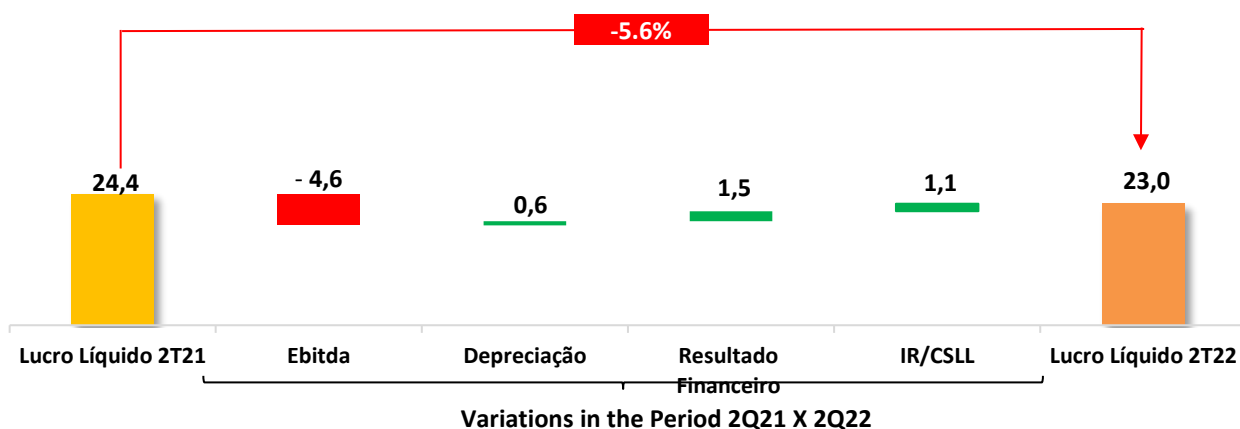
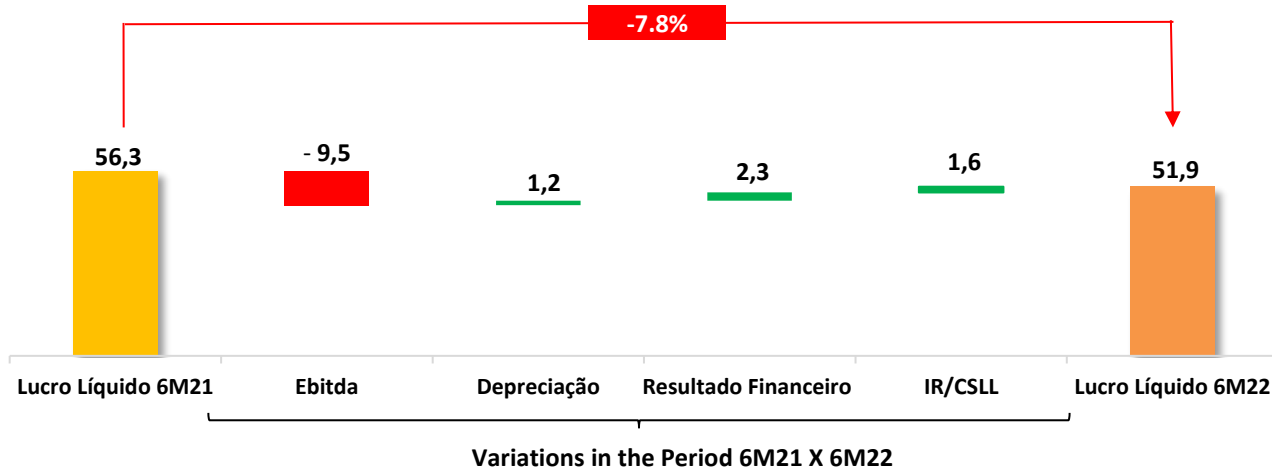


Chart 29 – Net Income Formation 6M22 (R\$ million)



**Net Income fell by 5.6% in 2Q22** from 2Q21. The Company closed 2Q22 with a **profit of R\$23.0 million, compared to R\$24.4 million reported in 2Q21.**

In 6M22, **EBITDA and Profit fell by 10.8% and 7.8%, respectively,** totaling **EBITDA of R\$78.1 million and a Profit of R\$52.0 million.**

### 3.2.2.5. Indebtedness

In June 2022, **Celesc Geração's Gross Financial Debt totaled R\$77.5 million**, down by 16.3% from the **R\$92.7 million** recorded in December 2021. Net Financial Debt totaled a negative R\$0.3 million in 2Q22 (cash effect, of which R\$77.9 million in 2Q22 compared to R\$63.4 million in 4Q21), reducing by R\$29.6 million. The decrease corresponds to amortization payments in the period (R\$15.1 million), including the regular course of debt contracts and the cash effect (R\$14.5 million) between the periods.

Currently, Celesc Geração has only two debenture issues in effect: the 2nd and the 3rd Issue, whose characteristics are highlighted below.

#### Celesc Geração S.A. | Indebtedness

2Q22 Financial Debt			
R\$ million	On December 31, 2021	On June 30, 2022	Δ
Short-Term Debt	35.3	35.2	-0.2%
Long-Term Debt	57.4	42.3	-26.3%
<b>Total Financial Debt</b>	<b>92.7</b>	<b>77.5</b>	<b>-16.3%</b>
( - ) Cash and Cash Equivalents	<b>63.4</b>	<b>77.9</b>	22.8%
<b>Net Financial Debt</b>	<b>29.3</b>	<b>(0.3)</b>	<b>-101.2%</b>
EBITDA (LTM)	226.6	217.1	-4.2%
<b>Net Financial Debt / LTM EBITDA</b>	<b>0.1x</b>	<b>-0.002x</b>	
ADJUSTED EBITDA (LTM)	184.2	174.7	-5.1%
<b>Net Financial Debt / Adjusted EBITDA 12M</b>	<b>0.2x</b>	<b>-0.002x</b>	
Equity	691.4	735.4	6.4%
<b>Total Financial Debt / Equity</b>	<b>0.1x</b>	<b>0.1x</b>	
<b>Net Financial Debt / Equity</b>	<b>0.04x</b>	<b>-0.0005x</b>	

The table<sup>5</sup> below breaks down the Company's indebtedness (amortization) in 2022.

Celesc Geração - 2Q22 Debt Breakdown (R\$ thousand)											
Description				Annual Amortization							
Company	Contracts	Issue Date	Rate (p.y.)	2022	2023	2024	2025	2026	2027	From 2027 to 2043	Outstanding Balance Total
Celesc G	2 <sup>nd</sup> Debenture Issue	May 2018	CDI + 2.50%	17,647	17,647	-	-	-	-	-	35,294
Celesc G	3 <sup>rd</sup> Debenture Issue	Dec 2020	IPCA + 4.30%	-	2,888	5,777	5,777	5,777	5,777	17,330	43,324
<b>Celesc G - Total</b>				<b>17,647</b>	<b>20,536</b>	<b>5,777</b>	<b>5,777</b>	<b>5,777</b>	<b>5,777</b>	<b>17,330</b>	<b>78,619</b>

<sup>5</sup> Excluding charges on debt.

Regarding the debt profile, as shown in the graph below, the majority concentration of debt is in the long term.

Chart 30 – Amortization Schedule – June/2022

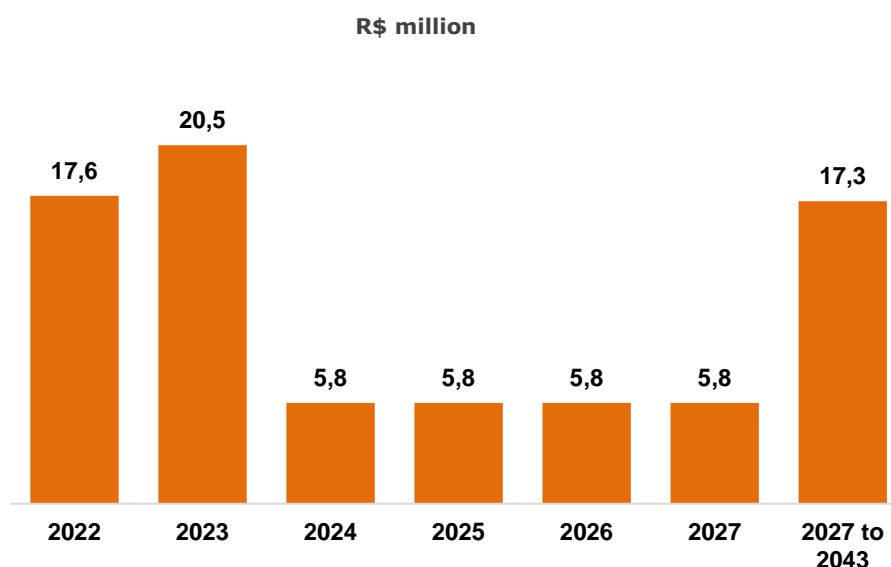
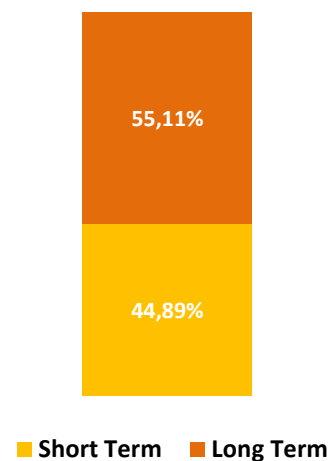


Chart 31 – Indebtedness Term Celesc Geração – June/2022



In the last few years, the Company has been extending the debt profile, with **55.11% of the debt in the long term while 44.89% in the short term**, as reported at the end of 2Q22.

### 3.2.2.6. Investments

The table below shows Celesc Geração's investments in **2Q22 and 6M22**.

#### Celesc Geração S.A. | CAPEX

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Celesc Geração Investments</b>	<b>5.4</b>	<b>2.9</b>	<b>-46.6%</b>	<b>12.4</b>	<b>5.2</b>	<b>-58.2%</b>
Investment in SPEs	0.2	0.2	10.6%	0.5	0.5	1.2%
Own Generation Park Plants	5.2	2.6	-49.0%	11.9	4.7	-60.7%

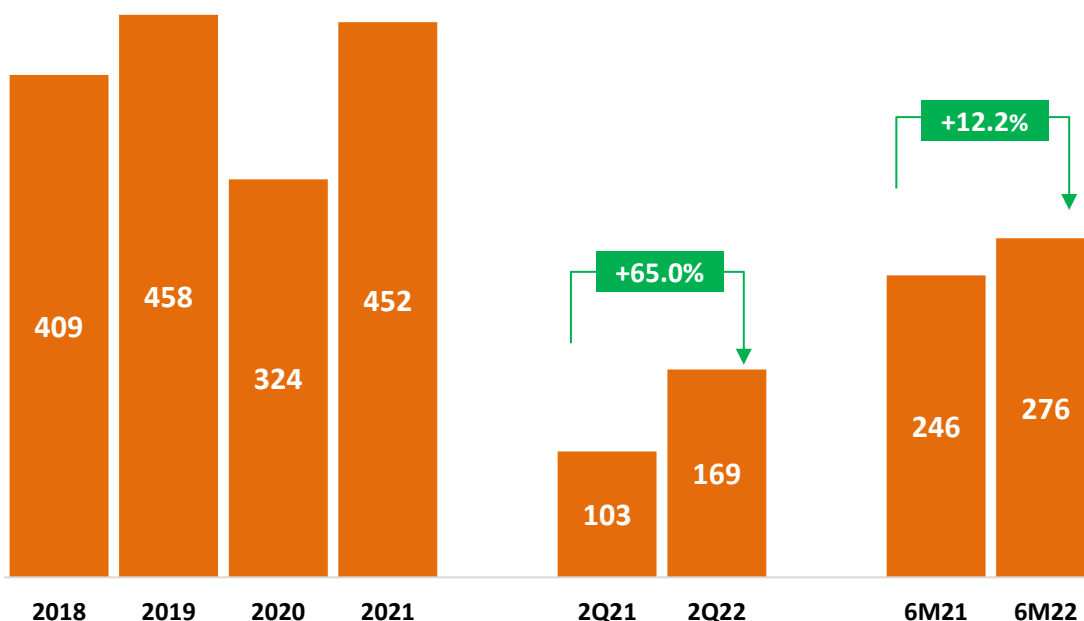
R\$4.7 million were invested in the Company's Park in 2022, of which R\$1.9 million in HGP Caveiras, R\$0.8 million in HPP Palmeiras, R\$0.8 million in HGP Pirai, and R\$ 453.4 million 0.3 million in HPP Pery. R\$0.5 million were invested in SHP Garça Branca in 2022.

### 3.2.3. Operational Performance

#### 3.2.3.1. Power Production

In 2Q22, the power generated by Celesc's plants was **169.2 GWh (276.0 GWh in 6M22), up by 65.0% (12.2% in 6M22)** over 2Q21. **Chart 32** below shows the performance of generated power production of Celesc's park from 2018 to 2021 and the comparisons between 2Q21/2Q22 and 6M21/6M22.

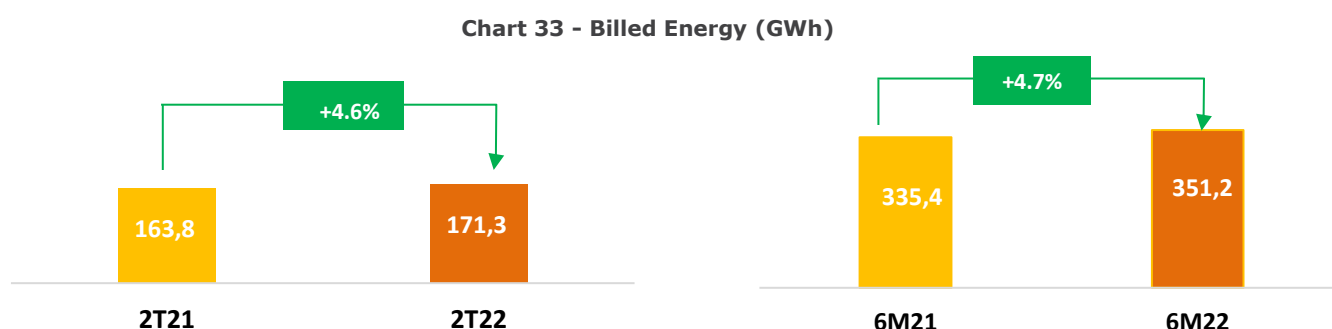
Chart 32 – Production of Celesc's Generation Park (GWh)



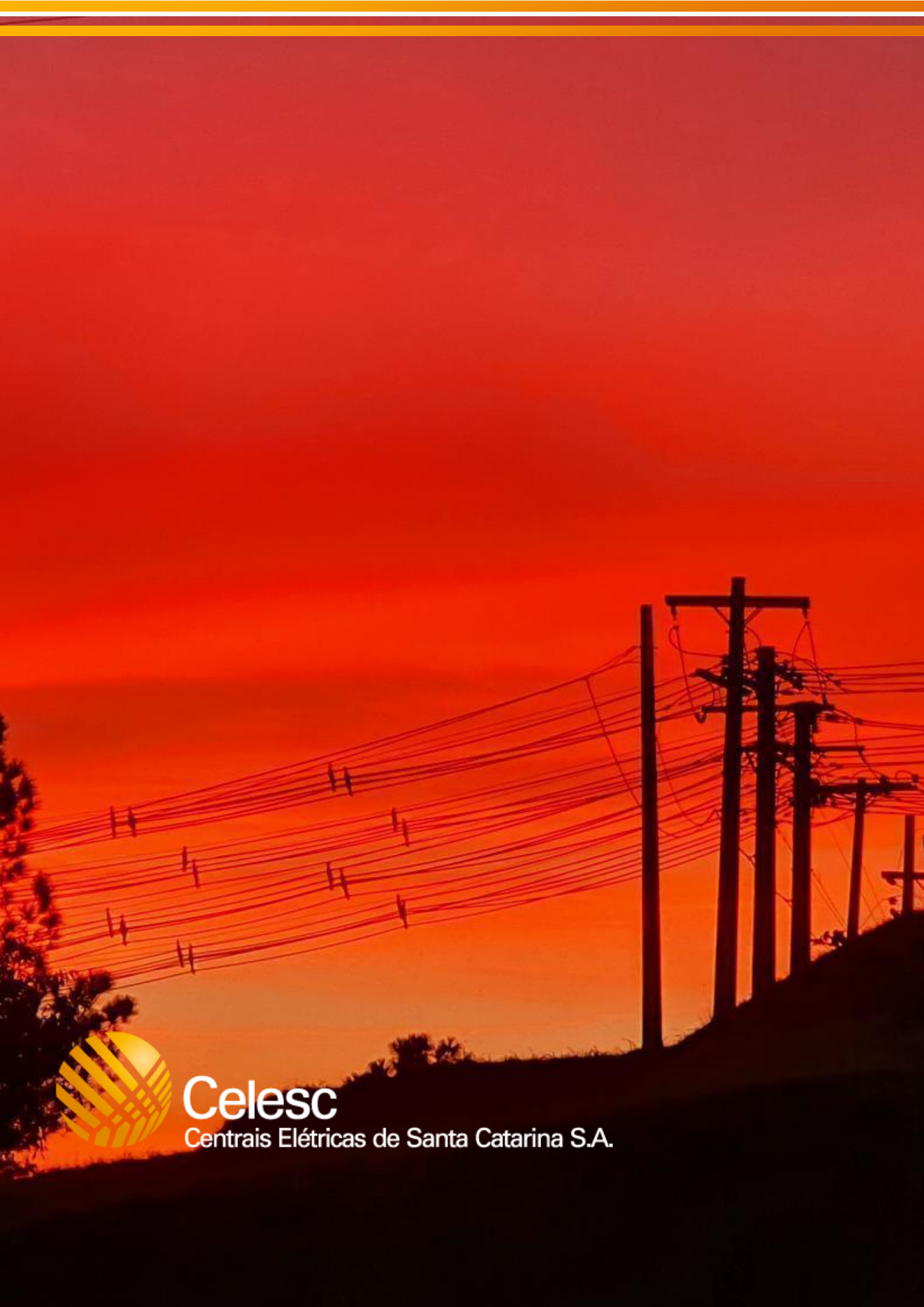
Among the factors that impacted the operational performance of the generation park, we can highlight that i) 2Q22 reported high rainfall levels with months recording rainfall above historical levels. 2Q21 was marked by low affluence, negatively impacting energy generation. We can highlight the Celso Ramos SHP (+16.4 GWh), Pery HPP (+21.4 GWh), and Palmeiras HPP (+12.3 GWh).

### 3.2.2.2. Billed Energy.

**Chart 33** below shows the performance of Billed Energy at Celesc Geração (quarter and annual comparisons).



Billed energy grew by 4.6% in 2Q22, mainly due to the recovery of the Industrial category (strongly impacted by the measures to fight the pandemic). Moreover, we can highlight the increase in energy supply and the decrease in short-term billed energy, which reflects the reduction of monthly surplus energy and the increase of energy supply.



**Celesc**

Centrais Elétricas de Santa Catarina S.A.

### 3.3. CONSOLIDATED

#### 3.3.1. Economic and Financial Performance

##### 3.3.1.1. Gross Operating Income, Net Operating Income, and Consolidated Income.

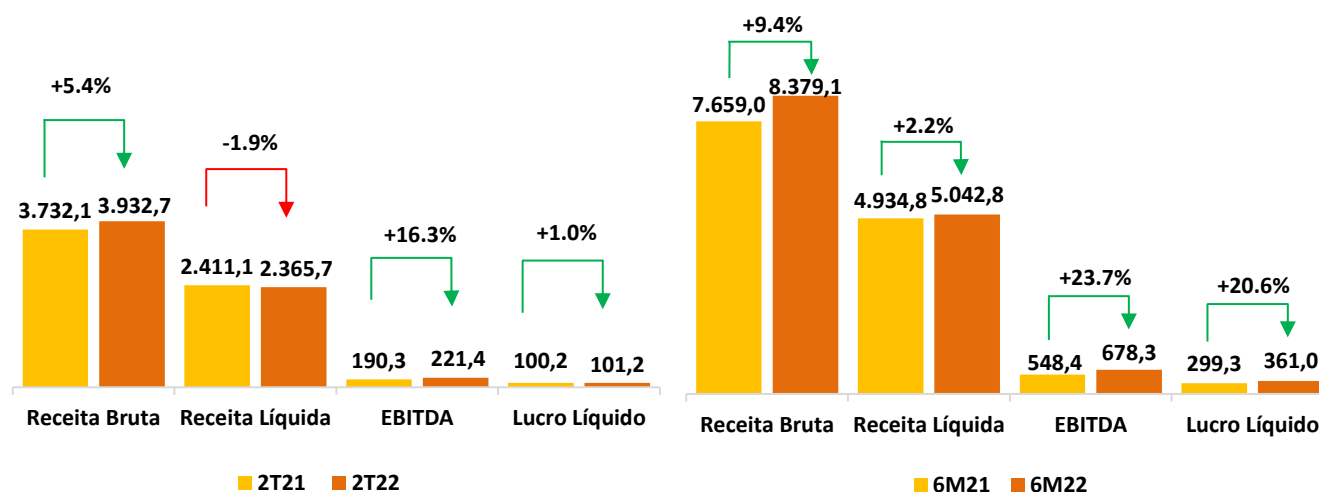
The table below shows Celesc's main consolidated indicators in 2Q22 and 6M22.

#### Consolidated | Main Financial Indicators

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Gross Operating Income</b>	<b>3,732.1</b>	<b>3,932.7</b>	<b>5.4%</b>	<b>7,659.0</b>	<b>8,379.1</b>	<b>9.4%</b>
Deductions from Operating Income	(1,321.0)	(1,567.1)	18.6%	(2,724.2)	(3,336.2)	22.5%
<b>Net Operating Income</b>	<b>2,411.1</b>	<b>2,365.7</b>	<b>-1.9%</b>	<b>4,934.8</b>	<b>5,042.8</b>	<b>2.2%</b>
Net Operating Income (Excluding Construction Revenue)	2,270.2	2,063.8	-9.1%	4,657.5	4,483.7	-3.7%
Operating Costs and Expenses	(2,297.7)	(2,230.6)	-2.9%	(4,543.6)	(4,533.5)	-0.2%
<b>Equity Pickup</b>	<b>14.0</b>	<b>18.0</b>	<b>28.4%</b>	<b>31.9</b>	<b>33.3</b>	<b>4.4%</b>
<b>Earnings from Activities</b>	<b>127.4</b>	<b>153.1</b>	<b>20.1%</b>	<b>423.1</b>	<b>542.6</b>	<b>28.2%</b>
<b>EBITDA</b>	<b>190.3</b>	<b>221.4</b>	<b>16.3%</b>	<b>548.4</b>	<b>678.3</b>	<b>23.7%</b>
EBITDA margin - IFRS	7.9%	9.4%		11.1%	13.5%	
EBITDA margin - ex-construction revenue (%)	8.4%	10.7%		11.8%	15.1%	
<b>Financial Result</b>	<b>24.7</b>	<b>(9.3)</b>	<b>-137.6%</b>	<b>33.9</b>	<b>(28.8)</b>	<b>-184.8%</b>
<b>Earnings Before Income Tax</b>	<b>152.1</b>	<b>143.8</b>	<b>-5.5%</b>	<b>457.0</b>	<b>513.8</b>	<b>12.4%</b>
IR/CSLL	(52.0)	(42.6)	-17.9%	(157.7)	(152.8)	3.1%
<b>Net Income / Loss</b>	<b>100.2</b>	<b>101.2</b>	<b>1.0%</b>	<b>299.3</b>	<b>361.0</b>	<b>20.6%</b>
Net Margin - IFRS (%)	4.2%	4.3%		6.1%	7.2%	
Net Margin - IFRS - ex-construction revenue (%)	4.4%	4.9%		6.4%	8.1%	

**Chart 34** below shows the Company's Gross and Net Operating Revenue, EBITDA, and Consolidated Income for 2Q22 and 6M22, respectively.

Chart 34 - Gross and Net Revenue, EBITDA, and Net Income - Consolidated in 2Q21/2Q22 and 6M21/6M22



### 3.3.1.3. Consolidated Operating Costs and Expenses

The charts below show the performance of Operating Costs and Expenses, including Manageable and Non-Manageable Costs, and the Amortization/Depreciation Expenses.

Chart 35 - Consolidated Operating Costs and Expenses 2Q21/2Q22 (R\$ million)

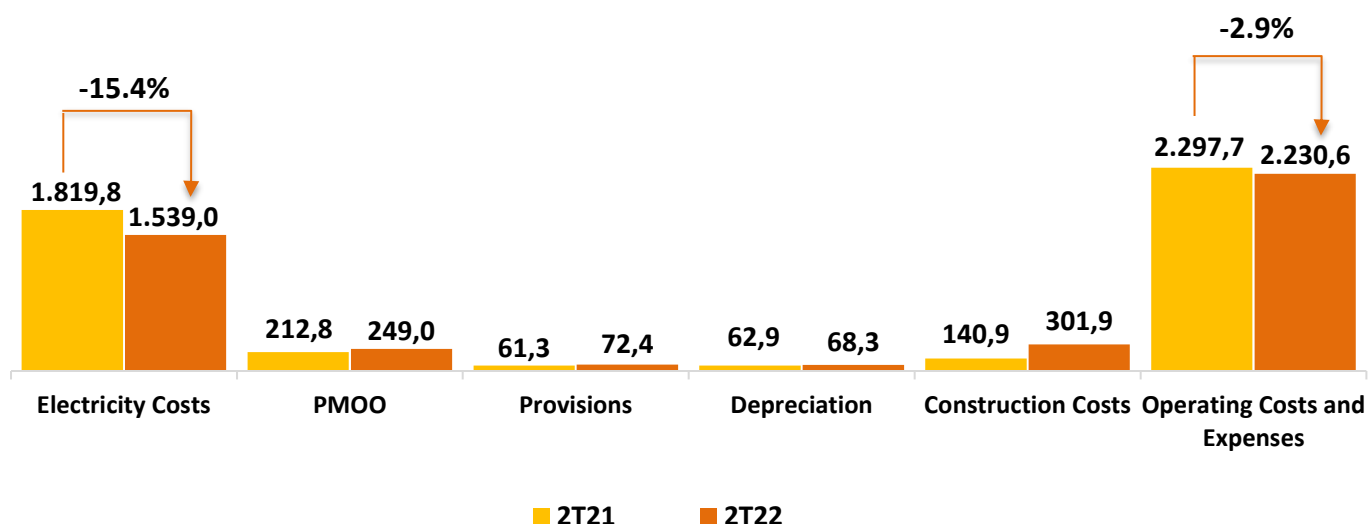
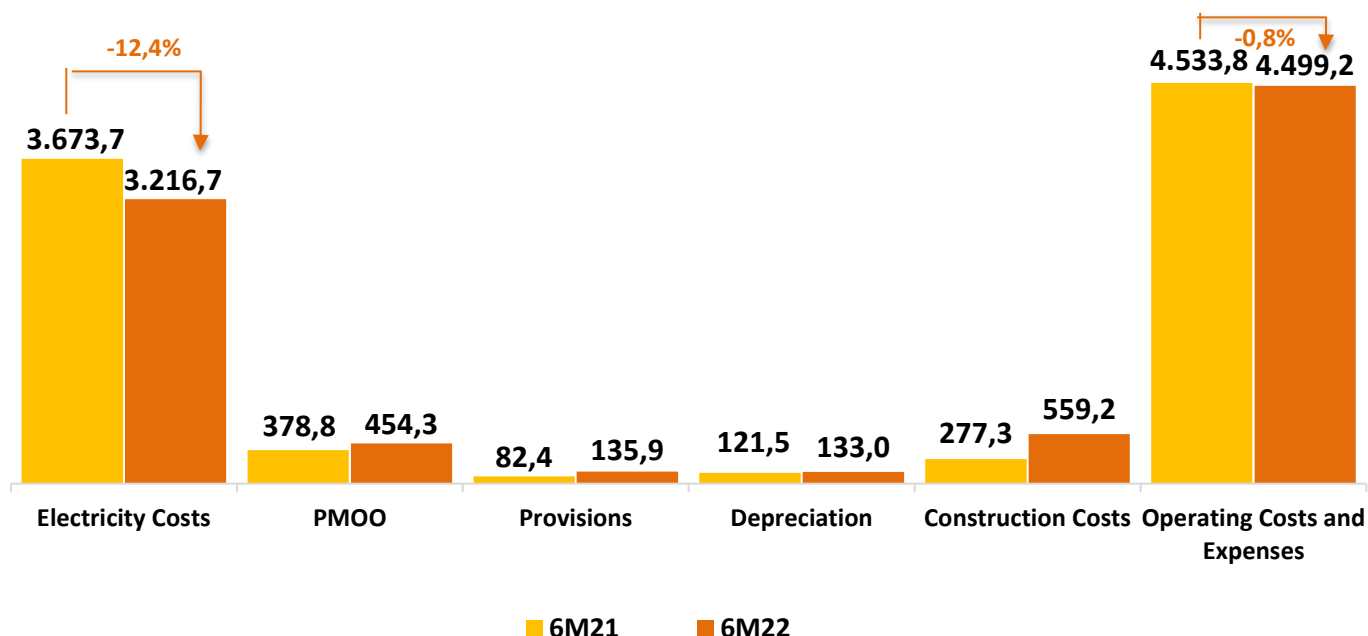


Chart 36 - Consolidated Operating Costs and Expenses 6M21/6M22 (R\$ million)



The **2.9% increase in 2Q22** and **0.2% upturn in 6M22**, mainly reflecting the variations in the subsidiaries **Celesc Distribuição** and **Celesc Geração**, as shown below:

- **The 15.4% reduction (12.4% in 6M22) in energy costs**, mainly due to **lower energy dispatches from water sources** and **Charges for the Use of the System** at subsidiary Celesc Distribuição;
- **Higher provisions in 2Q22 in the subsidiaries of the Celesc Geração Group**, due to the comparison base 2Q22 x 2Q21 and 6M22 x 6M21, as detailed in items 3.2.2.3 and 3.2.2.4
- **The 17.0% increase in PMOO in 2Q22 and 18.3% in 6M22**, mainly from subsidiary Celesc Distribuição (increases of 17.8% in 2Q22 and 19.9% in 6M22), as detailed in item 3.1.2.2.



The table below shows Personnel expenses in 2Q22 and 6M22:

### Consolidated | Personnel expenses

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Personnel - Total</b>	<b>(153.0)</b>	<b>(207.5)</b>	<b>35.6%</b>	<b>(292.2)</b>	<b>(399.1)</b>	<b>36.6%</b>
Personnel and Management	(153.5)	(180.7)	17.7%	(295.1)	(343.4)	16.4%
Personnel and Charges	(147.7)	(173.8)	17.6%	(283.4)	(329.6)	16.3%
Private Pension Plan	(5.8)	(6.9)	19.7%	(11.7)	(13.7)	17.5%
Actuarial Expenses	0.4	(26.8)	-6166.7%	2.8	(55.7)	-2056.2%

### 3.3.1.4. EBITDA and Consolidated Net Income.

Charts 37 and 38 below show the transformation of **EBITDA in the Consolidated Net Income**.

Chart 37 – EBITDA Formation 2Q22 (R\$ million)

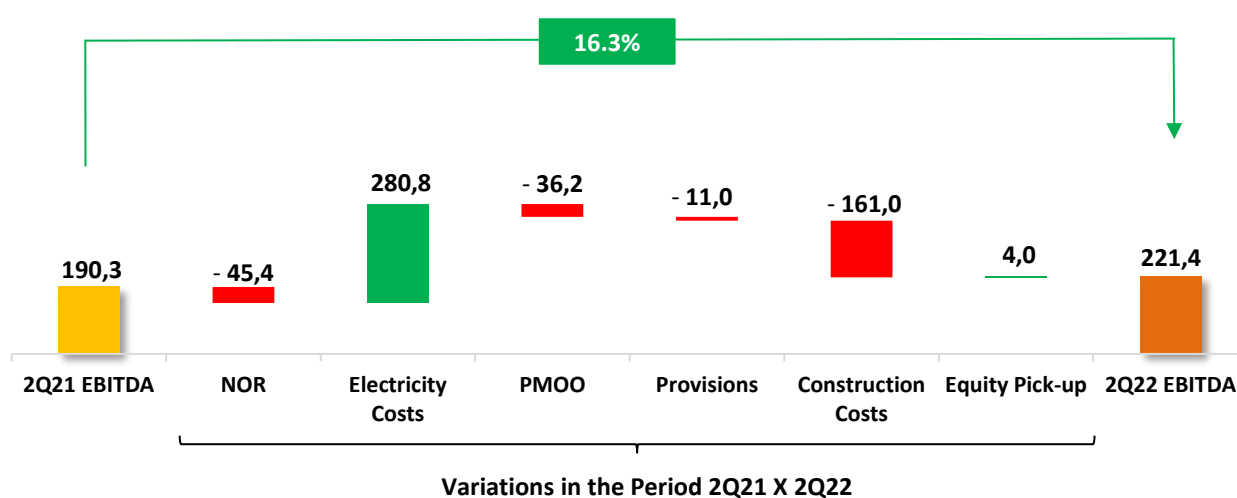
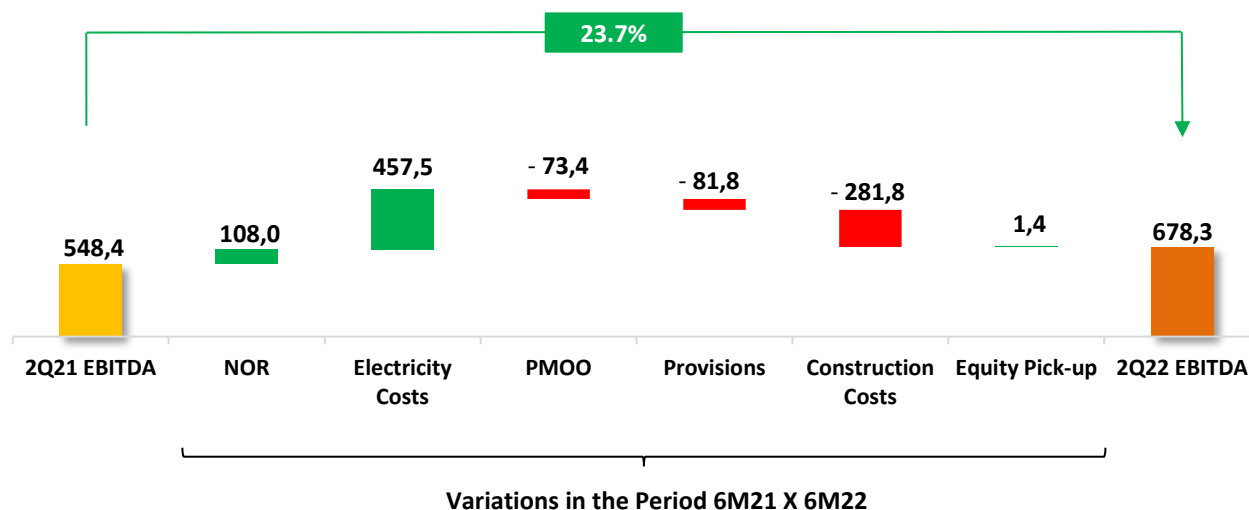


Chart 38 – EBITDA Formation 6M22 (R\$ million)



**Consolidated EBITDA** totaled **R\$221.4 million in 2Q22**, compared to the **R\$190.3 million** recorded in **2Q21**, an increase of **16.3%**. In **6M22**, the increase was **23.7% (+R\$129.9million)**, totaling **R\$678.3 million**.

## Consolidated | Main Financial Indicators

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
<b>Earnings from Activities - EBIT</b>	<b>127.4</b>	<b>153.1</b>	<b>20.1%</b>	<b>423.1</b>	<b>542.6</b>	<b>28.2%</b>
Activities Margin (%)	5.3%	6.5%		8.6%	10.8%	
<b>EBITDA</b>	<b>190.3</b>	<b>221.4</b>	<b>16.3%</b>	<b>548.4</b>	<b>678,325</b>	<b>23.7%</b>
EBITDA Margin (%)	7.9%	9.4%		11.1%	13.5%	
<b>Financial Result</b>	<b>24.7</b>	<b>(9.3)</b>	<b>-137.6%</b>	<b>33.9</b>	<b>(28.8)</b>	<b>-184.8%</b>
Financial Revenue	76.2	131.2	72.1%	130.9	229.1	75.0%
Financial Expenses	(51.5)	(140.5)	172.5%	(97.0)	(257.9)	165.8%
<b>Earnings Before Income Tax</b>	<b>152.1</b>	<b>143.8</b>	<b>-5.5%</b>	<b>457.0</b>	<b>513.8</b>	<b>12.4%</b>
IR and CSLL	(54.3)	(10.2)	-81.2%	(137.9)	(152.5)	10.6%
Deferred Income Tax and Social Contribution	2.4	(32.4)	-1461.5%	(19.9)	(0.3)	-98.7%
<b>Net Income</b>	<b>100.2</b>	<b>101.2</b>	<b>1.0%</b>	<b>299.3</b>	<b>361.0</b>	<b>20.6%</b>
Net Margin (%)	4.2%	4.3%		6.1%	7.2%	

The **Net Income** totaled **R\$101.2 million** in 2Q22, up by 1.0% over the R\$100.2 million recorded in 2Q21. Net Income came to **R\$361.0 million** in 6M22, up by 20.6% over 6M21.

Chart 39 – Net Income Formation 2Q22 (R\$ million)

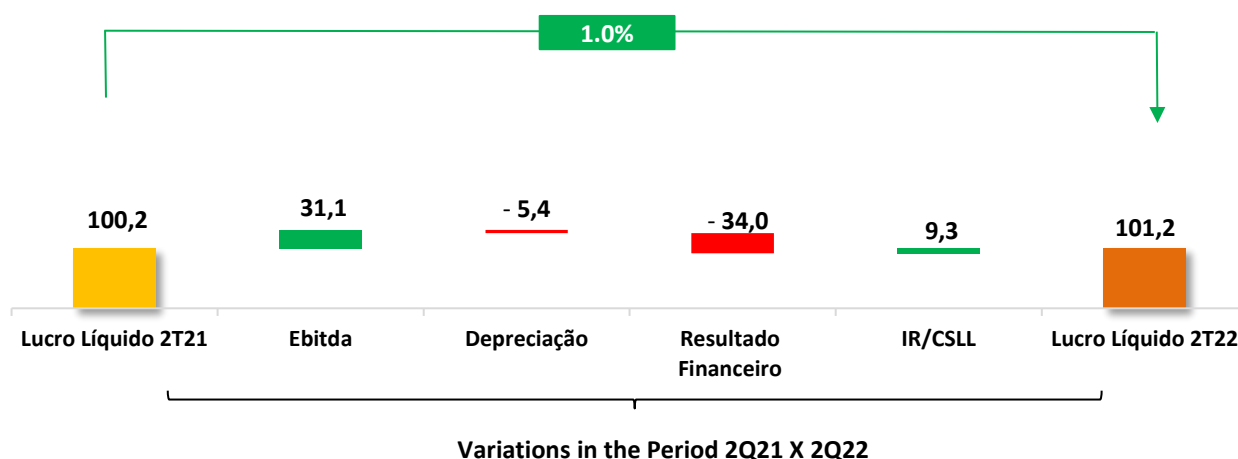
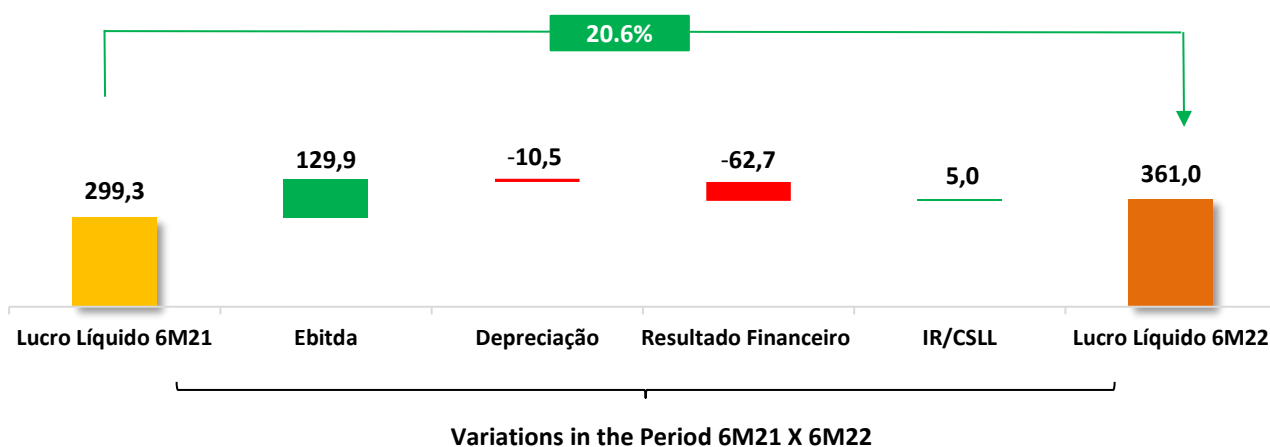


Chart 40 – Net Income Formation 6M22 (R\$ million)



### 3.3.1.5. Indebtedness

The table below shows the Company's Gross and Net Debts, and the Debt breakdown between 2021 and 2022.

## Consolidated | Indebtedness

2Q22 Financial Debt			
R\$ million	on December 31, 2021	on June 30, 2022	Δ
Short-Term Debt	176.6	386.9	119.1%
Long-Term Debt	1,845.4	2,176.1	17.9%
<b>Total Financial Debt</b>	<b>2,022.0</b>	<b>2,563.0</b>	<b>26.8%</b>
( - ) Cash and Cash Equivalents	844.1	1,272.3	50.7%
<b>Net Financial Debt</b>	<b>1,177.9</b>	<b>1,290.7</b>	<b>9.6%</b>
EBITDA (LTM)	1,043.1	1,173.0	12.5%
<b>Fin. Debt Net / EBITDA 12M</b>	<b>1.1x</b>	<b>1.1x</b>	
ADJUSTED EBITDA (LTM)	1,130.6	1,193.8	5.6%
<b>Fin. Debt Net / Adjusted EBITDA 12M</b>	<b>1.0x</b>	<b>1.1x</b>	
Equity	2,621.4	2,899.2	10.6%
<b>Fin. Debt Total / Equity</b>	<b>0.8x</b>	<b>0.9x</b>	
<b>Fin. Debt Net / Equity</b>	<b>0.4x</b>	<b>0.4x</b>	

On June 30, 2022, **Grupo Celesc's total Financial Debt** totaled **R\$2,563.0** million, compared to **R\$2,022.0** million on **December 31, 2021**, up by 26.8% (**+R\$541.0 million**). The **Short-Term Debt** accounted for **15.10% of total Debt (8.73% on December 2021)**. The **Long-Term Debt** accounted for 84.90% of **total Debt (91.27% on December 2021)**, due to an improved debt profile, as a result of the already mentioned measures adopted in the subsidiaries.

**The Group's consolidated net debt** at the end of June 2022 totaled **R\$1,290.7 million**, an **increase of 9.6%**, mainly due to the group's higher cash position (R\$1,272.3 million on June 30, 2022, compared to R\$844.1 on December 31, 2021) and the **Bank Credit Note ("CCB"), of R\$550 million**, by subsidiary Celesc Distribuição in 1Q22.

The table<sup>6</sup> below breaks down the Company's indebtedness on June 30, 2022, between subsidiaries Celesc Distribuição and Celesc Geração.

Celesc Consolidated - 2Q22 Debt Breakdown (in R\$ million)												
Description				Annual Amortization							From 2027 to 2043	Outstanding Balance Total
Company	Contracts	Issue Date	Rate (p.y.)	2022	2023	2024	2025	2026	2027			
Celesc D	Eletrobrás - D	jan-13	5.00%	436	872	872	363	-	-	-	<b>2,544</b>	
Celesc D	Finame - D	From Jul/12 to Dec/15	8.44%	3,148	1,175	36	-	-	-	-	<b>4,539</b>	
Celesc D	Working capital - D	apr-19	CDI + 0.80%	-	93,056	-	-	-	-	-	<b>93,056</b>	
Celesc D	Working capital - D	Feb-22	CDI + 1.65%	-	137,500	275,000	137,500	-	-	-	<b>550,000</b>	
Celesc D	3rd Debentures - D	aug-18	CDI + 1.90%	33,334	49,999	-	-	-	-	-	<b>83,333</b>	
Celesc D	4th Debentures - D	apr-21	CDI + 2.60%	38,372	153,488	153,489	153,488	51,163	-	-	<b>550,000</b>	

<sup>6</sup> Excluding charges on debt.

Celesc D	IDB - D	oct-18	CDI + 1.35%	-	-	56,596	56,596	56,596	56,596	905,538	<b>1,131,923</b>
Celesc D	Loan 5th G - D	Nov-21	CDI + 2.10%	70,000	-	-	-	-	-	-	<b>70,000</b>
Celesc D	Loan 1st H - D	Nov-21	CDI + 2.10%	-	-	-	-	-	-	-	-
<b>Celesc D - Total</b>				<b>145,290</b>	<b>436,091</b>	<b>485,993</b>	<b>347,948</b>	<b>107,759</b>	<b>56,596</b>	<b>905,538</b>	<b>2,485,215</b>
Celesc G	2 <sup>nd</sup> Debenture Issue	May 2018	CDI + 2.50%	17,647	17,647	-	-	-	-	-	<b>35,294</b>
Celesc G	3 <sup>rd</sup> Debenture Issue	Dec 2020	IPCA + 4.30%	-	2,888	5,777	5,777	5,777	5,777	17,330	<b>43,324</b>
<b>Celesc G - Total</b>				<b>17,647</b>	<b>20,536</b>	<b>5,777</b>	<b>5,777</b>	<b>5,777</b>	<b>5,777</b>	<b>17,330</b>	<b>78,619</b>
<b>Total Consolidated</b>				<b>162,937</b>	<b>456,626</b>	<b>491,770</b>	<b>353,724</b>	<b>113,535</b>	<b>62,373</b>	<b>922,868</b>	<b>2,563,834</b>

It is worth noting that the **Company's Average Cost of Debt was 15.11%** and the **Average Term was 11.05 years (132 months)**.

### 3.3.1.6. Investments

#### Celesc Group | Investments in the Period

R\$ million	2Q			6M		
	2Q21	2Q22	Δ	6M21	6M22	Δ
Electricity Generation	5.4	2.9	-46.6%	12.4	5.2	-58.2%
Power Distribution	152.0	317.8	109.1%	298.1	590.8	98.2%
<b>Total</b>	<b>157.4</b>	<b>320.7</b>	<b>103.8%</b>	<b>310.5</b>	<b>596.0</b>	<b>91.9%</b>

The Group's investments totaled **R\$320.7 million in 2Q22 (R\$596.0 in 6M22)**, up by 103.8% over the **R\$157.4 million recorded in 2Q21**. In 6M22, the increase came to 91.9%, to **R\$596.0 million in 2022 compared to the R\$310.5 million** reported in 6M21. These amounts were allocated as follows: **R\$2.9 million (R\$5.2 million in 6M22)** at Geração de Energia, and **R\$317.8 million (R\$590.8 million in 6M22)** at Distribuição de Energia.

## 4. SUSTAINABLE DEVELOPMENT

Celesc has established a Socio-environmental Responsibility Policy (PRSA) with 7 principles that guide the company's initiatives, as follows: Human Rights, Prevention, Integrity, Local Sustainability, Communication, Adequacy, and Evolution. To promote the attendance of issues related to the social area, such as respect for human rights, integrity, communication with stakeholders, local sustainability, and issues related to the environmental area, valuing the prevention of negative impacts on the environment.

Celesc's PRSA principles also include matters that address corporate management progress, which ensure process improvement and goal achievement, and compliance with legislation, especially the respect for the rule of law, mainly the regulations of the electrical sector, the health and occupational safety area, and the environment.

The highlighted indicators reflect the commitment of the Company's actions to improve its performance in environmental, social, and governance matters.

## 4.1 Environmental

As part of the Company's environmental management activities calendar, regarding climate change, in 2Q22 the external audit of greenhouse gas emissions inventory for 2021 was concluded. The inventory data was recorded in the Fundação Getúlio Vargas' Public Emission Record and is expected to be published in September.

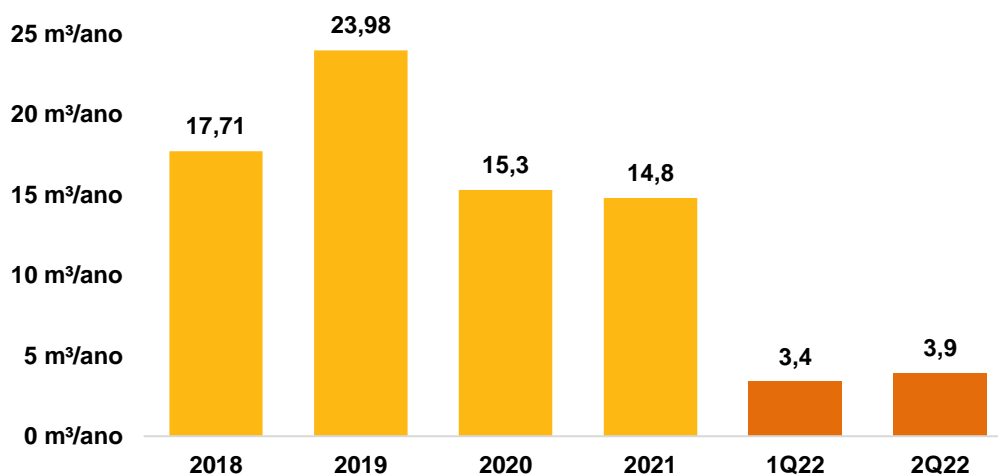
Also regarding climate change, in 2Q22 the Company started reporting data at the CDP (Carbon Disclosure Project), a platform that comprises companies, cities, and investors from the most diverse segments of the economy, to raise corporate awareness on the management of climate risks. Data is classified by conducting thematic surveys in the areas of climate change, forests, and hydric safety, allowing for the visualization of the engagement and maturity level of the companies in such areas.

CDP applies score methodologies to encourage knowledge and environmental management in the specific topic, and the results indicated the companies' maturity, namely: D refers to Disclosure, C to Awareness, B to Management, and A to Leadership.

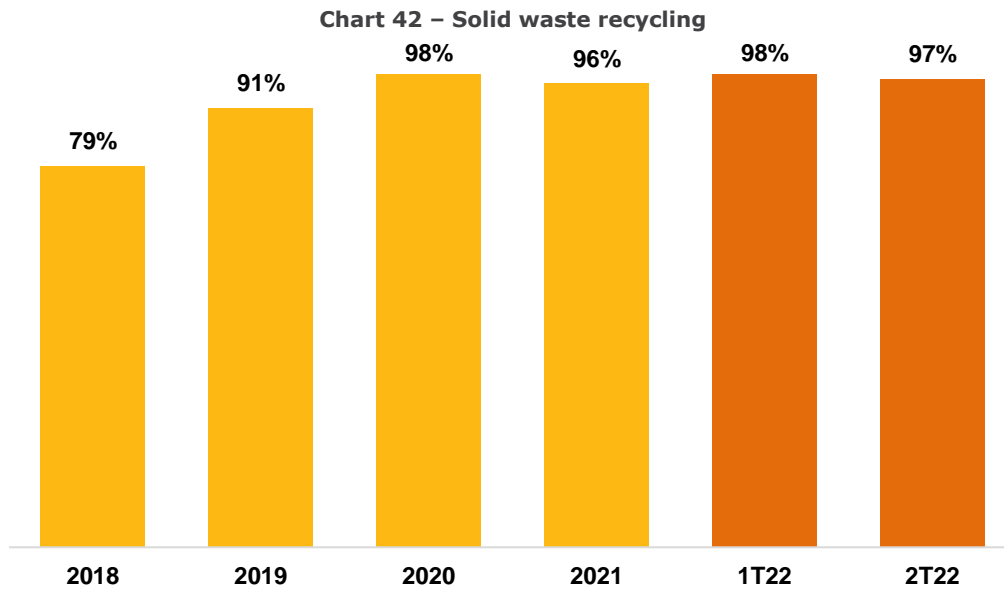
Celesc responds to the Climate Change module and, until 2019, we were classified under D (Disclosure). As of 2020, the Company significantly improved to a score of C (Awareness), a high awareness level.

Regarding the use of natural resources in 2Q22, water consumption per employee slightly increased compared to 2019, a reference year because of in-person work compared to the pandemic period.

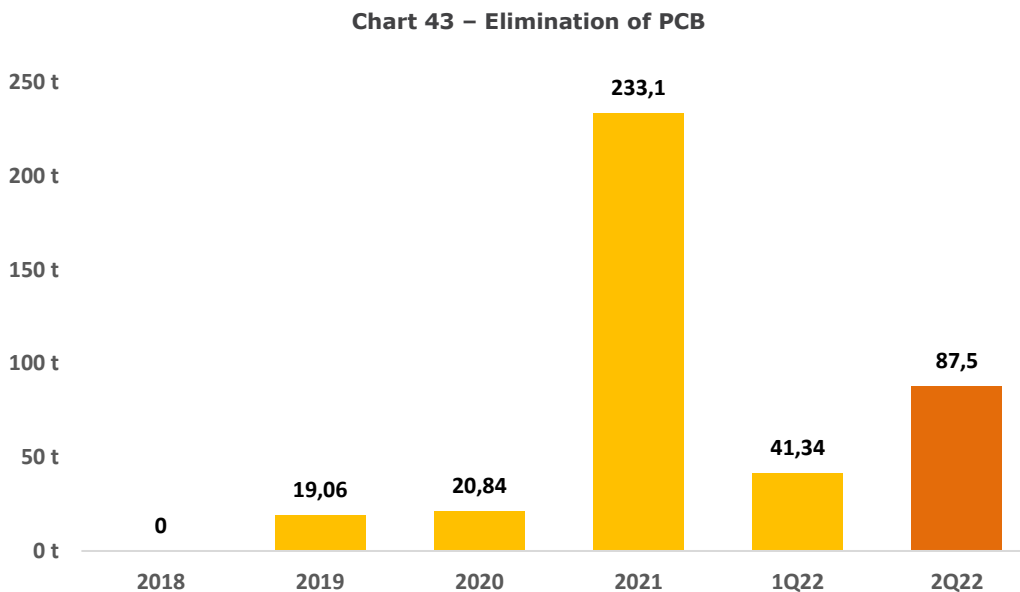
Chart 41 - Water consumption per employee



Regarding solid waste management, potentially recyclable material corresponded to 97%, showing the increased engagement of the workforce to comply with the objectives established by the National Solid Waste Policy.



Another important commitment undertaken by Celesc refers to the proper environmental final disposal of Polychlorinated Biphenyls (PCBs) by 2028, a common challenge for all companies in the Electricity Sector to comply with the international treaty of the Stockholm Convention, ratified by Brazil in 2005 and recently regulated by Federal Law 14250/2021. In 2Q22, the Company continued with the process to recycle oil and equipment contaminated with this substance. The chart below shows the total amount of PCB waste sent to environmentally appropriate final disposal in the last few periods. In 1Q22, 41.56 tons of waste contaminated with PCB were recycled and, in 2Q22, this number climbed to 87.5 tons.



## 4.2 Social

The company's performance is guided by the integration of the sustainable development concept into the corporate strategy, a concept embedded in the planning and execution of plans and socio-environmental programs, aimed at minimizing and/or mitigating the impacts of its undertakings and activities.

The commitment to our stakeholders is under the Celesc Group's Policy of Socio-environmental Responsibility, which provides for constant dialogue between the company and its stakeholders. We are part of the Business Pact against Sexual Exploitation of Children and Adolescents on Brazilian Highways,

in a partnership with Childhood Brasil, and the Business Pact for Integrity and Against Corruption, of the Ethos Institute. We are also a signatory of the Sustainable Development Goals (SDGs), Global Compact, Abrinq, and the InPacto Institute.

The Company also plays a key role in the Young Apprentice Program, a great tool for social inclusion that provides young people in situations of social vulnerability with their first job opportunities. The company recently included a complimentary training course on matters related to the electrical sector in the program's syllabus, presenting to boys and girls the possibilities of working in the area, using investments made by the company in its field of activity, providing young adults with technical training in the electrical sector, and bringing a gender perspective to the initiative.

Through a partnership with Celesc and the State Public Prosecutor's Office, the Program prioritizes the inclusion of young residents of shelters and foster homes, and currently has 53% girls and 47% boys on its staff.

Internally, the company has a Diversity and Inclusion Committee (D&I) sponsored by the Company's CEO, which objective is to build a more diverse and inclusive corporate environment. The company has invested in initiatives that promote greater symmetry between all employees since cultural and social issues are directly reflected in the work environment.

#### Quarter Highlights:

- Graduation of the 2020-2022 Young Apprentice Cycle, where 116 young people in social vulnerability situations including regarding social and education measures, graduated, and had access to the first cycle of additional training on knowledge aimed at the electricity sector offered by the company;
- R\$900,000.00 were invested in culture and sports projects;
- R\$360,000.00 were invested in the Funds of Children and Senior Citizens;
- Launch of the public call for the selection of new projects eligible for investments;
- Lectures at schools about electricity and safety in state municipalities impacting about 950 participants.

### 4.3 Governance

In the constant pursuit of improving management mechanisms with optimization of control processes, compliance, and transparency, Celesc S/A and its wholly-owned subsidiaries have been pioneering acting regarding new challenges. It is an item of the Level 2 segment of B3's corporate governance listing segment.

The Company's ESG (Environment, Social, and Corporate Governance) initiative boosts environmental, social, and corporate governance discussions, showing its engagement concerning actions, improving the fulfillment of the wishes of all stakeholders - shareholders, consumers, employees, governments, society, communities, and suppliers - using them as metrics for the company's management.

It is worth noting that on July 21, 2022, the Company's Board of Directors approved the first ESG Report, thus fulfilling adherence to the Corporate Governance principles and the organization's trends regarding the best practices, based on the five pillars: (1) ethics and integrity; (2) diversity and inclusion; (3) environmental and social; (4) innovation and transformation; (5) transparency and accountability.

Furthermore, considering the challenges of the contemporary society as well, mainly related to the integration of the generation of economic value together with the concerns with environmental, social, and corporate governance matters, and to show responsibility and commitment to the market where it operates, the company has been contributing to building an organizational strategy that promotes gender equality by increasing the number on women in senior management positions.

It is worth noting that through permanent actions, the Company works to increase the number of women in the electrical sector. Accordingly, the Company recognizes the importance of its actions to minimize inequalities through sensitization through dialogues, constant awareness, and encouragement of cultural transformation, positively and sustainably impacting society and the entire energy market.

The Company also has an Ethics Committee and maintains several Policies that guide its initiatives and good governance practices, such as Anticorruption Policy, Related-Party Transaction Policy; Dividend Distribution Policy, and Social Responsibility Policy, among others. All these documents can be found on the Company's Transparency Portal, which also has a Whistleblowing Channel, available on its website.

Finally, it is worth noting that since 2004, with the creation of the Social Responsibility Program, the Company has been focusing on Sustainability. Therefore, the group's operations are based on integrating Sustainable Development into a corporate strategy to minimize the impacts of its enterprises, focusing on climate change.

## 5. CAPITAL MARKET PERFORMANCE

Celesc's shares are traded on the B3 under the codes CLSC3 (15,527,137 common shares - ON, 40.26%) and CLSC4 (23,044,454 preferred shares - PN, 59.74%). Since it joined Level 2 of Corporate Governance in 2002, the company has joined **IGC** and **ITAG**, indexes made up of companies that offer transparency and protection to minority shareholders.

The **Company's Preferred Shares (CLSC4)** had a negative performance of **3.38% in the quarter and 7.75% in LTM**. In the same period, the main index of Ibovespa, the Brazilian Stock Market, recorded a **return of -17.88% in the quarter and 22.29% in the last 12 months**, and the Electricity Index (IEE), which measures the behavior of the main shares of the Electricity Sector, **fell by 7.35% in the quarter and by 2.07% in the last 12 months**.

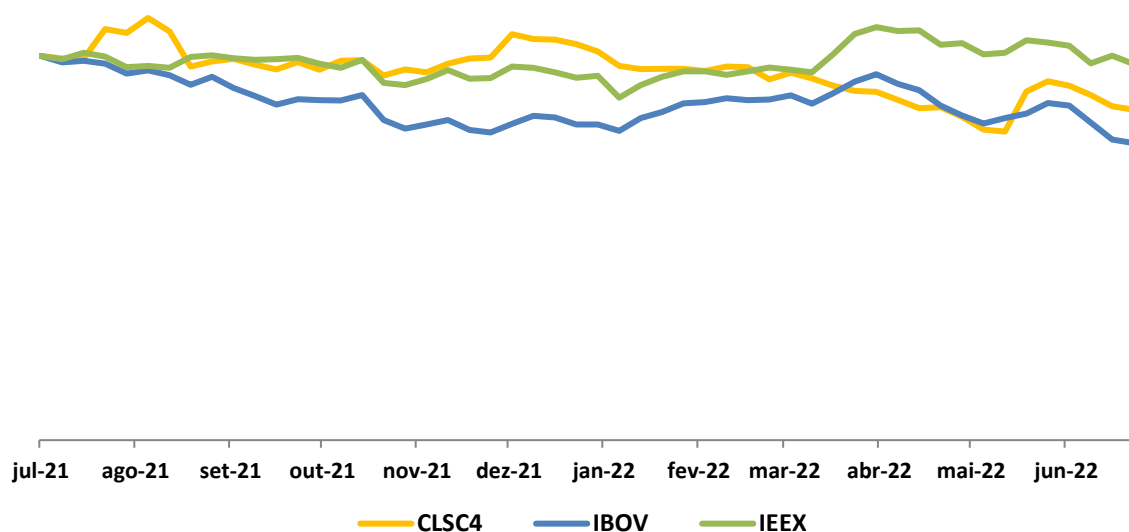
CLSC4 Follow-up	2Q21	3Q21	4Q21	1Q22	2Q22
Closing price adjusted to earnings (R\$/share)	68.00	68.02	67.99	60.98	57.22
Price / Earnings	4.3x	4.3x	4.6x	3.8x	3.5x
Price / Asset Value	1.2x	1.1x	1.1x	0.9x	0.8x
Average traded volume ('000 shares)	6	6	7	6	6
Average traded volume (R\$ '000)	392	450	514	412	332
Market Value (R\$ Million)	2,653	2,763	2,508	2,301	2,222
Market Value (US\$ Million)	533	511	449	483	424
Profitability (%)	17.32	0.02	4.81	8.93	-3.38
Profitability in the last 12 months (%)	34.89	36.70	34.10	12.01	-7.75
Ibovespa Profitability (%)	8.72	-12.47	--5,55	14.48	-17.88
Ibovespa profitability in the last 12 months (%)	33.40	17.31	-11.93	4.12	-22.29
IEE Profitability (%)	-0.56	-2.67	-2.54	11.45	-7.35
IEE Profitability in the last 12 months (%)	14.67	14.67	-7.89	5.10	-2.07

**Source: Economática/Investor Relations.**

Below is CLSC4 performance compared to Ibovespa and IEE in the last 12 months.

**Chart 44 CLSC4 – IEE – Evolution July/21 – June/22**





## 6. CORPORATE RATING

Rating agencies, or risk assessment agencies, are independent and specialized companies that monitor the financial activities of several public and private institutions to evaluate their credit risk level.

On December 12, 2021, Fitch Ratings assigned the Long-Term National Ratings '**AA(bra)**' to CELESC, its wholly-owned subsidiary Celesc Geração S.A., and the second Debenture issue of Celesc Geração. The outlook of the corporate ratings is Stable. The rating attributed to the Company remains effective until 2Q22.

On December 3, 2021, Fitch Ratings assigned the Long-Term National Ratings '**AA(bra)**' to CELESC Distribuição, the same rating assigned to its parent company Centrais Elétricas de Santa Catarina, and its affiliate Celesc Geração, both with a stable outlook. The ratings attributed to the Companies remain effective until 2Q22.

## 7. EXHIBITS

### 7.1 Financial Statements

#### CELESC - CENTRAIS ELÉTRICAS DE SANTA CATARINA S.A.

##### CONSOLIDATED BALANCE SHEET

Assets	30/06/2022	12/31/2021	Liabilities and Equity	30/06/2022	12/31/2021
<b>Current</b>			<b>Current</b>		
Cash and Cash Equivalents	1,272,254	844,088	Suppliers	880,900	1,088,186
Accounts Receivable	1,785,394	1,931,011	Loans	152,835	23,559
Inventories	19,601	13,556	Debentures	234,063	152,995
Taxes Recoverable	202,736	572,007	Salaries and Social Security Charges	204,494	214,708
Dividends	16,167	14,865	Taxes and Social Contributions	321,313	910,696
Financial Assets	57,477	70,886	Proposed Dividends	137,571	134,356
Other Receivables	213,887	216,294	Regulatory Fees	48,919	295,631
Water Shortage Bonus	1,138	102,861	Water Shortage Bonus	1,368	102,861
			Actuarial Liability	222,153	219,527
			Financial Liabilities - "Portion A" - CVA	6,477	39,826
			Other Liabilities	131,732	93,547
			PIS/COFINS to be Refunded to Consumers	658,867	
			Leasing liabilities - CPC 06	3,557	6,216
	<b>3,568,654</b>	<b>3,765,568</b>		<b>3,004,249</b>	<b>3,282,108</b>
<b>Noncurrent</b>			<b>Noncurrent</b>		
Financial Investments	130,865	137,478	Loans	1,684,806	1,229,741
Accounts Receivable	21,124	27,212	Debentures	491,282	615,670
Advance for Future Capital Increase	17,600	15,000	Salaries and Social Security Charges	29,983	50,032
Deferred Taxes	712,958	708,001	Deferred Taxes	87,806	82,592
Taxes Recoverable	1,065,856	1,020,876	Regulatory Fees	117,036	70,745
Court Deposits	344,618	329,106	Provision for Contingencies	467,330	444,910
Indemnity Assets – Concession	922,347	757,193	Actuarial Liability	1,758,965	1,798,736
Financial Assets - Portion A – CVA	459,942	895,662	Leasing liabilities - CPC 06	7,421	8,620
Other Receivables	2,156	3,033	PIS/COFINS to be Refunded to Consumers	1,155,497	1,748,472
Investments	321,173	311,666	Other Liabilities	750	5,250
Property, Plant & Equipment	128,779	114,472			
Intangible Assets	4,008,234	3,858,637		<b>5,800,876</b>	<b>6,054,768</b>
Right-of-Use Asset - CPC 06	-	14,341			
				<b>8,805,125</b>	<b>9,336,876</b>
	<b>8,135,652</b>	<b>8,192,677</b>	<b>Equity</b>		
			Share Capital	2,480,000	2,480,000
			Capital Reserves	316	316
			Retained Earnings/Accumulated Losses	284,745	-
			Profit Reserves	1,191,329	1,191,329
			Equity Valuation Adjustments	(1,057,209)	(1,050,276)
			Retained Earnings/Accumulated Losses	-	-
				<b>2,899,181</b>	<b>2,621,369</b>
<b>Total Assets</b>	<b>11,704,306</b>	<b>11,958,245</b>	<b>Total Liabilities and Equity</b>	<b>11,704,306</b>	<b>11,958,245</b>

**CELESC - CENTRAIS ELÉTRICAS DE SANTA CATARINA S.A.**

**INCOME STATEMENT - CONSOLIDATED**

	2Q22	2Q21	Var %	6M22	6M21	Var %
<b>Gross Operating Income</b>	<b>3,932,736</b>	<b>3,732,124</b>	<b>5.4%</b>	<b>8,379,066</b>	<b>7,659,026</b>	<b>9.4%</b>
Power Supply	1,789,337	1,594,190	12.2%	4,525,793	3,492,770	29.6%
Power Supply	128,597	150,016	-14.3%	267,238	303,688	-12.0%
Regulatory Asset	166,855	147,698	13.0%	(234,984)	310,429	-175.7%
Short-Term Power	102,850	287,659	-64.2%	172,436	435,002	-60.4%
Power Grid Availability	1,279,645	1,224,152	4.5%	2,705,573	2,493,259	8.5%
Donations and Subsidies	127,520	167,791	-24.0%	309,834	305,853	1.3%
Income from Services	306	130	135.4%	729	513	42.1%
Service Fee	2,587	1,928	34.2%	5,068	3,747	35.3%
Financial Revenue	25,079	13,967	79.6%	53,929	28,613	88.5%
Other Revenues	8,038	3,714	116.4%	14,296	7,825	82.7%
<b>Construction Revenue</b>	<b>301,922</b>	<b>140,879</b>	<b>114.3%</b>	<b>559,154</b>	<b>277,327</b>	<b>101.6%</b>
<b>Deductions from Operating Income</b>	<b>(1,567,062)</b>	<b>(1,321,003)</b>	<b>18.6%</b>	<b>(3,336,238)</b>	<b>(2,724,215)</b>	<b>22.5%</b>
ICMS	(667,990)	(631,610)	5.8%	(1,566,191)	(1,309,904)	19.6%
PIS/COFINS	(273,854)	(331,034)	-17.3%	(575,728)	(680,504)	-15.4%
CDE	(531,013)	(296,879)	78.9%	(1,073,491)	(663,719)	61.7%
R&D	(10,427)	(11,456)	-9.0%	(22,646)	(23,456)	-3.5%
PEE	(10,064)	(11,184)	-10.0%	(21,908)	(22,931)	-4.5%
ANEEL Regulatory Inspection Fee	(2,213)	(2,307)	-4.1%	(4,426)	(4,613)	-4.1%
Other Charges	(71,501)	(36,533)	95.7%	(71,848)	(19,088)	276.4%
<b>Net Operating Income</b>	<b>2,365,674</b>	<b>2,411,121</b>	<b>-1.9%</b>	<b>5,042,828</b>	<b>4,934,811</b>	<b>2.2%</b>
<b>Operating Costs and Expenses</b>	<b>(2,230,621)</b>	<b>(2,297,735)</b>	<b>-2.9%</b>	<b>(4,533,547)</b>	<b>(4,543,570)</b>	<b>-0.2%</b>
Electricity Purchased for Resale and Charges	(1,538,996)	(1,819,806)	-15.4%	(3,223,407)	(3,680,938)	-12.4%
Personnel and Management	(180,663)	(153,464)	17.7%	(343,370)	(295,060)	16.4%
Actuarial Expenses	(26,815)	442	-6166.7%	(55,731)	2,849	-2056.2%
Supplies	(13,882)	(7,231)	92.0%	(27,689)	(12,589)	119.9%
Third-Party Services	(80,998)	(72,969)	11.0%	(149,859)	(135,454)	10.6%
Depreciation and Amortization	(68,295)	(62,884)	8.6%	(135,775)	(125,320)	8.3%
Net Provision	(75,020)	(116,232)	-35.5%	(149,663)	(168,395)	-11.1%
Reversal of Provision	2,641	54,898	-95.2%	9,980	110,545	-91.0%
Other Revenue/ Expenses	53,329	20,390	161.5%	101,121	38,119	165.3%
<b>Construction Costs</b>	<b>(301,922)</b>	<b>(140,879)</b>	<b>114.3%</b>	<b>(559,154)</b>	<b>(277,327)</b>	<b>101.6%</b>
<b>Equity Pickup</b>	<b>18,031</b>	<b>14,040</b>	<b>28.4%</b>	<b>33,269</b>	<b>31,880</b>	<b>4.4%</b>
<b>Earnings from Activities - EBIT</b>	<b>153,084</b>	<b>127,426</b>	<b>20.1%</b>	<b>542,550</b>	<b>423,121</b>	<b>28.2%</b>
Activities Margin (%)	6.5%	5.3%		10.8%	8.6%	
<b>EBITDA (R\$ thousand)</b>	<b>221,379</b>	<b>190,310</b>	<b>16.3%</b>	<b>678,325</b>	<b>548,441</b>	<b>23.7%</b>
EBITDA Margin (%)	9.4%	7.9%		13.5%	11.1%	
<b>Financial Result</b>	<b>(9,275)</b>	<b>24,689</b>	<b>-137.6%</b>	<b>(28,768)</b>	<b>33,906</b>	<b>-184.8%</b>
Financial Revenue	131,175	76,226	72.1%	229,098	130,934	75.0%
Financial Expenses	(140,450)	(51,537)	172.5%	(257,866)	(97,028)	165.8%
<b>Earnings Before Income Tax</b>	<b>143,809</b>	<b>152,115</b>	<b>-5.5%</b>	<b>513,782</b>	<b>457,027</b>	<b>12.4%</b>
IR and CSLL	(10,199)	(54,346)	-81.2%	(152,500)	(137,859)	10.6%
Deferred Income Tax and Social Contribution	(32,444)	2,383	-1461.5%	(257)	(19,862)	-98.7%
<b>Net Income</b>	<b>101,166</b>	<b>100,152</b>	<b>1.0%</b>	<b>361,025</b>	<b>299,306</b>	<b>20.6%</b>
<b>Net Margin (%)</b>	<b>4.3%</b>	<b>4.2%</b>		<b>7.2%</b>	<b>6.1%</b>	

**CELESC - CENTRAIS ELÉTRICAS DE SANTA CATARINA S.A.**

<b>CASH FLOW STATEMENT (DFC) - CONSOLIDATED</b>		
	(R\$ thousand)	
	<b>6M22</b>	<b>6M21</b>
<b>Profit/Loss Before Income Tax and Social Contribution</b>	513,782	457,027
<b>Adjustments</b>	<b>452,092</b>	<b>274,450</b>
Hydrological Risk Renegotiation – GSF	-	-
Depreciation and Amortization	135,775	125,320
Write-off of Indemnity Assets	1,464	359
Write-off of Property, Plant & Equipment, and Intangible Assets	33,534	26,670
Equity Pickup	(33,269)	(31,880)
Financial Assets Adjustment – VNR	(14,296)	(7,825)
Constitution (Reversal) of Impairment Recognition	-	-
Equity Interest Gains (Losses) (Assets)	-	-
Interest and Monetary Variations	256,929	89,657
Monetary restatement Bonus Grant/Pery Plant	(53,929)	(28,613)
Other Investment Adjustments	-	-
Provision for Actuarial Liability	55,731	(2,849)
PIS/COFINS Credit Right-of-use asset depreciation	333	-
Asset and Lease Liability Write-offs - Net	(5)	-
Allowance for Doubtful Accounts	47,405	71,599
Realization of Provision for Losses	-	-
Contingencies	22,420	32,012
<b>Changes in Assets and Liabilities</b>	<b>(391,083)</b>	<b>(299,302)</b>
Accounts Receivable	111,163	150,655
Inventories	(6,045)	(3,826)
Taxes recoverable	324,291	(1,150,870)
Other Assets	(3,579)	(35,764)
Subsidy Decree 7,891/2013	-	-
Financial Assets	316,085	(3,008)
Court Deposits	(15,512)	(19,957)
Water Shortage Bonus Asset	101,723	-
Advance for Future Capital Increase	(2,600)	(3,800)
Suppliers	(207,286)	(179,830)
Social Security and Labor Obligations	(30,263)	(41,321)
Taxes Payable	(740,103)	42,736
Regulatory Fees	(205,996)	(31,681)
Financial Liabilities	153,624	(295,321)
PIS/COFINS to be Refunded to Consumers	-	1,374,801
Other Liabilities	33,685	1,780
Actuarial Liability	(118,777)	(103,896)
Water Shortage Bonus Liability	(101,493)	-
<b>Cash From Operations</b>	<b>574,791</b>	<b>432,175</b>
Income Tax and Social Contribution Paid	(5,542)	(117,378)
Interest Paid	(113,781)	(57,711)
<b>Net Cash from Operating Activities</b>	<b>455,468</b>	<b>257,086</b>
<b>Cash Flows From Investing Activities</b>	<b>(448,931)</b>	<b>(225,562)</b>
Purchase of Property, Plant & Equipment and Intangible Assets	(470,657)	(243,477)
Capital Increase (Decrease)	(499)	(494)
Dividends Received	22,225	18,409
<b>Cash Flows From Financing Activities</b>	<b>421,629</b>	<b>(96,983)</b>
Amortization of Loans	(63,779)	(670,972)
Loan Additions	610,000	141,025
Payment of interest on debentures	(50,981)	(50,981)
Principal Amortization of Lease Liabilities	(3,989)	-
Dividends Paid	(69,622)	(61,505)
<b>Total Effects of Cash and Cash Equivalents</b>	<b>428,166</b>	<b>(65,459)</b>
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>844,088</b>	<b>1,166,205</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>1,272,254</b>	<b>1,100,746</b>

## CELESC DISTRIBUIÇÃO S.A.

### BALANCE SHEET

(R\$ thousand)

Assets	30/06/2022	12/31/2021	Liabilities and Equity	30/06/2022	12/31/2021
<b>Current</b>			<b>Current</b>		
Cash and Cash Equivalents	1,160,578	753,816	Suppliers	871,057	1,078,658
Trade Receivables	1,767,280	1,912,314	Loans and Financing	152,835	23,559
Inventories	19,526	13,479	Debentures	198,869	117,739
Taxes Recoverable	157,013	552,179	Social Security and Labor Obligations	202,176	213,396
Subsidy Decree 7,891/13	49,231	49,231	Taxes and Social Contributions	289,033	901,233
Other Receivables	165,491	167,318	Proposed Dividends	126,665	92,687
Financial Assets			Loan - Affiliate and Subsidiary	75,789	86,425
Water Shortage Bonus	1,138	102,861	Regulatory Fees	48,246	295,233
			Actuarial Liability	222,153	219,527
			Financial Liabilities - "Portion A" - CVA	6,477	39,826
			PIS/COFINS to be Refunded to Consumers	658,867	
			Other Liabilities	131,293	93,274
			Leasing liabilities - CPC 06	3,280	5,993
			Water Shortage Bonus	1,368	102,861
	<b>3,320,257</b>	<b>3,551,198</b>		<b>2,988,108</b>	<b>3,270,411</b>
<b>Noncurrent</b>			<b>Noncurrent</b>		
Trade Receivables	21,124	27,212	Loans and Financing	1,684,806	1,229,741
Deferred Taxes	712,958	708,001	Debentures	448,956	558,269
Taxes to Compensate or Recover	1,064,605	1,019,951	Regulatory Fees	115,740	69,714
Court Deposits	283,226	292,261	Social Security and Labor Obligations	29,983	50,032
Indemnity Assets – Concession	919,926	754,772	Actuarial Liability	1,758,965	1,798,736
Financial Assets - Portion A – CVA	13,111	470,286	Provision for Contingencies	442,640	424,433
Other Receivables	2,156	3,033	PIS/COFINS to be Refunded to Consumers	1,155,497	1,748,472
Intangible Assets	3,957,032	3,806,354	Other Liabilities	750	5,250
Property, Plant & Equipment	10,177	14,013	Financial Liabilities - "Portion A" - CVA		
			Deferred Taxes		
			Leasing liabilities - CPC 06	7,421	8,502
				<b>5,644,758</b>	<b>5,893,149</b>
	<b>6,984,315</b>	<b>7,095,883</b>		<b>8,632,866</b>	<b>9,163,560</b>
<b>Equity</b>			<b>Equity</b>		
			Paid-up Share Capital	1,580,000	1,250,000
			Profit Reserves	950,799	1,297,896
			Equity Valuation Adjustments	(1,064,375)	(1,064,375)
			Retained Earnings/Accumulated Losses	205,282	-
				<b>1,671,706</b>	<b>1,483,521</b>
<b>Total Assets</b>	<b>10,304,572</b>	<b>10,647,081</b>	<b>Total Liabilities and Equity</b>	<b>10,304,572</b>	<b>10,647,081</b>

**CELESC DISTRIBUIÇÃO S.A.**
**INCOME STATEMENT**

	2Q22	2Q21	Var %	6M22	6M21	Var %
<b>Gross Operating Income</b>	<b>3,880,166</b>	<b>3,689,781</b>	<b>5.2%</b>	<b>8,267,904</b>	<b>7,569,698</b>	<b>9.2%</b>
Power Supply	1,780,872	1,587,531	12.2%	4,508,603	3,479,401	29.6%
Power Supply	111,316	127,626	-12.8%	228,196	255,092	-10.5%
Regulatory Asset	166,855	147,698	13.0%	(234,984)	310,429	-175.7%
Short-Term Power	100,342	287,659	-65.1%	169,928	435,002	-60.9%
Power Grid Availability	1,280,408	1,224,825	4.5%	2,707,080	2,494,509	8.5%
Donations and Subsidies	127,520	167,791	-24.0%	309,834	305,853	1.3%
Income from Services	306	130	135.4%	729	513	42.1%
Service Fee	2,587	1,928	34.2%	5,068	3,747	35.3%
Other Revenues	8,038	3,714	116.4%	14,296	7,825	82.7%
<b>Construction Revenue</b>	<b>301,922</b>	<b>140,879</b>	<b>114.3%</b>	<b>559,154</b>	<b>277,327</b>	<b>101.6%</b>
<b>Deductions from Operating Income</b>	<b>(1,561,024)</b>	<b>(1,316,618)</b>	<b>18.6%</b>	<b>(3,324,260)</b>	<b>(2,715,007)</b>	<b>22.4%</b>
ICMS	(667,990)	(631,610)	5.8%	(1,566,191)	(1,309,904)	19.6%
PIS/COFINS	(268,983)	(327,574)	-17.9%	(565,860)	(673,315)	-16.0%
CDE	(531,013)	(296,879)	78.9%	(1,073,491)	(663,719)	61.7%
R&D	(10,064)	(11,184)	-10.0%	(21,908)	(22,931)	-4.5%
PEE	(10,064)	(11,184)	-10.0%	(21,908)	(22,931)	-4.5%
ANEEL Regulatory Inspection Fee	(1,992)	(1,981)	0.6%	(3,984)	(3,962)	0.6%
Other Charges	(70,918)	(36,206)	95.9%	(70,918)	(18,245)	288.7%
<b>Net Operating Income</b>	<b>2,319,142</b>	<b>2,373,163</b>	<b>-2.3%</b>	<b>4,943,644</b>	<b>4,854,691</b>	<b>1.8%</b>
<b>Electricity Costs</b>	<b>(1,536,031)</b>	<b>(1,816,137)</b>	<b>-15.4%</b>	<b>(3,216,720)</b>	<b>(3,673,715)</b>	<b>-12.4%</b>
Electricity Purchased for Resale	(1,186,462)	(1,361,815)	-12.9%	(2,340,592)	(2,719,778)	-13.9%
Charge for the Use of the Transmission System	(349,569)	(406,653)	-14.0%	(876,128)	(858,599)	2.0%
PROINFA	-	(47,669)	-100.0%	-	(95,338)	-100.0%
<b>Operating Costs and Expenses</b>	<b>(673,028)</b>	<b>(475,500)</b>	<b>41.5%</b>	<b>(1,282,441)</b>	<b>(860,036)</b>	<b>49.1%</b>
Personnel and Management	(169,348)	(144,509)	17.2%	(323,408)	(278,935)	15.9%
Actuarial Expenses	(26,815)	442	-6166.7%	(55,731)	2,849	-2056.2%
Supplies	(13,595)	(6,954)	95.5%	(27,244)	(12,213)	123.1%
Third-Party Services	(75,508)	(69,683)	8.4%	(141,630)	(129,636)	9.3%
Depreciation and Amortization	(66,911)	(60,973)	9.7%	(133,018)	(121,485)	9.5%
Net Provision	(70,827)	(116,167)	-39.0%	(145,349)	(166,233)	-12.6%
Reversal of Provision	2,491	42,720	-94.2%	9,406	83,841	-88.8%
Other Revenue/ Expenses	49,407	20,503	141.0%	93,687	39,103	139.6%
<b>Construction Costs</b>	<b>(301,922)</b>	<b>(140,879)</b>	<b>114.3%</b>	<b>(559,154)</b>	<b>(277,327)</b>	<b>101.6%</b>
<b>Earnings from Activities - EBIT</b>	<b>110,083</b>	<b>81,526</b>	<b>35.0%</b>	<b>444,483</b>	<b>320,940</b>	<b>38.5%</b>
Activities Margin (%)	4.7%	3.4%		9.0%	6.6%	36.0%
<b>EBITDA</b>	<b>176,994</b>	<b>142,499</b>	<b>24.2%</b>	<b>577,501</b>	<b>442,425</b>	<b>30.5%</b>
EBITDA Margin (%)	7.6%	6.0%	27.1%	11.7%	9.1%	28.2%
<b>Financial Result</b>	<b>(11,384)</b>	<b>19,956</b>	<b>-157.0%</b>	<b>(28,381)</b>	<b>29,407</b>	<b>-196.5%</b>
Financial Revenue	128,061	70,268	82.2%	227,459	123,853	83.7%
Financial Expenses	(139,445)	(50,312)	177.2%	(255,840)	(94,446)	170.9%
<b>Earnings Before Income Tax</b>	<b>98,699</b>	<b>101,482</b>	<b>-2.7%</b>	<b>416,102</b>	<b>350,347</b>	<b>18.8%</b>
IR and CSLL	1	(47,429)	100.0%	(131,337)	(122,827)	6.9%
Deferred Income Tax and Social Contribution	(30,507)	6,673	-557.2%	4,956	(10,479)	147.3%
<b>Net Income</b>	<b>68,193</b>	<b>60,726</b>	<b>12.3%</b>	<b>289,721</b>	<b>217,041</b>	<b>33.5%</b>
<b>Net Margin (%)</b>	<b>2.9%</b>	<b>2.6%</b>		<b>5.86%</b>	<b>4.47%</b>	

**CELESC DISTRIBUIÇÃO S.A.**

<b>CASH FLOW STATEMENT (CFS)</b>		
	(R\$ thousand)	
	<b>6M22</b>	<b>6M21</b>
<b>Profit/Loss Before Income Tax and Social Contribution</b>	416,102	350,347
<b>Items not affecting cash:</b>	<b>531,063</b>	<b>308,089</b>
Amortization/Depreciation	133,018	121,485
Financial Assets Adjustment – VNR	(14,296)	(7,825)
Allowance for Doubtful Accounts	47,878	52,723
Contingencies	18,207	32,316
Interest and Monetary Variations - Net	255,199	85,210
Provision for Post-Employment Benefits Plan	55,731	(2,849)
Asset write-offs	34,998	27,029
PIS/COFINS Credit Right-of-use asset depreciation	333	-
Asset and Lease Liability Write-offs - Net	(5)	-
<b>Changes in Current and Noncurrent Assets</b>	<b>831,372</b>	<b>(1,056,229)</b>
Trade Receivables	110,107	116,887
Inventories	(6,047)	(3,834)
Taxes Recoverable	350,512	(1,136,775)
Court Deposits	9,035	(19,979)
Financial Assets	270,202	(20,537)
Water Shortage Bonus	101,723	-
Other Receivables	(4,160)	8,009
<b>Changes in Current and Noncurrent Liabilities</b>	<b>(1,234,318)</b>	<b>769,681</b>
Suppliers	(207,601)	(179,348)
Salaries and Social Security Charges	(31,269)	(41,677)
Taxes and Social Contributions	(755,784)	44,171
Regulatory Fees	(29,112)	(49,132)
Actuarial Liability	(118,777)	(103,895)
Financial Liabilities	(23,800)	(277,076)
PIS/COFINS to be refunded to consumers	-	1,374,801
Water Shortage Bonus	(101,493)	-
Other Liabilities	33,518	1,837
<b>Cash From Operations</b>	<b>544,219</b>	<b>371,888</b>
Interest Paid	(109,279)	(54,967)
Interest and charges paid to Related Parties	(410)	(2,078)
Interest Paid on Lease Liabilities	(507)	-
Income Tax and Social Contribution Paid	(419)	(101,715)
<b>Net Cash from Operating Activities</b>	<b>433,604</b>	<b>213,128</b>
<b>Investing Activities</b>	<b>(465,962)</b>	<b>(231,530)</b>
Acquisition of Concession Assets	(465,962)	(231,530)
<b>Financing Activities</b>	<b>439,120</b>	<b>(156,404)</b>
Inflow of Loans and Financing	610,000	686,475
Related Party Additions	(15,000)	(90,000)
Amortization of Loans and Financings	(97,113)	(704,305)
Dividends and Interest on Equity	(54,891)	(48,574)
Principal Amortization of Lease Liabilities	(3,876)	-
<b>Total Effects of Cash and Cash Equivalents</b>	<b>406,762</b>	<b>(174,806)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>753,816</b>	<b>1,061,116</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>1,160,578</b>	<b>886,310</b>

## CELESC GERAÇÃO S.A.

### BALANCE SHEET

(R\$ thousand)

Assets	30/06/2022	12/31/2021	Liabilities and Equity	30/06/2022	12/31/2021
<b>Current</b>			<b>Current</b>		
Cash and Cash Equivalents	77,858	63,400	Suppliers	9,616	8,864
Accounts Receivable	18,403	18,980	Taxes and Social Contributions	23,635	6,507
Financial Assets	39,965	36,771	Proposed Dividends	23,628	39,379
Financial Assets - Ind. Projects Basic Pery Plant	17,512	34,115	Hydrological Risk Renegotiation – GSF	-	
Taxes Recoverable	8,405	2,297	Regulatory Fees	673	398
Advances to suppliers	1,805	1,805	Debentures	35,194	35,256
Inventories	75	77	Related Parties	-	
Prepaid expenses	18	125	Other Liabilities	1,819	1,513
Other Receivables	1	5			
Dividends and Interest on Equity	2,132	1,054			
	<b>166,174</b>	<b>158,629</b>		<b>94,565</b>	<b>91,917</b>
<b>Noncurrent</b>			<b>Noncurrent</b>		
Related Parties	75,789	71,174	Deferred Taxes	87,806	82,592
Taxes Recoverable	1,251	925	Regulatory Fees	1,296	1,031
Court Deposits	112	112	Provision for Contingencies	-	
Deferred Taxes			Debentures	42,326	57,401
Advance Capital Increase	17,600	15,000			
Investments	85,922	88,423			
Property, Plant & Equipment	118,330	114,462		<b>131,428</b>	<b>141,024</b>
Intangible Assets	47,012	47,842			
Financial Assets – Concession Bonus	2,421	2,421			
Financial Assets – Concession Bonus	307,317	292,578			
Financial Assets – Indemn. Pery Plant	139,514	132,798			
	<b>795,268</b>	<b>765,735</b>	<b>Total Liabilities</b>	<b>225,993</b>	<b>232,941</b>
			<b>Equity</b>		
			Share Capital	450,000	450,000
			Profit Reserves	219,448	227,324
			Equity Valuation Adjustments	13,780	
			Adjustments for the adoption of IFRS		14,099
			Retained Earnings/Accumulated Losses	52,221	-
				<b>735,449</b>	<b>691,423</b>
<b>Total assets</b>	<b>961,442</b>	<b>924,364</b>	<b>Total Liabilities and Equity</b>	<b>961,442</b>	<b>924,364</b>



**CELESC GERAÇÃO S.A.**
**INCOME STATEMENT**

	2Q22	2Q21	Var %	6M22	6M21	Var %
<b>Gross Operating Revenue (R\$ thousand)</b>	<b>54,958</b>	<b>43,942</b>	<b>25.1%</b>	<b>115,906</b>	<b>92,442</b>	<b>25.4%</b>
Power Supply	8,492	6,671	27.3%	17,237	13,392	28.7%
Power Supply	20,976	20,109	4.3%	42,232	42,064	0.4%
Short-Term Power	411	3,195	-87.1%	2,508	8,373	-70.0%
Financial Revenue - Interest Adjustment Indemn. Pery Plant	17,252	13,967	23.5%	36,925	28,613	29.0%
Financial Revenue - Interest and Adjustment BO	7,827	-		17,004	-	
<b>Deductions from Operating Income (R\$ thousand)</b>	<b>(6,038)</b>	<b>(4,385)</b>	<b>37.7%</b>	<b>(11,978)</b>	<b>(9,208)</b>	<b>30.1%</b>
PIS/COFINS	(4,871)	(3,460)	40.8%	(9,868)	(7,189)	37.3%
Comp. Financing for Use of Water Resources	(583)	(327)	78.3%	(930)	(843)	10.3%
RGR and P&D	(363)	(272)	33.5%	(738)	(525)	40.6%
ANEEL Regulatory Inspection Fee	(221)	(326)	-32.2%	(442)	(651)	-32.1%
<b>Net Operating Income (R\$ thousand)</b>	<b>48,920</b>	<b>39,557</b>	<b>23.7%</b>	<b>103,928</b>	<b>83,234</b>	<b>24.9%</b>
<b>Electricity Costs (R\$ thousand)</b>	<b>(5,326)</b>	<b>(5,256)</b>	<b>1.3%</b>	<b>(11,384)</b>	<b>(10,314)</b>	<b>10.4%</b>
Electricity Purchased for Resale	(4,563)	(4,583)	-0.4%	(9,877)	(9,064)	9.0%
Charge for the Use of the System	(763)	(673)	13.4%	(1,507)	(1,250)	20.6%
<b>Operating Costs and Expenses (R\$ thousand)</b>	<b>(9,354)</b>	<b>4,699</b>	<b>-299.1%</b>	<b>(16,783)</b>	<b>9,863</b>	<b>-270.2%</b>
Personnel, Management	(4,832)	(3,848)	25.6%	(9,065)	(7,504)	20.8%
Supplies	(287)	(277)	3.6%	(445)	(376)	18.4%
Third-Party Services	(3,186)	(1,898)	67.9%	(5,301)	(3,890)	36.3%
Depreciation / Amortization	(833)	(1,418)	-41.3%	(1,657)	(2,848)	-41.8%
Net Provisions	80	12,174	-99.3%	473	24,561	-98.1%
Other Revenues / Expenses	(296)	(34)	770.6%	(788)	(80)	885.0%
<b>Equity Result (R\$ thousand)</b>	<b>(581)</b>	<b>(1,362)</b>	<b>-57.3%</b>	<b>665</b>	<b>1,927</b>	<b>-65.5%</b>
<b>Earnings from Activities - EBIT (thousand)</b>	<b>33,659</b>	<b>37,638</b>	<b>-10.6%</b>	<b>76,426</b>	<b>84,710</b>	<b>-9.8%</b>
Activities Margin (%)	68.8%	95.1%	-27.7%	73.5%	101.8%	
<b>EBITDA (R\$ thousand)</b>	<b>34,492</b>	<b>39,056</b>	<b>-11.7%</b>	<b>78,083</b>	<b>87,558</b>	<b>-10.8%</b>
EBITDA Margin (%)	70.5%	98.7%	-28.6%	75.1%	105.2%	
<b>Financial Result (R\$ thousand)</b>	<b>1,475</b>	<b>(16)</b>	<b>9318.8%</b>	<b>1,852</b>	<b>(458)</b>	<b>504.4%</b>
Financial Revenue	4,805	1,183	306.2%	8,413	1,831	359.5%
Financial Expenses	(3,330)	(1,199)	177.7%	(6,561)	(2,289)	186.6%
<b>EBIT (R\$ thousand)</b>	<b>35,134</b>	<b>37,622</b>	<b>-6.6%</b>	<b>78,278</b>	<b>84,252</b>	<b>-7.1%</b>
IR and CSLL	(10,200)	(6,917)	47.5%	(21,163)	(15,032)	40.8%
Deferred IR and CSLL	(1,937)	(6,331)	-69.4%	(5,213)	(12,946)	-59.7%
<b>Net Income (R\$ thousand)</b>	<b>22,997</b>	<b>24,374</b>	<b>-5.6%</b>	<b>51,902</b>	<b>56,274</b>	<b>-7.8%</b>
Net Margin (%)	47.0%	61.6%		49.9%	67.6%	

**CELESC GERAÇÃO S.A.**

<b>CASH FLOW STATEMENT (CFS)</b>		(R\$ thousand)	
	<b>6M22</b>	<b>6M21</b>	
<b>Profit/Loss Before Income Tax and Social Contribution</b>	<b>78,278</b>	<b>84,252</b>	
<b>Adjustments</b>	<b>(51,533)</b>	<b>(47,807)</b>	
Depreciation and Amortization	1,657	2,848	
Equity Pickup	(665)	(1,927)	
Reversal of Contingency Provision	-	(323)	
Monetary Variations	6,493	4,692	
Financial Revenue from Loans	(4,616)	(246)	
Allowance for Doubtful Accounts	(473)	(24,238)	
Financial Assets Update - Ind. Pery Plant Basic Project	(17,004)	-	
Financial Assets Update - Concession Bonus	(36,925)	(28,613)	
<b>Changes in Current and Noncurrent Assets</b>	<b>43,533</b>	<b>45,395</b>	
Trade Receivables	1,050	33,753	
Taxes to Offset or Recover	(915)	(1,364)	
Inventories	2	8	
Advance to Suppliers	-	(887)	
Court Deposits	-	50	
Financial Assets	18,992	17,529	
Financial Assets Update - Ind. Pery Plant Basic Project	26,891	-	
Advance for Future Capital Increase	(2,600)	(3,800)	
Other Assets	113	106	
<b>Changes in Current and Noncurrent Liabilities</b>	<b>(2,832)</b>	<b>(5,342)</b>	
Suppliers	752	(536)	
Regulatory Fees	540	(794)	
Taxes and Social Contributions	(4,430)	(4,002)	
Other Liabilities	306	(10)	
<b>Cash From Operations</b>	<b>67,446</b>	<b>76,498</b>	
Interest Paid and Received	(3,983)	(2,744)	
Income Tax and Social Contribution Paid	(5,123)	(15,663)	
<b>Net Cash from Operating Activities</b>	<b>58,340</b>	<b>58,091</b>	
<b>Financing Activities</b>	<b>(41,274)</b>	<b>(27,920)</b>	
Dividends paid and Interest on Equity - IoE	(23,627)	(10,273)	
Amortization of Loans/Debentures	(17,647)	(17,647)	
<b>Investing Activities</b>	<b>(2,607)</b>	<b>79,637</b>	
Capital Decrease in Investees	-	-	
Investments Acquisition	(499)	(494)	
Acquisition of Property, Plant & Equipment	(4,682)	(11,784)	
Acquisition of Intangible Assets	(13)	(163)	
Related Parties - Loan Agreement Receivables	-	90,000	
Dividends received	2,587	-	
Interest Received from Loans	-	2,078	
<b>Total Effects of Cash and Cash Equivalents</b>	<b>14,458</b>	<b>109,808</b>	
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>63,400</b>	<b>54,668</b>	
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>77,858</b>	<b>164,476</b>	