

**1Q21 EBITDA**

R\$358.1 M

**1Q21 NET INCOME**

R\$199.2 M

## Earnings Release 1Q21

Capital Market	Market Cap on 03/31/21	Other Indicators on 03/31/21
Preferred Share Price on 03/31/21	R\$2,279.0 M	Net Debt/Adj. EBITDA LTM (Group): 0.9x
CLSC4: R\$59.24/Share	US\$406.0 M	EPS (R\$/share): 5.16
Variation in 1Q21	Free Float: 75.5%	NAV (R\$/Share): 56.62
CLSC4: 9.04%		Price/NPS: 1.0x
Ibovespa: -2.00%		

## Financial Highlights

- **EBITDA in 1Q21** reached **R\$358.1 million**, while **Net Income** reached **R\$199.1 million**;
- EBITDA margin (excluding Construction Revenue) was 15.0% in 1Q21, a percentage higher than the same period of last year (14.3% in 1Q20);
- **Net Margin** (excluding Construction Revenue) closed the **quarter at 8.3%**, compared to **7.2%** in 1Q20;
- **Net Operating Revenue** came to **R\$2.5 billion** in 1Q21 (**a 19.6% growth year on year**), reflecting the performance of the subsidiaries Celesc D and G;
- **PMSO** totaled **R\$189.3 million in 1Q21**, down 10.9% from 1Q20;
- **Unmanageable Expenses** amounted to **R\$1.8 billion in the quarter** (R\$1.5 billion in 1Q20);
- **Consolidated Investment** reached **R\$153.2 million in the quarter**, with R\$146.1 million in the subsidiary Celesc D and R\$7.1 million in the subsidiary Celesc G;
- **Consolidated Net Debt** totaled **R\$985.4 million**, equivalent to 0.9x of the 12M Adjusted EBITDA and 0.5x of the Shareholders' equity;
- **The Company's shares (CLSC4)** showed a **positive variation of 9.04% in the quarter and 34.76% in the last twelve months**.

## Operational Highlights

- In 1Q21, DEC reached 2.93 hours, and FEC totaled 1.87 interruptions.
- **Total electricity consumption** in Celesc's concession area reached **6,866 GWh** in **1Q21**, up by 0.9% over 1Q20; and
- **Total cargo losses** in 1Q21 totaled **8.09%**, lower than in 1Q20 when it reached 8.46%, thus reducing the percentage without tariff coverage.

Main Results	First Quarter		
	2020	2021	Δ
<b>Operational Indicators</b>			
Celesc Distribuição - Energy Sales (GWh)	6,806	6,866	0.9%
Celesc Geração - Energy Produced (GWh)	174	172	-1.3%
<b>Financial Indicators - Consolidated (R\$ million)</b>			
Gross Operating Revenue	3,324.9	3,926.9	18.1%
Net Operating Revenue (excluding Revenue from Construction)	2,002.7	2,387.2	19.2%
Operating Costs and Expenses	(1,892.1)	(2,245.8)	18.7%
<b>EBITDA (IFRS)</b>	<b>286.7</b>	<b>358.1</b>	<b>24.9%</b>
<b>EBITDA Margin (IFRS)</b>	<b>14.3%</b>	<b>15.0%</b>	
Adjusted EBITDA (IFRS - Non-Recurring)	286.7	358.1	24.9%
Adjusted EBITDA Margin	14.3%	15.0%	
<b>Net Income (IFRS)</b>	<b>144.0</b>	<b>199.2</b>	<b>38.3%</b>
<b>Net Margin</b>	<b>7.2%</b>	<b>8.3%</b>	
Adjusted Net Income (IFRS - Non-Recurring)	144.0	199.2	38.3%
Adjusted Net Margin	7.2%	8.3%	
Investments Made in Electricity Generation and Distribution	129.0	153.2	18.7%





## DISCLAIMER

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The information contained in this document related to the business prospects, projected operating and financial results and growth outlook of CELESC are merely projections and, as such, are based exclusively on the Executive Board's expectations. These expectations depend, substantially, on the market conditions, the performance of the Brazilian economy, the sector and the international markets and, therefore, are subject to change.



## Contents

1 RELEVANT EVENTS OF THE PERIOD .....	4
2 CELESC GROUP .....	4
<b>2.1 Corporate Profile .....</b>	<b>4</b>
3. PERFORMANCE BY SEGMENT .....	5
<b>3.1. CELESC DISTRIBUIÇÃO S.A. ....</b>	<b>5</b>
3.1.1 Company's Profile .....	5
3.1.2. Regulatory Environment .....	6
3.1.3. Operating Performance .....	6
3.1.4. Economic and Financial Performance .....	11
<b>3.2. CELESC GERAÇÃO .....</b>	<b>21</b>
3.2.1. Company's Profile .....	21
3.2.2. Operating Performance .....	22
3.2.3. ECONOMIC AND FINANCIAL PERFORMANCE .....	24
<b>3.3. CONSOLIDATED .....</b>	<b>27</b>
3.3.1. Economic and Financial Performance .....	27
4. SUSTAINABLE DEVELOPMENT .....	30
5. CAPITAL MARKET PERFORMANCE .....	33
6. CORPORATE RATING .....	34
7. EXHIBITS .....	35



## 1 RELEVANT EVENTS OF THE PERIOD

### 1.1. SALTPETER CLEANING IN THE SEA NETWORK

On January 05, Celesc announced the necessary and constant investments to maintain the electric system's operation with improvements and maintenance. In addition to the trimming and pruning services, in 2020 Celesc allocated R\$272,000 to clean the power grid in regions of the Santa Catarina coast, where there is a large accumulation of saltpeter coming from the sea and whose occupation volume increases a lot during the summer months. In 2019 the company had already invested R\$265,000 in this measure.

### 1.2. "SOU LEGAL, TÔ LIGADO" PROJECT IS IMPLEMENTED IN CRICIÚMA

On January 14, Celesc announced that the "Sou Legal, Tô Ligado" project, which replaces old appliances such as showers, light bulbs, and refrigerators that consume more energy, for newer and more economical ones, has also started to reach low-income families in Criciúma. Through this initiative, about R\$1 million will be invested to assist one thousand consumers, in the city, with this profile. Approximately R\$8.7 million will be invested in the development of the Southern stage of the Project, which will benefit customers from other municipalities besides Criciúma.

### 1.3. CELESC INVESTS R\$9.4 MILLION IN NEW FLEET.

On January 22, Celesc announced that it annually allocates resources for new vehicles prepared to assist the service teams in maintenance and occurrences in the electrical system in different regions of the state. In the first half of 2021, the Company aims to invest about R\$9.4 million in the new fleet and, by the end of the year, more resources should be allocated to the purchase of new vehicles.

### 1.4. CELESC CUSTOMERS MAY EXTEND INVOICES IN CREDIT CARD INSTALLMENTS

On February 23, Celesc informed its customers that the option to pay their overdue electricity bills in installments by credit card is now available. The measure provides more comfort to customers, since it expands their payment options and gives more flexibility to on-site assistance, since the negotiation can be done in approximately 80 service stores and Celesc's Units, in all the regions of the state.

### 1.5. AUTOMATION BRINGS SOLUTIONS AND IMPROVEMENTS

On February 26, Celesc disclosed the processes automation, through **five projects** in progress, which are coordinated by the Board of Finance and Investor Relations, the Commercial Board, and the Board of Planning, Controls and Compliance, which have achieved good solutions to accelerate corporate processes. Also called automation, the business process automation essentially involves the use of technology to perform recurring, manual routines, reducing effort for better results.

### 1.6. WHATSAPP SERVICE STARTS OPERATING

Being increasingly connected to the needs of its customers and aligned with the best market practices. Celesc has made available, as of March 12, 2021, the exclusive service for commercial services via WhatsApp, with three initial options: issuing a new copy of the electricity bill, information about debts, and reconnecting the consumer unit to the system.

### 1.7. CELESC IN THE FREE ENERGY MARKET

On March 17, Celesc announced that in 2021 it will launch an energy trading company to operate in the free market. The information is provided by the company's president, Cleicio Poletto Martins, when he highlighted that the Board of Directors has already authorized the opening of the new company.

## 2 CELESC GROUP

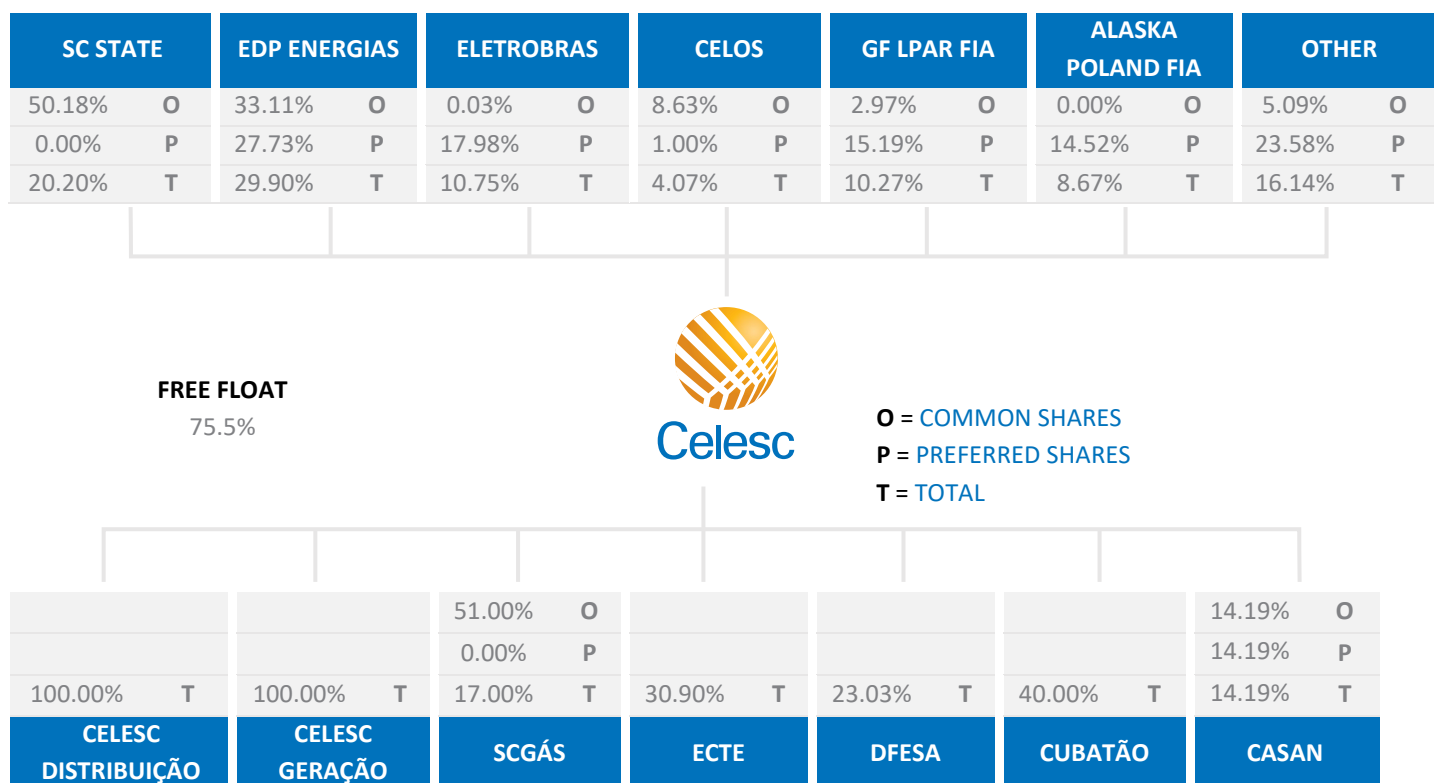
### 2.1 Corporate Profile

Centrais Elétricas de Santa Catarina S.A. – CELESC is one of the largest companies in the Brazilian electric sector, with emphasis in the areas of distribution and generation of energy. Structured as a Holding Company in 2006, the Company

has two wholly owned subsidiaries - Celesc Distribuição S.A. and Celesc Geração S.A. In addition, it holds the shareholding control of 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 - Shareholding and Corporate Structure as of March 2021**



### 3. PERFORMANCE BY SEGMENT

#### 3.1. CELESC DISTRIBUIÇÃO S.A.

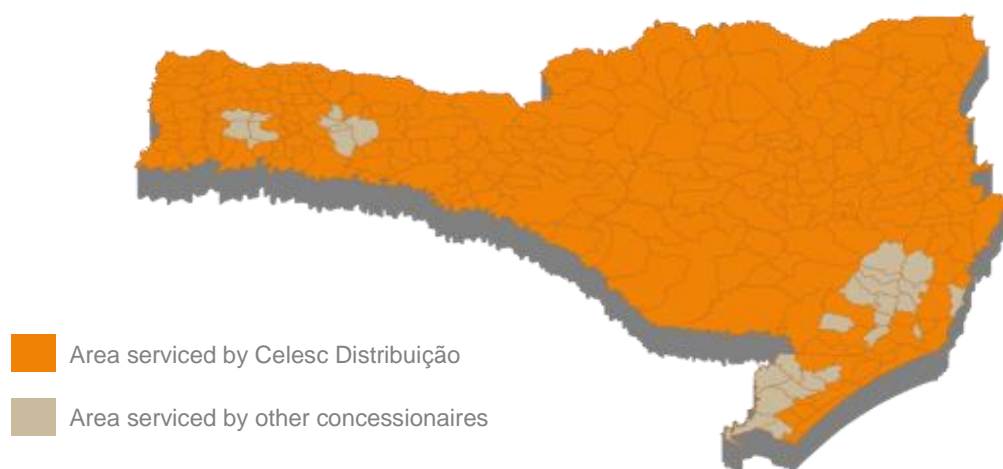
##### 3.1.1. Company's Profile

##### Operating Area

Celesc Distribuição S.A. stands out in the electricity distribution segment. Headquartered in the city of Florianópolis, it is a public service concessionaire for electricity distribution, serving, fully or partially, 285 municipalities. Of the total, 264 municipalities are covered by the distributor's concession agreement (263 in Santa Catarina and 1 in Paraná) and 21 municipalities are covered on a precarious basis, in concession areas of other distributors (17 in Santa Catarina and 4 in Paraná).

On a monthly basis, the company distributes around 2.1 million MWh and its annual gross revenue reached R\$13.6 billion in 2020. The map shows the scope of CELESC's operating area.





### 3.1.2. Regulatory Environment

#### 3.1.2.1. Contractual Level of the Distributor

According to the electricity system regulation, distributors must have a contracting level within the regulatory limit (currently between 100% and 105% of over contracting), plus involuntary surplus, and contracting within this range has a full tariff transfer, with the counterpart being accounted for as financial sector assets. The amount that falls outside the regulatory range, and which is considered voluntary by the regulator, is the distributor's risk.

Celesc ended 1Q21 with a contractual position of 95.79%, below the regulatory range, however, the contractual position is determined by ANEEL for the calendar year, therefore the fact that Celesc was exposed in the first quarter has no economic effect and is due to the seasonalization of the Distributor's contracts. Due to the seasonalization of Celesc's contracts, it is common for the energy balance to change over the quarters. The Distributor, therefore, foresees no risk of subcontracting for the year 2021.

### 3.1.3. Operating Performance

#### 3.1.3.1. Number of Consumers

Charts 1 and 2, below, demonstrate the evolution of the number of Celesc's Consumers and the participation per type of consumer class within the captive market, respectively.

The captive customer base at the end of 1Q21 represented a 2.78% growth compared to 1Q20, an increase of 85,452 new customers.

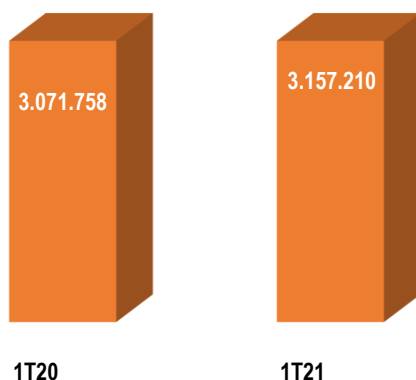
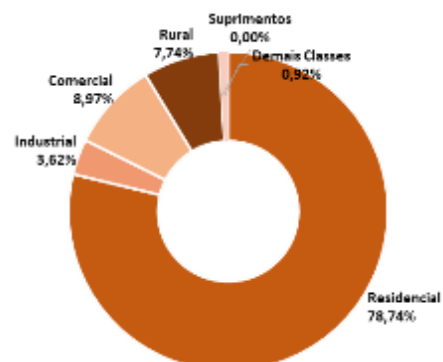
**Chart 1 - Number of Consumers**

**Chart 2 – Consumption Class Share 1Q21 (Captive Market)**


Table below shows the percentage of the Consumer Class regarding the total of 1Q20 and 1Q21.

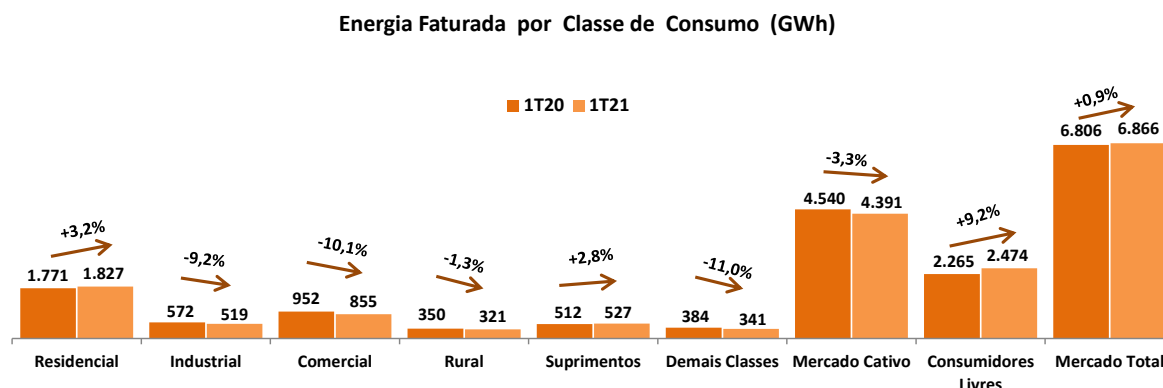
Number of Consumers			Variation			
Description	1Q20	1Q21	Share in the Total %		2021/2020	
			1Q20	1Q21	△	△%
Residencial	2,418,807	2,489,313	78.74%	78.85%	70,506	2.91%
Industrial	111,060	117,562	3.62%	3.72%	6,502	5.85%
Commercial	275,607	289,224	8.97%	9.16%	13,617	4.94%
Rural	237,888	232,199	7.74%	7.35%	- 5,689	-2.39%
Supplies	25	10	0.00%	0.00%	- 15	-60.00%
Other Classes	28,371	28,902	0.92%	0.92%	531	1.87%
Government	23,552	23,771	0.77%	0.75%	219	0.93%
Lighting	863	915	0.03%	0.03%	52	6.03%
Public Service	3,557	3,793	0.12%	0.12%	236	6.63%
Own Consumption	399	423	0.01%	0.01%	24	6.02%
<b>Total</b>	<b>3,071,758</b>	<b>3,157,210</b>	<b>100.00%</b>	<b>100.00%</b>	<b>85,452</b>	<b>2.78%</b>

### 3.1.3.2. Market

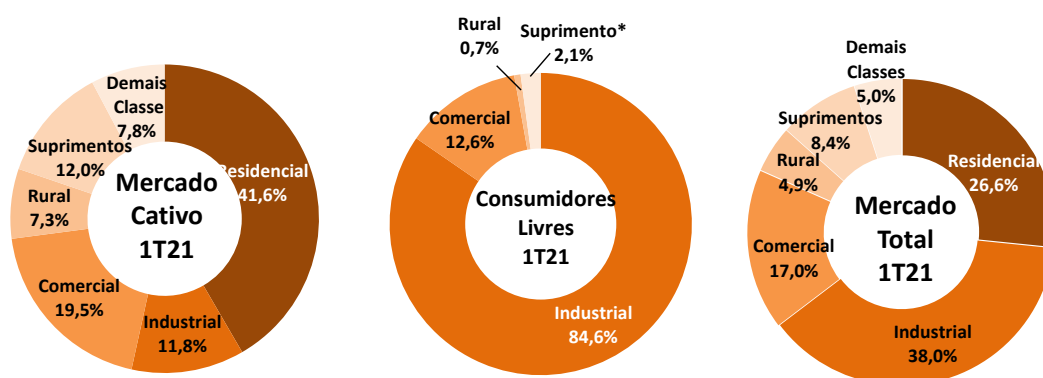
Chart 3, below, indicates the evolution of the energy market by consumer class in 1Q21 compared to 1Q20, while Chart 4 illustrates the consumer class participation in the captive market, free consumers and in the total market (captive + free).



**Chart 3: Billed Market (GWh)**



**Chart 4: Share of the Consumption Class in the Captive Market, among Free Consumers and in the Total Market (Captive + Free)**



The Captive Market decreased 3.3% in the quarter, highlighting the Industrial and Commercial classes, with a decrease of 9.2% and 10.1%, respectively, due to the restrictive measures implemented to fight the pandemic as of March 2020. The Total Market, on the other hand, rose 0.9%, influenced by the increase in the Free Market (9.2% in the period).

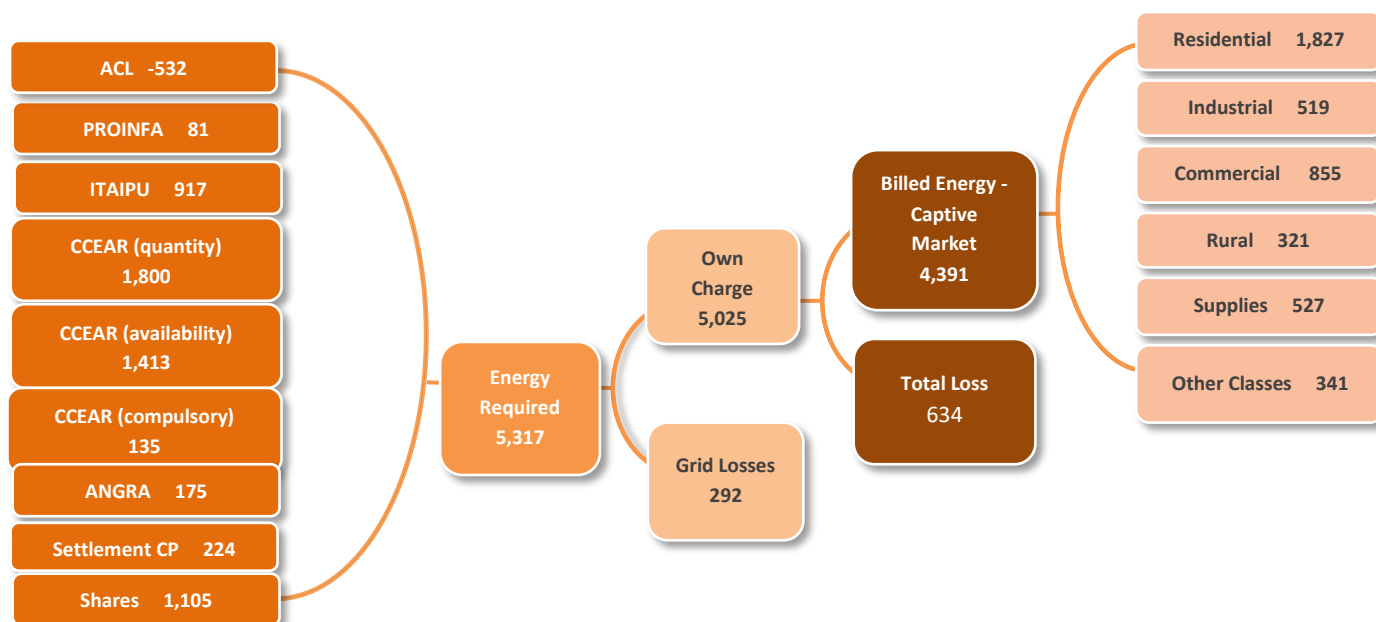
The Captive Market ended 1Q21 representing 64%, while the Free Market represents 36% of the total market. The migration of captive customers to the free market is a choice made by the consumer and is considered neutral for Celesc, since the electricity continues to be transported by the concessionaire, paid by the Tariff for Use of the Distribution System (TUSD), which remains unchanged, as the consumer continues to pay the concessionaire for the service.

Celesc monitors the trends of its consumer classes with the due attention in the midst of the crisis we are facing, reinforcing its commitment to its customers and seeking to generate value from its business for all our stakeholders.

The 3.3% drop in the Captive Market in the quarter was mainly due to the comparative base of 1Q20 which was not affected by the pandemic and the following restriction measures applied as of March 2020.

### 3.1.3.3. Energetic Balance

**Figure 2 - Distribution Energetic Balance (GWh) - 1Q21**

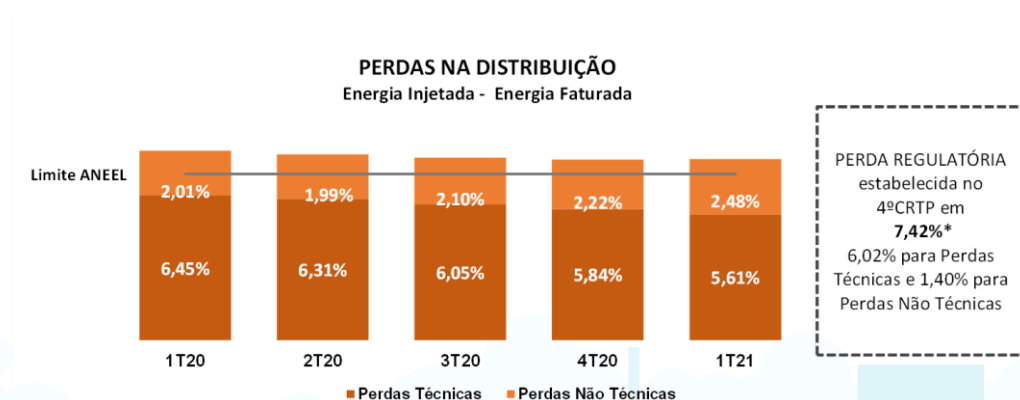


### 3.1.3.4. Electric Power Loss

**Energy Losses** correspond to **total losses** encompassing **technical losses**, electricity dissipated in the electricity transportation process between the supply and the delivery point, and **non-technical losses**, corresponding to the difference between global losses and technical losses. However, this portion of non-technical losses considers the theft of electricity, defects in measuring equipment, errors in the billing process, consumer units without measuring equipment, etc.

According to the last Celesc D Tariff Review (4CRT), **the regulatory loss of distribution was estimated at 7.42%** of the energy injected into the distribution system of the concessionaire. **Of this total, 6.02% refers to the volume of technical losses and 1.40% of non-technical losses.** The definition is established by PRODIST - Module 7, revised at the beginning of each year, thus adjusting the 12-month average. Chart 5 shows Celesc D's Losses.

**Chart 5: Losses in the Distribution**



Total Losses registered a percentage of 8.09%, slightly above the regulatory limit, by 0.67 p.p. The estimated value without tariff coverage in the first quarter of 2021 is **R\$16.6 million**, of which **R\$-0.7 million of technical losses, R\$18.6 million of non-technical losses and R\$-1.3 million of losses in the basic network.**

The Company has been working focused in the Loss Reduction and Recovery Plan. The main actions are:

- Identifying suspected cases of irregularity through an algorithm (online verification);

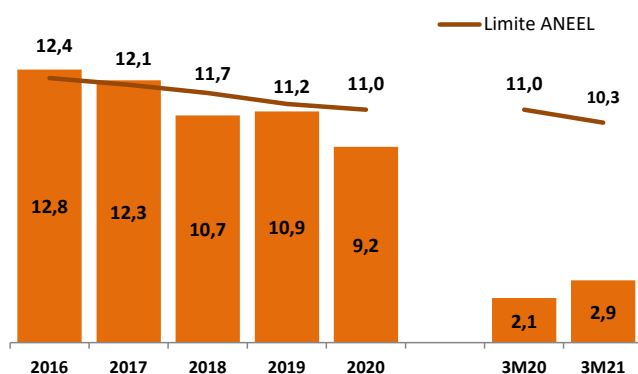
- ii) Procedures to identify fraud and/or technical deficiency;
- iii) Reviewing the contractors' labor lawsuits (targets and inspection);
- iv) Integrating corporate systems;
- v) Implementing antitheft systems and regularizing clandestine connections;
- vi) Reviewing the work process (inspection targets);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

### 3.1.3.5. Operational Quality (DEC and FEC).

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

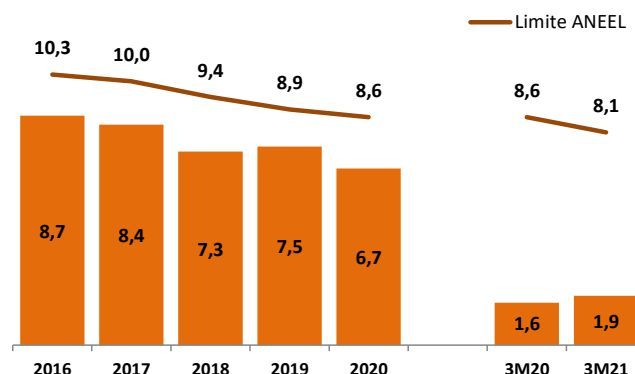
**Chart 6 - DEC**

**DEC - DURAÇÃO EQUIVALENTE POR CONSUMIDOR**  
(horas ponderadas)



**Chart 7 - FEC**

**FEC - FREQUÊNCIA EQUIVALENTE POR CONSUMIDOR**  
(número de vezes)



In **1Q21**, CELESC recorded **2.93 hours** in the **DEC indicator**, up by 39.5% compared to 1Q20, when a **DEC of 2.10 hours** was recorded. It is important to highlight that the summer of 2020 was atypical with few climatic events favoring the results, therefore if we compare 1Q21 with 1Q19, which was a similar year in the climatic issue and registered a **CED of 3.5 hours**, therefore 2021 obtained a result **16.3 % lower or registered in 2019**.

The **FEC indicator**, in the same period, reached **1.87 interruptions**, up by 16.9% over 1Q20, when a **FEC of 1.60 interruptions** was recorded. Likewise 1Q19 that registered an **FEC of 2.3 interruptions**, therefore 1Q21 registered a value **18.7% lower if we compare it to 1Q19**.

Violations of quality indicators in their individual form generated, in the first quarter of 2021, consumer credits in the **amount of R\$8.5 million** for Celesc Distribuição, an amount higher than the one registered in the same period of 2020, when it **amounted to R\$7.2 million**.

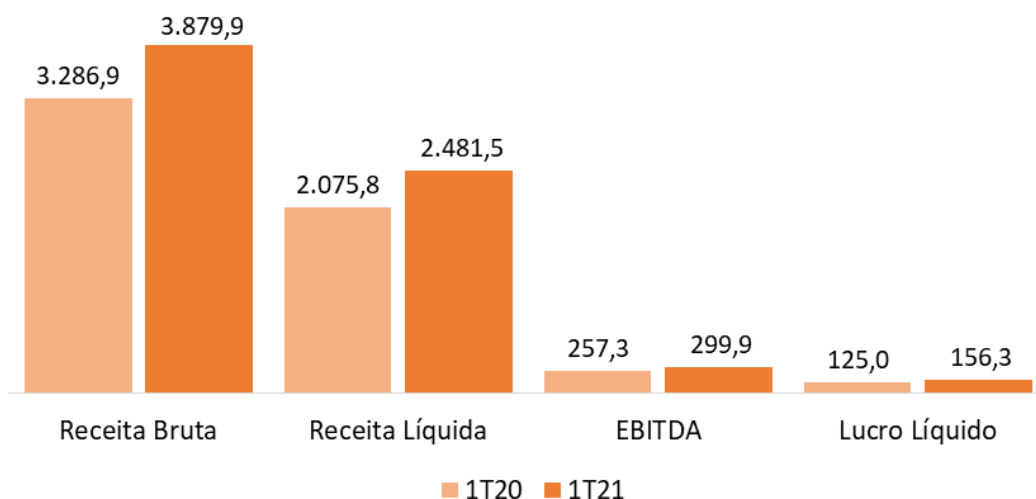
Celesc reinforces its commitment to effective results of continuous improvement with its operational activity, performing investments, mainly with initiatives aimed at DEC and FEC reductions.



### 3.1.4. Economic and Financial Performance

#### 3.1.4.1. Gross Operating Revenue, Net Operating Revenue, EBITDA and Net Income

Chart 8 - Gross and Net Revenue, EBITDA and Net Income (million)



#### Results Analysis:

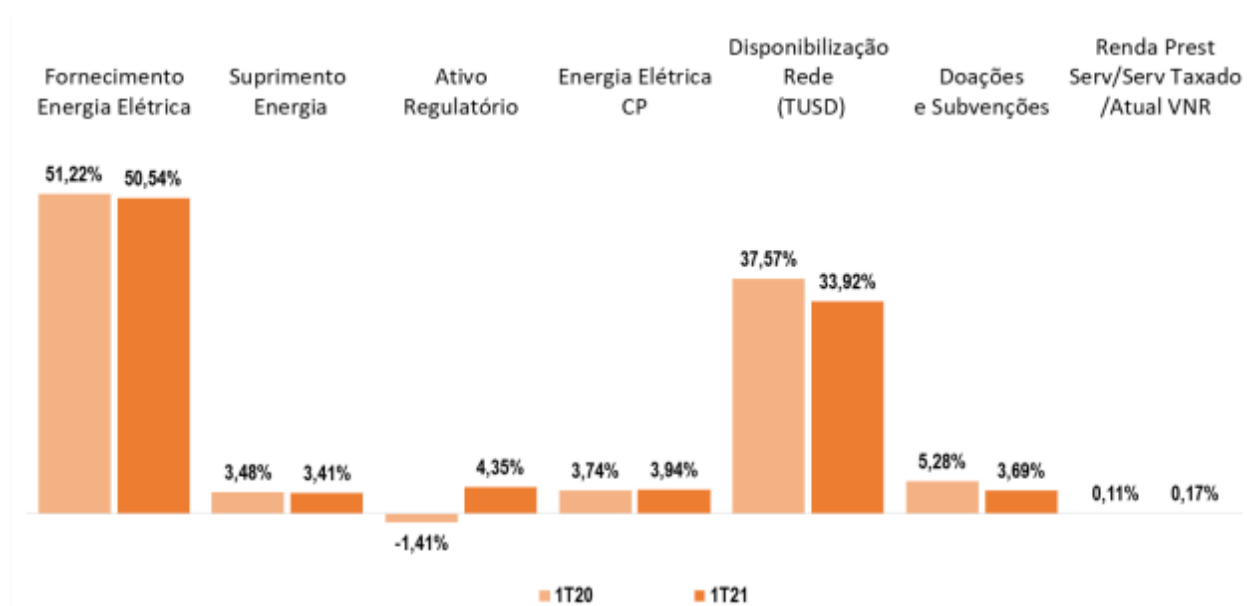
- In 1Q21, **gross operating revenues reached R\$3,879.9 million**, up 18% over 1Q20. An absolute increase of R\$593 million compared to the same period in 2020.
- Net operating revenue** in 1Q21 reached **R\$2,481.5 million** (R\$2,345.1 million excluding construction revenue), up by 19.5% (R\$405.7 million), compared to 1Q20.
- In 1Q21, **EBITDA** totaled **R\$299.9 million**, up by 16.6% (R\$42.6 million) compared to 1Q20;
- In 1Q21, **net income** stood at **R\$156.3 million**, up by 25.1% (R\$31.3 million) compared to R\$125.0 million in 1Q20.

The performance of gross operating revenue was mainly affected by the following:

- Increase of 16.1% in the **Electric Energy Supply** in 1Q21 (R\$263 million). Highlight for the revenue generated from the **tariff flag which totaled R\$88.5 million** in the quarter (compared with R\$29.1 million in 1Q20);
- Regulatory Assets** of **R\$162.7 million in the quarter** resulting from the net result of CVA;
- Increase of R\$28.4 million in the quarter in the settlement of Short-Term Electric Power**, due to the variation in the Price for Settlement of Differences ("PLD");
- Increase of **6.3% (R\$75.0 million)** in the quarter in the **Revenue from Availability of Electricity Grid (TUSD)** compared to 1Q20

#### 3.1.4.2. Breakdown of Gross Operating Revenue(excluding Construction Revenues)

Chart 9 - Breakdown of Gross Operating Revenue (excluding construction revenue)

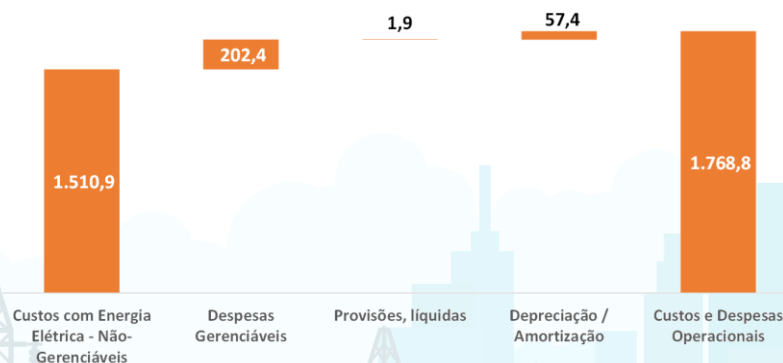


### 3.1.4.3. Operating Costs and Expenses.

Chart 10 - Operating Costs and Expenses (R\$ million) - 1Q21



Chart 11 - Operating Costs and Expenses (million) - 1Q20



In 1Q21, **operating costs and expenses** reached **R\$2,105.7 million** (excluding construction costs), up by 19% (R\$337 million) over 1Q20, when Celesc reached **R\$1,768.8 million**. This increase in the quarterly comparison is explained mostly by the increase with the (non-manageable) energy cost that the Company obtained this quarter.

**Energy Costs** (Non-Manageable) registered an **increase of 22.9%** (R\$346.7 million) in the comparison between 1Q21 and 1Q20.

The increase in energy expenses was mainly due to: (1) **Increase of 2.9% and 11.4%**, respectively, in **hydroelectric and thermal** energy; (2) **increase of 16.9%** in energy from ITAIPU due to the exchange rate variation in the period; and (3) increase of 5.9% in bilateral contracts.

Among Manageable Costs, **PMSO** [Personnel (P), Material (M), Third Party Services (S) and Other Expenses (O)] **fell by 11%** (R\$23.8 million) in 1Q21.

Personnel expenses saw a significant drop of 16.3% year on year in 1Q21. This result is mainly explained by the Incentive Dismissal Plan and the reduction measures that have been effective in personnel expenses over the last few years.

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

R\$ million	First Quarter		
	2020	2021	Δ
<b>Total Personnel</b>	<b>(157.8)</b>	<b>(132.0)</b>	<b>-16.3%</b>
Personnel and Administrators	(145.3)	(134.4)	-7.5%
Personnel and Charges	(138.4)	(128.5)	-7.2%
Private Pension Plan	(6.9)	(5.9)	-14.0%
Actuarial Expense	(12.5)	2.4	119.3%

**Celesc Distribuição is the sponsor of Fundação Celesc de Seguridade Social - CELOS**, which manages the pension benefit plans and the health care plan offered to its employees. The Actuarial Expense recorded in the Statement of Income follows what is established in the Annual Actuarial Valuation of Post-Employment Benefits prepared by independent actuaries. The following table shows the balance of **Actuarial Liabilities as of March 31, 2021 compared to the end of 2020**, indicating a reduction in Celesc Distribuição's estimated obligations.

#### Celesc Distribuição S.A. | Actuarial Liabilities

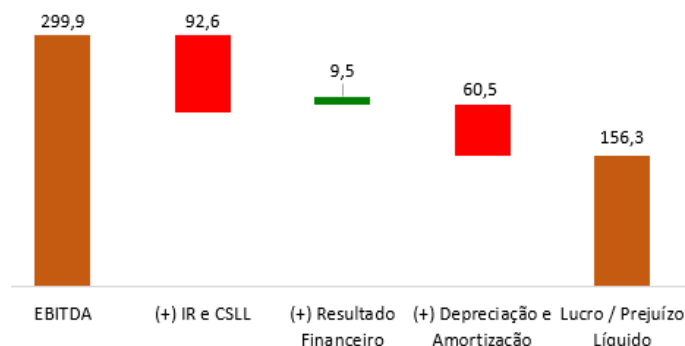
R\$ million	As of December 31, 2020	As of March 31, 2021	Var. (%)
<b>Social Security Benefit Plans</b>	<b>1,239.3</b>	<b>1,209.7</b>	<b>-2.4%</b>
Mixed + Transitional Plan	1,239.3	1,209.7	-2.4%
<b>Other Post-Employment Benefits</b>	<b>1,278.1</b>	<b>1,264.3</b>	<b>-1.1%</b>
Healthcare Plan	1,214.0	1,200.4	-1.1%
Other Benefits	64.1	63.9	-0.3%
<b>Total</b>	<b>2,517.3</b>	<b>2,474.1</b>	<b>-1.7%</b>
Short Term	197.9	198.3	0.2%
Long Term	2,319.4	2,275.8	-1.9%

#### 3.1.4.4. EBITDA.

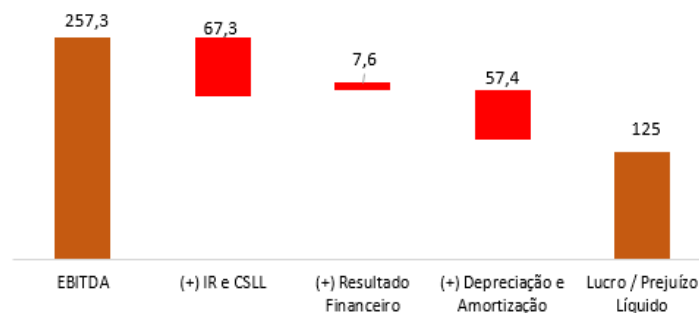
The following graphs demonstrate the composition of the transformation from EBITDA to Net Income:



**Chart 12 - EBTIDA and Net Income**  
(R\$ million) – 1Q21



**Chart 13 - EBTIDA and Net Income**  
(R\$ million) – 1Q20



In 1Q21, the **EBITDA had an increase of 16.6% (R\$ 43 million)** if compared to 1Q20. The main factors that impacted the EBITDA increase in the quarter were the growth in the Company's operating revenues, driven mainly by higher revenues from energy supply, regulatory assets and grid availability.

In addition to the increase in Net Operating Revenue, which grew approximately 19.5%, Manageable Operating Expenses (MOS) decreased 11.8% contributing to the EBITDA result for the quarter.

In 1Q21, **Financial Revenue came to R\$53.6 million**, up by 29.9% (R\$12.3 million) compared to Financial Revenue of R\$41.3 million recorded in 1Q20. This increase was mainly due to: (i) Monetary Changes, which showed an increase of 276.1% (R\$14.8 million) in the quarter and (i) Monetary Changes, signaled an increase of 276.1% (R\$14.8 million) in the quarter) and; (ii) Interest and Moratorium Accrual on Bills that recorded a rise of 18.1% (R\$3.8 Million) in the quarter, referring to moratorium accruals on electric energy bills.

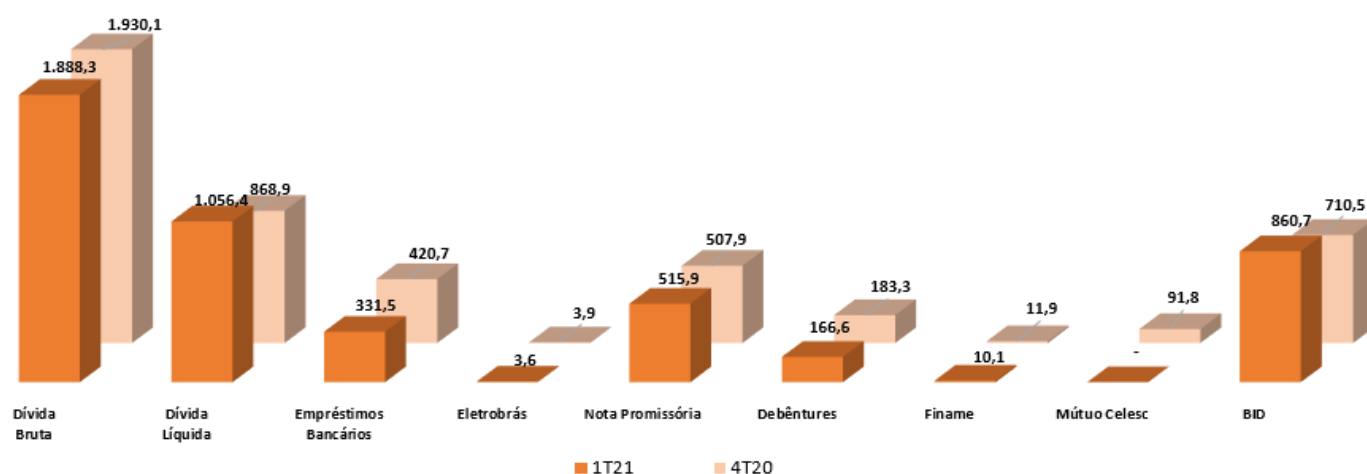
**Financial Expenses** fell by 9.7% in 1Q21, totaling **R\$44.1 million**, compared to **R\$48.9 million** in 1Q20. The decline in 1Q21 was due mainly to: (i) Reduction of interest and charges on Debentures (-54.5% in the current quarter). This reduction is due to the fact that the Company's indebtedness is mostly linked to the CDI, which showed a drop between the analyzed periods of 2020 and 2021, as explained below and also due to the reduction of the outstanding Debenture debt in the period (R\$166.6 million in 1Q21 compared to R\$234.3 million in 1Q20); and (ii) Reduction of 34.4% in 1Q21 related to the financial expenses with Regulatory Liabilities influenced by the reduction of interest rates in the comparative periods.

**In 1Q21, net income totaled R\$156.3 million, up by 25.1% (+R\$31.3 million).** The factors that determined the increase in profit in the quarter were the same as in the EBITDA analysis, adding the good financial result in the analyzed periods.

### 3.1.4.5. Indebtedness.

**Chart 17** below shows the Company's **Gross Debt and Net Debt**, as well as the breakdown of this Debt from December 2020 to March 2021.

Chart 14 - Gross Debt, Net Debt and Loans



Despite the **2.2% reduction (R\$41.7 million)** in the gross financial debt in 1Q21 compared to the end of 4Q20, there was an increase in the net financial debt, impacted by the reduction in the amount available in cash and cash equivalents compared to the previous quarter.

**Celesc Distribuição S.A. | Indebtedness**

1Q21 Financial Debt			
R\$ million	As of December 31, 2020	As of March 31, 2021	Δ
Short-term debt	1,025.3	913.7	-10.9%
Long-Term Debt	904.8	974.6	7.7%
<b>Total Financial Debt</b>	<b>1,930.0</b>	<b>1,888.3</b>	<b>-2.2%</b>
( - ) Cash and Cash Equivalents	<b>1,061.1</b>	<b>831.9</b>	-21.6%
<b>Net Financial Debt</b>	<b>868.9</b>	<b>1,056.4</b>	<b>21.6%</b>
EBITDA (LTM)	781.2	823.9	5.5%
<b>Debt Fin. Net / EBITDA (LTM)</b>	<b>1.1x</b>	<b>1.3x</b>	
ADJUSTED EBITDA (LTM)	894.0	936.7	4.8%
<b>Debt Fin. Net / Adjusted EBITDA LTM</b>	<b>1.0x</b>	<b>1.1x</b>	
Shareholders' Equity	990.0	1,146.3	15.8%
<b>Debt Fin. Total / Shareholders' Equity</b>	<b>1.9x</b>	<b>1.6x</b>	
<b>Debt Fin. Net / Shareholders' Equity</b>	<b>0.9x</b>	<b>0.9x</b>	

Once we include the actuarial liability in the financial debt, we obtain the following behavior:

<b>Celesc Distribuição S.A.   Indebtedness + Actuarial Liabilities</b>			
<b>1Q21 Financial Debt + Post-Employment Benefits</b>			
<b>R\$ million</b>	<b>As of December 31, 2020</b>	<b>As of March 31, 2021</b>	<b>Δ</b>
Short-term debt	1,025.3	913.7	-10.9%
Long-Term Debt	904.8	974.6	7.7%
<b>Total Financial Debt</b>	<b>1,930.0</b>	<b>1,888.3</b>	<b>-2.2%</b>
<b>(+) Net Actuarial Liabilities</b>	<b>1,750.4</b>	<b>1,761.7</b>	<b>0.6%</b>
Obligations with Social Security	1,239.3	1,209.7	-2.4%
Other benefits to employees	1,278.1	1,264.3	-1.1%
( - ) Deferred IR/CSLL	766.9	712.3	-7.1%
<b>( - ) Cash and Cash Equivalents</b>	<b>1,061.1</b>	<b>831.9</b>	<b>-21.6%</b>
<b>Adjusted Net Debt</b>	<b>2,619.4</b>	<b>2,818.2</b>	<b>7.6%</b>
EBITDA (LTM)	781.2	823.9	5.5%
<b>Adjusted Net Debt/Adjusted EBITDA LTM</b>	<b>3.4x</b>	<b>3.4x</b>	
ADJUSTED EBITDA (LTM)	894.0	936.7	4.8%
<b>Adjusted Net Debt/Adjusted EBITDA LTM</b>	<b>2.9x</b>	<b>3.0x</b>	
Shareholders' Equity	990.0	1,146.3	15.8%
<b>Total Adj. Debt / Shareholders' Equity</b>	<b>3.7x</b>	<b>3.2x</b>	
<b>Adjusted Net Debt/Shareholders' Equity</b>	<b>2.6x</b>	<b>2.5x</b>	

The Company pays attention to its short-term amortization schedule and monitors the financial and capital markets to raise funds with longer terms, reinforcing its management commitment to a well-structured debt. In this sense, it is worth mentioning that the adverse macroeconomic scenario seen in most of 2020 and in early 2021 essentially reflected in: (i) interest rates practiced at a level higher than that at the end of last year and (ii) shorter terms of operations settled on the market, Celesc prefers to continue to monitor the market and will conduct operations to lengthen its debt profile when the rate and term conditions are in line with its indebtedness strategy.



**Celesc Distribuição S.A. | Loans and Financing Position**

R\$ million	Annual Interest Rate	As of December 31, 2020	As of March 31, 2021	Δ
<b>Domestic Currency</b>				
Bank Loans	CDI rate + 0.8% p.y.	298.3	242.5	-18.7%
Bank Loans	1.25% to 1.30% p.a. + CDI rate	122.4	89.0	-27.3%
Eletrobrás	5.00%	3.9	3.6	-5.7%
Promissory Note	CDI rate + 4.50%	507.9	515.9	1.6%
Debentures	CDI rate +1.90%	183.3	166.6	-9.1%
Finame	2.50% to 9.50%	11.9	10.1	-15.5%
Celesc D/G Loan	96.75% of the CDI	91.8	0.0	
<b>Foreign Currency</b>				
BID	CDI rate + 1.38% p.y.	710.5	860.7	21.1%
<b>Total</b>		<b>1,930.1</b>	<b>1,888.3</b>	<b>-2.2%</b>
<i>Short Term – Current</i>		1,025.3	913.7	
<i>Long Term – One to Five years</i>		270.1	210.8	
<i>Long Term – Over Five years</i>		634.7	763.8	

Regarding the debt profile and cost, it is informed that the **Average Term of the Company's financial debt on March 31, 2021 is 10.4 years and the average cost is approximately 5.07% per year**, considering the current level of interest rates in variable rate contracts.

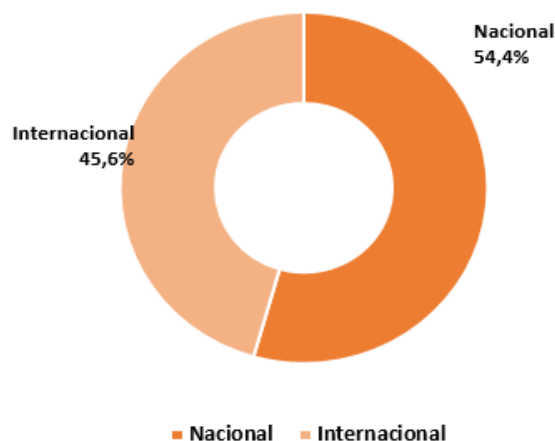
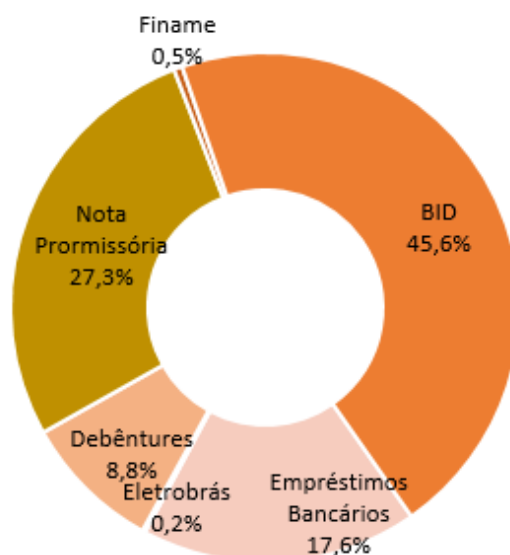
**Chart 15 - Debt Breakdown - March 2021**


Chart 16 below breaks down the debt profile, which is the percentage share of the Company's loans and financing in different types of funding with the financial and capital markets, showing the Company's ability to access different lines of credit in the Brazilian and international markets.

Chart 16 - Debt Breakdown (%)



Celesc Group constantly evaluates ways to mitigate possible exposures to the risk of market fluctuations, spreading the debts in several operations. Also, the financing line with the IDB is made available through tranches in dollars that are only recognized by the Company after a Currency Conversion ("hedge") operation is carried out, for the total term of the operation – approximately 25 years. This way, the Company pays particular attention to the financial market, avoiding exposure to exchange rate variations.

#### 3.1.4.6. Investments

Charts 17 and 18 also illustrate the **investments** made in capital assets (CAPEX) by Celesc Distribuição in the period from 2016 to 2020, as well as the composition of CAPEX made during 1Q21.

In **1Q21**, investments were made in expanding and improving the system, operating efficiency and modernizing the company's management, totaling **R\$146.1 million**, up by **16.1% (+R\$20.3 million)**, compared to 1Q20, which posted R\$125.8 million.

We highlight the investments made in the Distribution segment aimed at composing the Regulatory Asset Base (RAB) of the Company, which totaled **R\$136.4 million - 93.4% of Total CAPEX**:

- Distribution and Telecom Networks totaling **R\$24.1 million - 17.7% of Capex RAB**;
- Distribution and Substations totaling **R\$97.9 million - 71.8% of Capex RAB**;
- Trading and Measurement totaling **R\$12.6 million - 9.2% of Capex RAB**; and
- Other Investments totaling **R\$1.7 million - 1.3% of Capex RAB**.

Celesc Distribuição made mandatory investments of **R\$3.5 million in Research and Development (R&D)** and **R\$3.4 million in Energy Efficiency**.

Chart 17 - CAPEX Celesc Distribuição (R\$ million)

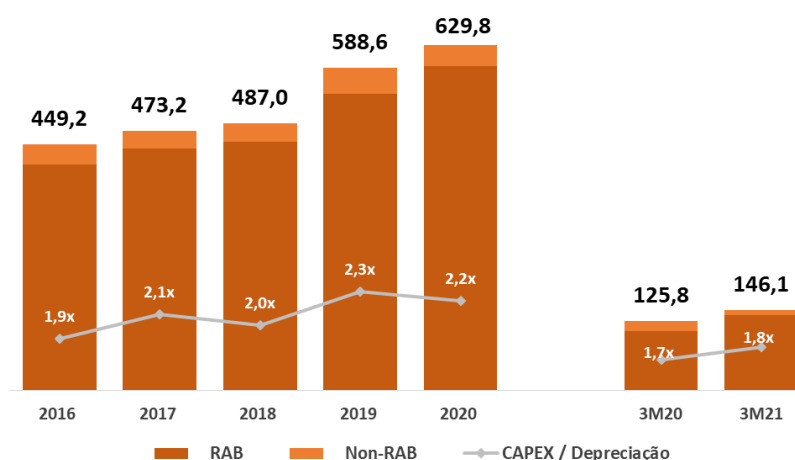
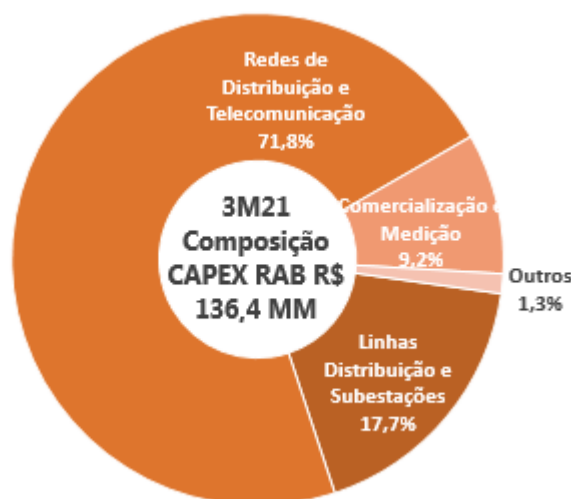


Chart 18 – Breakdown of Investments CAPEX RAB



For the 2021 Capital Budget, **R\$540.8 million** were approved for the electric energy distribution system: of this amount, **R\$467.7 million** will be used by the technical segment to enable system expansion and improvement works, and **R\$73.1 million** will be invested by the commercial segment, mainly in the implementation and improvement of metering equipment. It is worth pointing out that some investments made by the company have consumer participation and/or counterpart as per the regulatory rules adhering to these investments.

Investments in General Facilities, IT, and Vehicles will be **R\$38.33 million** in **hardware** and software acquisition for the corporate network, **R\$10.30 million** in Vehicles, and **R\$1.96 million** in **Equipment**, Utilities, and Sundry Furniture, with the remaining investments classified as “Other”.

#### Celesc + Electric Power Program

The Celesc + Energia program is a program designed to be implemented over five years. The Program started on October 31, 2018 and is being executed with a forecast of total investments of around US\$377,280,500.00, with US\$276,051,000.00 financed by IDB and US\$101,229,500.00 from Celesc.



By March 2021, Celesc already accounts for investments of US\$ 188,859,939.46 of the total to be invested in the Program. Among the listed investments are the implementation and expansion of substation capacity and other investments in energy infrastructure for Celesc Distribuição.

In this sense it is worth mentioning some of the goals already achieved in the Program: (i) 249.40 MVA increase offered in the network through new substations implemented and substations with expanded capacity; (ii) 45.30 km increase of new high-voltage lines installed; (iii) 555.05 MVA increase resulting from the expansion of the transformation power of the medium voltage distribution network; (iv) 244 new feeders installed; (v) 1,106.67 km of distribution network improved; and (vi) 596,946 electricity meters installed/replaced.

In addition to these investments, the Program made possible investments in the institutional strengthening of the company that resulted in the construction of a new datacenter and in the renovation of the information technology park. These investments were fundamental for the successful operation of the “home office” working system, necessary to guarantee health security in the COVID-19 Pandemic.

Another highlight of the Program, still in the context of institutional strengthening, has been the development of a Gender and Diversity Strategy, through the development and implementation of a Gender and Diversity Policy at the Company. In addition to these efforts, the continuity of the Young Apprentice Program at Celesc, funded through the Program, with the maintenance of the mobilization of approximately 160 young apprentices in situations of social vulnerability, even facing the operational difficulties resulting from the Pandemic

### 3.1.4.7. Delinquency Management

The Delinquency corresponds to the amount of revenue billed but not received.

At the end of March 2021, short-term delinquency, up to 90 days (the period in which most collection actions are concentrated), had an increase of approximately 1.06% regarding the end of 2020. The total delinquency amounts above 90 days showed a change of 14.3%, as shown in the table below.

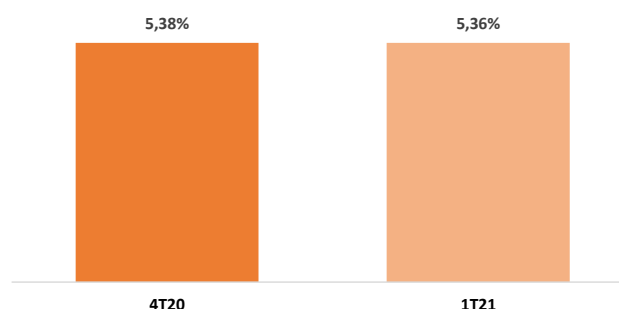
#### Celesc Distribuição S.A. | Delinquency Management

Amounts in R\$/Thousand

Delinquency by Consumption Class	Delinquency up to 90 days			Delinquency Over 90 days		
	Dec/2020	Mar/21	Variation	Dec/2020	Mar/21	Variation
Residential	134,185	124,123	-7.50%	126,583	171,786	35.7%
Industrial	30,793	28,031	-8.97%	177,520	176,288	-0.7%
Commercial	42,125	52,273	24.09%	104,699	119,875	14.5%
Rural	12,208	16,776	37.42%	4,906	9,872	101.2%
Government	512	1857.228	262.74%	4,223	5,590	32.4%
Public Lighting	1667	3,095	85.64%	14,963	17,889	19.6%
Public Service	277	359,272	29.70%	1,281	1,424	11.2%
Supplies	2314	0	-100.00%	3,628	1,313	-63.8%
Enc. Electric Network Use	4,525	3,731	-17.55%	10,916	10,122	-7.3%
Other Credits	14,792	15,736	6.38%	22,595	24,398	8.0%
<b>Total</b>	<b>243,398</b>	<b>245,981</b>	<b>1.06%</b>	<b>471,314</b>	<b>538,558</b>	<b>14.3%</b>

However, considering the GOR (Gross Operating Revenue accumulated over 12 months) as a proportion, the level of delinquency of the portfolio above 90 days showed a slight drop of 0.02%, a percentage aligned with the closing of 2020.

Chart 19 - Delinquency Portfolio over 90 days



The pandemic effects have contributed to the default increase, also highlighting: (i) Decrease in consumer income, especially, in the Residential Class; (ii) Reduced service capacity in stores; and (iii) Legal uncertainties in the enforceability of collection.

## 3.2. CELESC GERAÇÃO

### 3.2.1. Company's Profile

#### Operating Area

Celesc Geração is the subsidiary of the Celesc Group that engages in electricity generation by operating, maintaining, trading and expanding its own generation sites and holding shares in electricity projects through partnerships with private investors.

The Company has its own generator site made up of 12 plants, with 1 Small Hydroelectric Plant - SHP, 5 Hydroelectric Generating Plants - HGPs and 6 Hydroelectric Power Plants - HPPs. Also in the generation segment, the company holds a minority interest in another 6 generation projects, developed in partnership with private investors, in the format of Special Purpose Company - SPC, all already in commercial operation. In the transmission segment, the company holds a minority interest, also in an SPE in partnership with EDP - Energias do Brasil.

#### PARQUE GERADOR PRÓPRIO

Usinas	Término da concessão	Potência instalada (MW)	Energia assegurada (MWh)
1 UHE Pery	09/07/2047	30,00	14,08
2 UHE Palmeiras	07/11/2046	24,80	16,70
3 UHE Bracinho	07/11/2046	15,00	8,80
4 UHE Garcia	05/01/2046	8,92	7,10
5 UHE Cedros	07/11/2046	8,40	6,75
6 UHE Salto Weissbach	07/11/2046	6,28	3,99
7 PCH Celso Ramos	17/03/2035	5,62	3,80
8 CGH Caveiras	•	3,83	2,77
9 CGH Ivo Silveira	•	2,60	2,03
10 CGH Rio do Peixe	•	0,52	0,50
11 CGH Pirai	•	0,78	0,45
12 CGH São Lourenço	•	0,42	0,22
<b>Total - MW</b>		<b>106,97</b>	<b>67,19</b>

\* Potência instalada inferior a 5MW dispensa ato de concessão.

#### SPES EM OPERAÇÃO

Usinas	Participação Celesc G	Término concessão	Potência instalada (MW)	Energia assegurada (MWh)
13 PCH Rondinha	32,50%	05/10/2040	9,60	5,48
14 CGH Prata	26,07%	•	3,00	1,68
15 CGH Belmonte	26,07%	•	3,60	1,84
16 CGH Bandeirante	26,07%	•	3,00	1,76
17 PCH Xavantina	40,00%	07/04/2040	6,08	3,54
18 PCH Garça Branca	49,00%	13/03/2042	6,50	3,44
<b>Total - MW</b>			<b>31,78</b>	<b>17,74</b>
<b>Total - MW equivalente</b>			<b>11,24</b>	<b>6,26</b>

\* Potência instalada inferior a 5MW dispensa ato de concessão.

#### Usinas Celesc



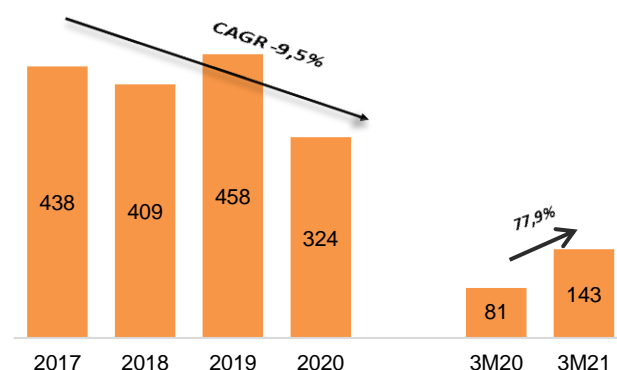
**TOTAL PROJECTS**  
Own Generator Park Expansions  
**47.55MW addition**

### 3.2.2. Operating Performance

### 3.2.2.1. Electric Power Production

In 1Q21, the generation capacity of Celesc plants was **143 GWh**, up by 76% over 1Q20. Chart 20 below shows the performance of the generated electricity production of the own site from 2017 to 2020.

**Chart 20 - Production of Own Generating Site (GWh)**

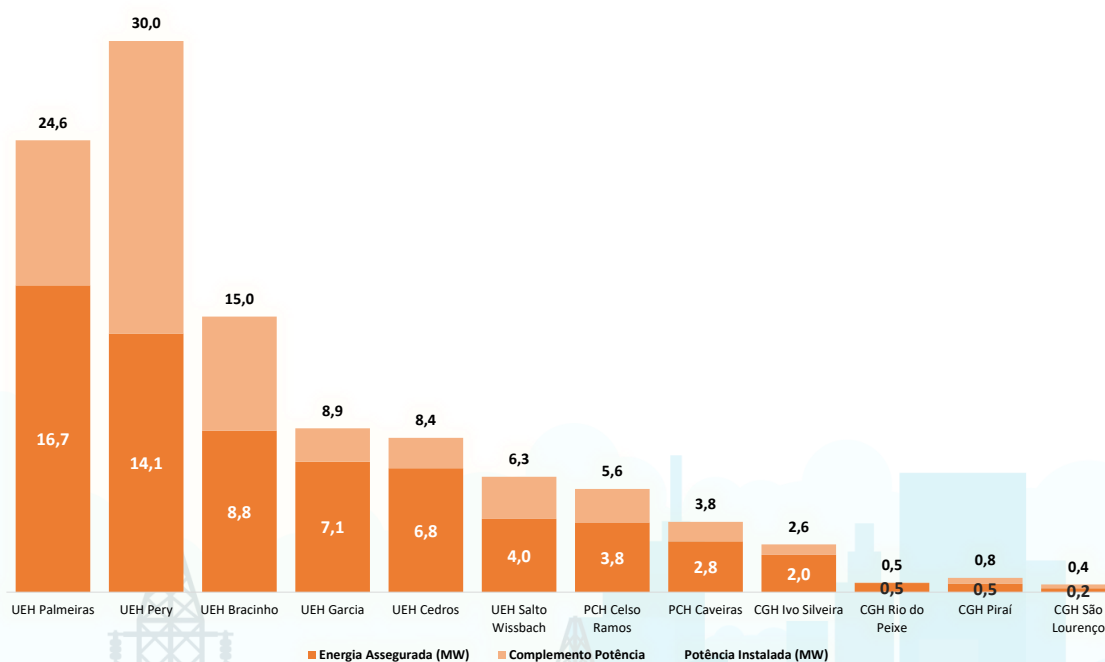


The main factors that affected this variation in the quarter were:

- High rainfall levels in the catchment basins;
- Significant increase in the Plants' production: Pery (+80,6%), Palmeiras (+79,9%), Bracinho (+31%), Cedros (+1713%) and Garcia (+76,9%). These plants together account for nearly 83% of total production.

Following, we demonstrate the composition of the company's generation park with their respective generation capacities.

**Chart 21 - Installed Capacity and Assured Energy of Own Plants**

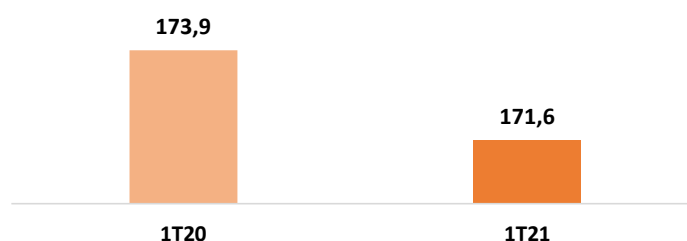


### 3.2.2.2. Billed Energy.

Chart 22, below, shows the performance of Billed Energy at Celesc Geração (Quarterly Comparison).



Chart 22 - Billed Energy (GWh)



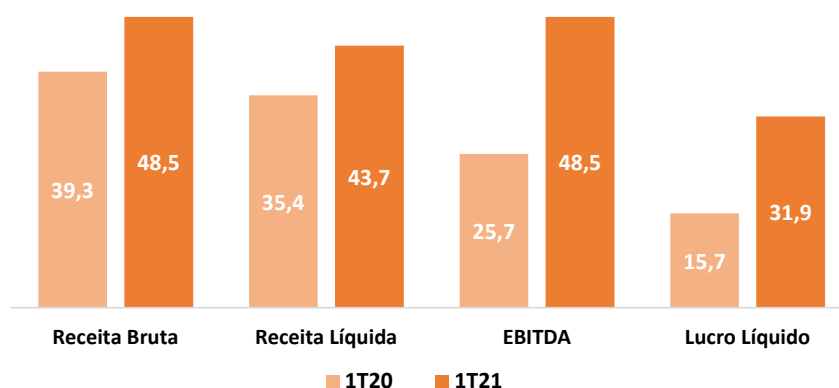
**The 1.3% reduction in Billed Energy** in the first quarter of 2021 resulted from the 7.6% reduction in purchased energy volume and the GSF decrease compared to the first quarter of 2020 (average of 91% in 1Q21 versus 105% in 1Q20). As a result, the Company billed less MWh, due to less energy available in this quarter.

However, **the average sale value increased 5.9% (excluding CCEE's revenues; considering them it increased 13.7%)**. This increase was due to higher contract prices, either due to readjustment or because they were signed in periods of more favorable prices. As a result, despite the trading of a slightly decreased amount (1.3% less) of electric energy, the billing (in R\$) increased by 23.3%.

### 3.2.3. ECONOMIC AND FINANCIAL PERFORMANCE.

#### 3.2.3.1. Gross Operating Revenue, Net Operating Revenue and Net Income.

Chart 23 - Gross and Net Revenue, EBITDA and Net Income (Million) - 1Q21

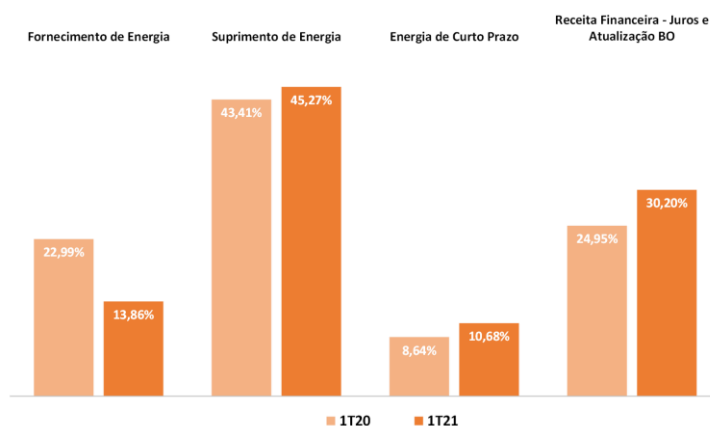


The main factors that positively affected the Income/EBITDA were:

- **Increase of 28.5% in Energy Supply revenues**, representing an increase of R\$4.9 million compared to 1Q20;
- **An R\$4.8 Million increase in the quarter** when compared to the same period last year in the **Financial Income from the Concession Bonus**;
- Equity in the Earnings of Celesc G;
- **Increase of the average selling price** in the energy sales contracts.

### 3.2.3.2. Gross Operating Revenue - Revenue Breakdown

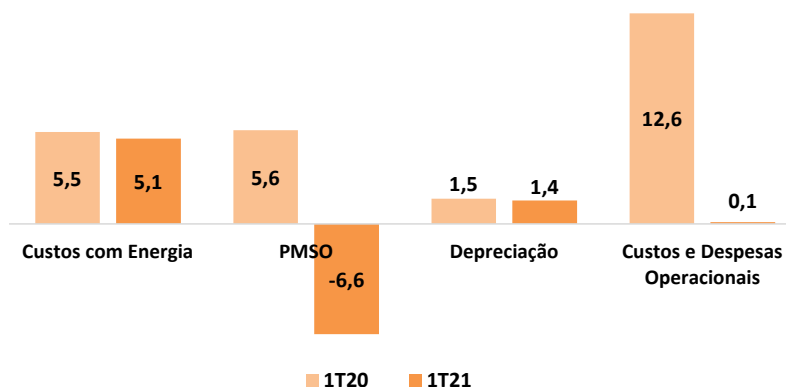
Chart 24 - Breakdown of Gross Operating Revenue



### 3.2.3.3. Operating Costs and Expenses.

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

Chart 25 - Operating Costs and Expenses (R\$ million)



In 1Q21, Celesc Geração's PMSO **positively** impacted the result mainly due to the **R\$ 12.4 million in net provisions, which was higher than all PMSO expenses and energy costs in the quarter**, as shown in the table below. This effect on provisions was due to the reversal of **R\$14.5 million, R\$14.1 million of which referring to the provision - PECLD (GSF) and R\$0.4 million the reversal of the contingency provision**. As a result, operating costs and expenses for the quarter were R\$0.1 million, neutralized by the effect of the reversal of the provision as mentioned above.

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

R\$ million	First Quarter		
	2020	2021	Δ

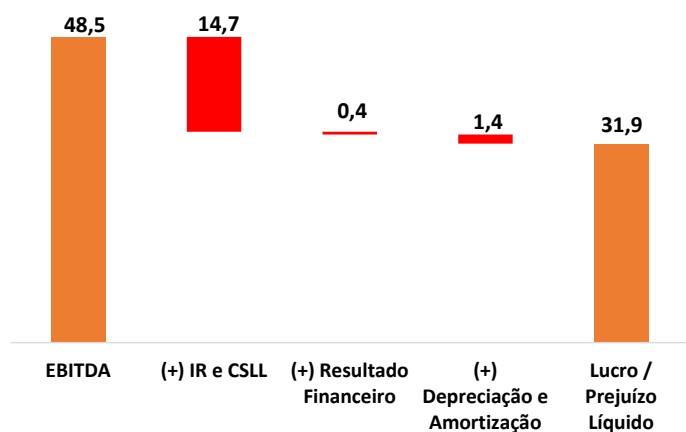
<b>OPERATING COSTS AND EXPENSES</b>	<b>(12.6)</b>	<b>0.1</b>	<b>100.8%</b>
<b>Electricity Costs</b>	<b>(5.5)</b>	<b>(5.1)</b>	<b>-8.1%</b>
Electricity Purchased for Resale	(4.9)	(4.5)	-9.4%
System Use Charges	(0.6)	(0.6)	3.8%
<b>PMSO</b>	<b>(5.6)</b>	<b>6.6</b>	<b>218.1%</b>
Personnel and Administrators	(3.5)	(3.7)	5.1%
Supplies	(0.1)	(0.1)	20.7%
Third-Party Services	(1.7)	(2.0)	14.5%
Net Provisions	(0.2)	12.4	7517.4%
Other Revenues / Expenses	(0.1)	(0.0)	-60.7%
<b>Depreciation/Amortization</b>	<b>(1.5)</b>	<b>(1.4)</b>	<b>-3.6%</b>

### 3.2.3.4. EBITDA

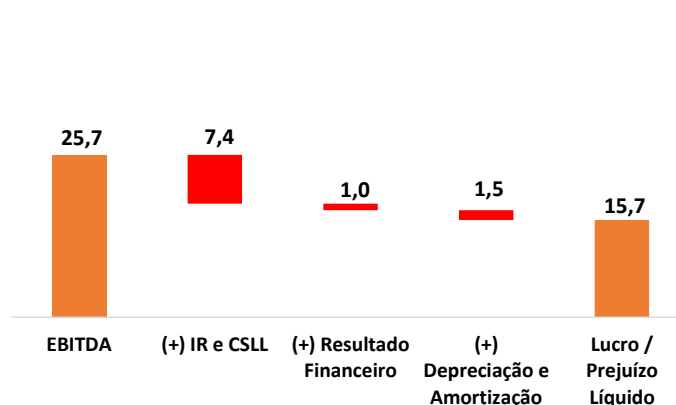
In 1Q21, **EBITDA** registered an increase of **89.1% (reaching R\$48.5 million)** if compared to 1Q20. Net Income, on the other hand, increased 102.7% in the quarter, in comparison to 1Q20, closing the quarter at **R\$31.9 million**.

The charts, below, show the breakdown of the transformation from EBITDA to Net Income:

**Chart 26 – EBITDA and Net Income**  
(R\$ million) - 1Q21



**Chart 27 - EBITDA and Net Income**  
(R\$ million) - 1Q20

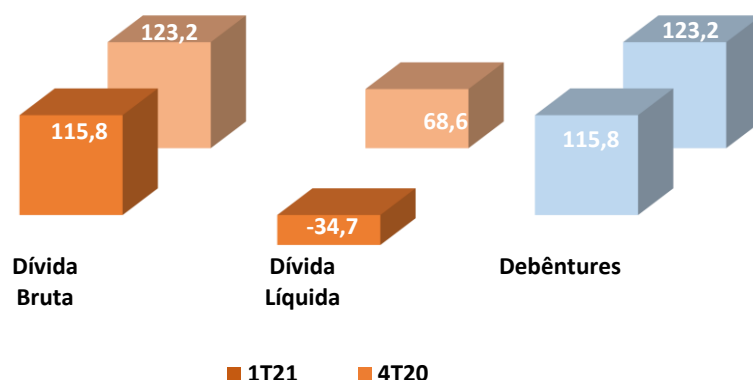




### 3.2.3.5. Indebtedness

The Chart below shows the Company's Gross Debt and Net Debt for the 1Q21 and 4Q20 periods.

Chart 28 - Gross Debt, Net Debt and Loans



In March 2021, **Celesc Geração's Gross Financial Debt totaled R\$115.8 million**, down by 6.0% over December 2020 (**R\$123.2 million**). The Net Financial Debt, on the other hand, registered in March 2021 a negative amount of (R\$34.7 million), impacted by the increase in available cash, as shown in the following table. It is worth noting that 100% of Celesc Geração's debt is represented by debentures.

It is worth noting that in addition to the 2nd Issue of Debentures of Celesc Geração, issued in 2018, the Company held, in December 2020, its 3rd Issue of Debentures (incentivized), in the amount of R\$37.0 million, with a term of 10 years and a rate of IPCA+4.30% p.a., aiming to finance the expansion of PCH Celso Ramos. The more extended debt profile and with its pricing linked to the IPCA is adherent to the business plan of the mentioned SHPP.

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

1Q21 Financial Debt			
R\$ million	As of December 31, 2020	As of March 31, 2021	Δ
Short-term debt	35.0	35.4	1.12%
Long-Term Debt	88.2	80.4	-8.83%
<b>Total Financial Debt</b>	<b>123.2</b>	<b>115.8</b>	-6.00%
( - ) Cash and Cash Equivalents	<b>54.7</b>	<b>150.6</b>	175.45%
<b>Net Financial Debt</b>	<b>68.6</b>	<b>(34.7)</b>	<b>-150.67%</b>
EBITDA (LTM)	115.0	137.9	19.87%
<b>Debt Fin. Net / EBITDA (LTM)</b>	<b>0.6x</b>	<b>-0.3x</b>	
ADJUSTED EBITDA (LTM)	113.6	136.5	20.11%
<b>Debt Fin. Net / Adjusted EBITDA LTM</b>	<b>0.6x</b>	<b>-0.3x</b>	
Shareholders' Equity	569.0	600.9	5.61%
<b>Debt Fin. Total / Shareholders' Equity</b>	<b>0.2x</b>	<b>0.2x</b>	
<b>Debt Fin. Net / Shareholders' Equity</b>	<b>0.1x</b>	<b>-0.1x</b>	

### 3.2.3.6. Investments

The table below shows the Investments made in Celesc Geração in 1Q20 and 1Q21.

#### Celesc Geração S.A. | CAPEX

R\$ million	First Quarter		
	2020	2021	Δ
<b>Celesc Geração Investments</b>	<b>4.0</b>	<b>7.1</b>	<b>75.5%</b>
Investments in SPCs	0.3	0.3	-4.2%
Own Generator Site Plants	3.7	6.8	81.6%

For the **2021 Capital Budget**, **R\$63.89 million** were approved for **Celesc Geração**, of which **R\$27.05 million** will be invested in **New Businesses**, **R\$31.01 million** in **expansion and improvements of the company's own plants**, **R\$4.83 million** in **expected capital investments in subsidiaries** and **R\$1.00 million** in **vehicles, IT and Sundry Equipment**.

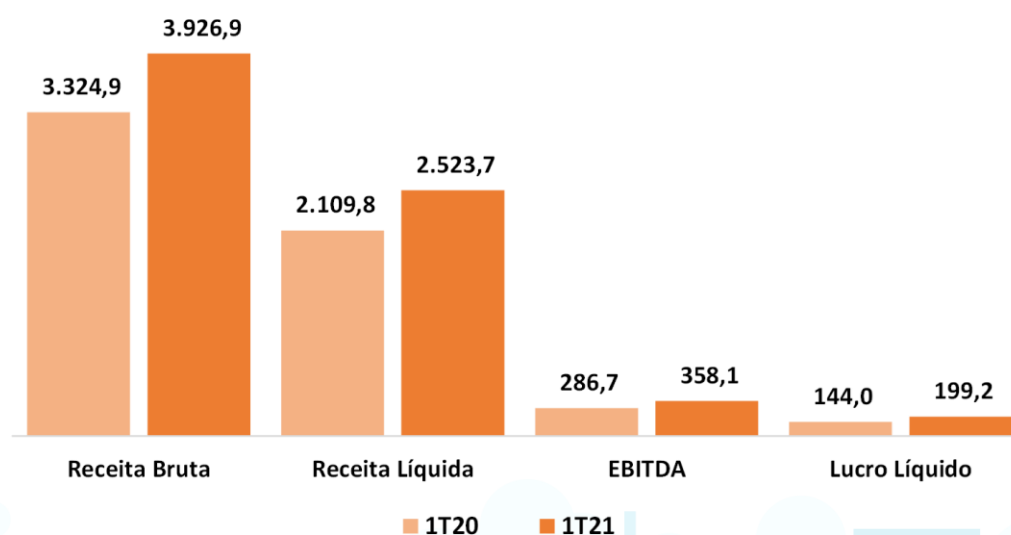
## 3.3. CONSOLIDATED

### 3.3.1. Economic and Financial Performance.

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

Charts 28, below, shows the comparison of the Gross Operating Revenue and Net Operating Revenue, and the Consolidated Income of the Company for the quarter.

Chart 29 - Gross and Net Revenue, EBITDA and Profit - Consolidated



In 1Q21, Gross Operating Revenue reached R\$3,926.9 million, compared to R\$3,324.9 in 1Q20, up by 18.1%. Net Operating Revenue totaled R\$2,523.7 million, compared to R\$2,109.8 million in 1Q20, up by 19.6% (R\$413.9 million).

EBITDA stood at R\$358.1 million in the quarter, compared to R\$286.7 million in 1Q20, up by 24.9% (R\$71.4 million) in the quarter.

As a result, Net Income was R\$199.2 million in 1Q21, compared to R\$144.0 million in 1Q20, up by 38.3% (R\$55.2 million). The main factors that led to these results have already been highlighted in the explanations about the subsidiaries Celesc Distribuição and Celesc Geração.

### 3.3.1.3. Consolidated Operating Costs and Expenses

The Charts below present the performance of the Operating Costs and Expenses, including the Manageable and Non-Manageable Costs and Expenses (excluding Construction Costs), besides demonstrating the Amortization/Depreciation Expenses.

Chart 30 - Consolidated Operating Costs and Expenses in 1Q21 (R\$ million)

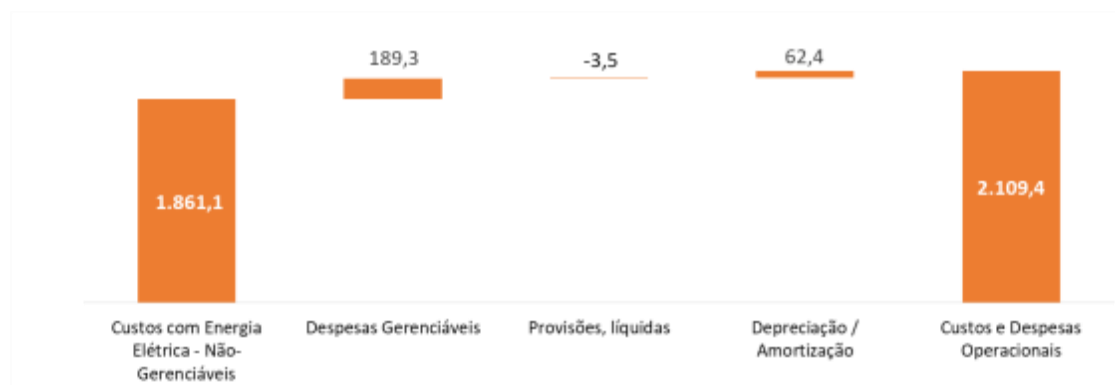
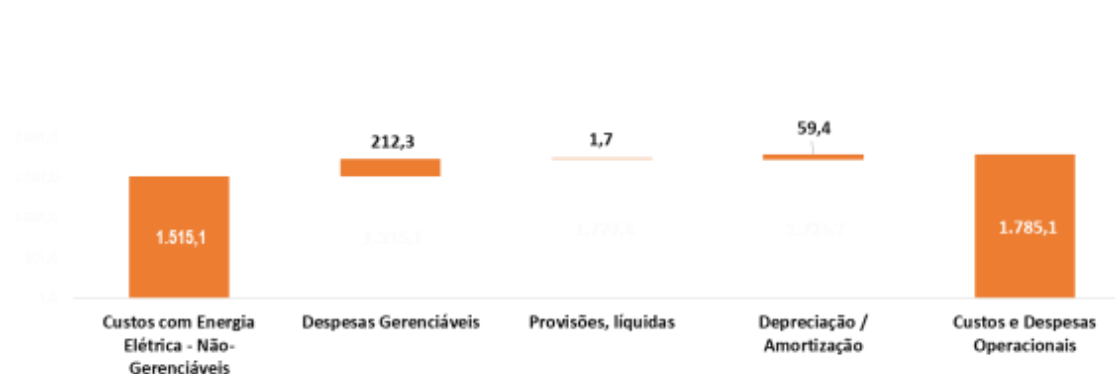


Chart 31 - Consolidated Operating Costs and Expenses in 1Q20 (R\$ million)



In 1Q21, Operating Costs and Expenses (excluding construction costs) reached **R\$2,109.4 million**, compared to **R\$1,785.0 million** in 1Q20, up by 18.2% (**R\$324.3 million**) in the quarter.

**Non-Manageable Costs** in the same period (Electric Energy costs), increased **22.8%** (R\$346.1 million) in the quarter, mostly responsible for the increase in operational costs and expenses as a whole.

**Manageable Expenses for the quarter**, specifically the **PMSO** reached **R\$189.3 million**, compared to **R\$212.3 million** for the same quarter last year, a 10.9% decrease (R\$23 million) in the comparison between the quarters.

The **15.3% drop (R\$25.1 million)** in the quarter in Personnel is noteworthy due to the cost-cutting measures taken by the subsidiary Celesc D.



The table below indicates the expenses with Personnel in the 1Q21, indicating a reduction of 15.3% in the Total Expense (Personnel and Administrators + Actuarial Expense).

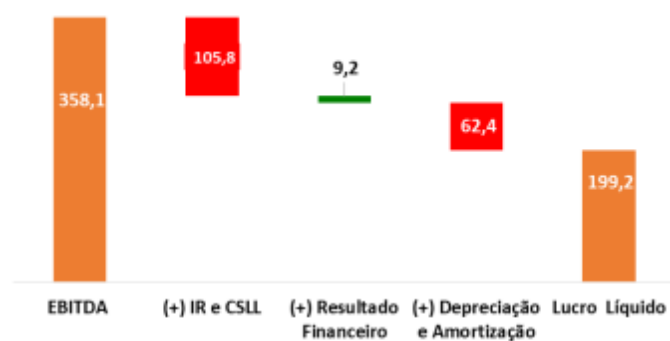
#### Consolidated | Personnel expenses

R\$ million	First Quarter		
	2020	2021	Δ
<b>Personnel - Total</b>	<b>(164.2)</b>	<b>(139.2)</b>	<b>-15.3%</b>
Personnel and Administrators	(151.7)	(141.6)	-6.7%
Personnel and Charges	(144.9)	(135.7)	-6.3%
Private Pension Plan	(6.9)	(5.9)	-14.0%
Actuarial Expense	(12.5)	2.4	119.3%

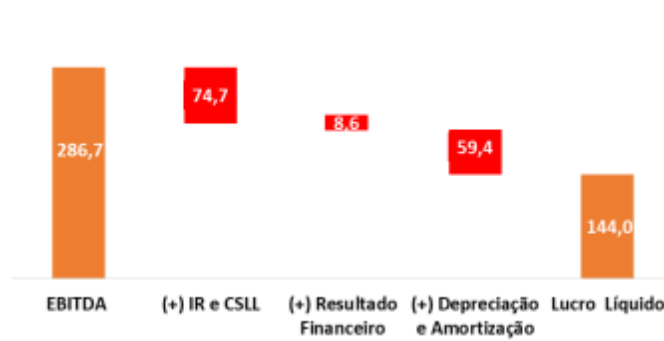
#### 3.3.1.4. EBITDA Consolidated.

Charts 32 and 33, below, show the changes in EBITDA in the Consolidated Net Income.

**Chart 32 - EBITDA and Net Income**  
(R\$ million) - 1Q21



**Chart 33 - EBITDA and Net Income**  
(R\$ million) - 1Q20



In 1Q21, Consolidated **EBITDA** was **R\$358.1 million** compared to **R\$286.7 million** in 1Q20, a 24.9% increase (+R\$71.4 million). The EBITDA performance reflects the performance of the subsidiaries Celesc Distribuição and Celesc Geração and also the Celesc Group's Participações.

**Net Income** ended 1Q21 with **R\$199.2 million**, 38.3% higher than the **R\$144 million (R\$55.2 million)** recorded in 1Q20.

#### 3.3.1.5. Indebtedness

The Table below shows the Company's Gross and Net Debt, as well as the breakdown of this Debt from 2020 to 2021.

### Consolidated | Indebtedness

1Q21 Financial Debt			
R\$ million	As of December 31, 2020	As of March 31, 2021	Δ
Short-term debt	968.5	949.1	-2.0%
Long-Term Debt	993.0	1,055.1	6.3%
<b>Total Financial Debt</b>	<b>1,961.5</b>	<b>2,004.2</b>	<b>2.2%</b>
( - ) Cash and Cash Equivalents	1,166.2	1,018.8	-12.6%
<b>Net Financial Debt</b>	<b>795.2</b>	<b>985.4</b>	<b>23.9%</b>
EBITDA (LTM)	922.6	994.0	7.7%
<b>Debt Fin. Net / EBITDA (LTM)</b>	<b>0.9x</b>	<b>1.0x</b>	
ADJUSTED EBITDA (LTM)	1,034.0	1,105.5	6.9%
<b>Debt Fin. Net / Adjusted EBITDA LTM</b>	<b>0.8x</b>	<b>0.9x</b>	
Shareholders' Equity	1,984.6	2,183.8	10.0%
<b>Debt Fin. Total / Shareholders' Equity</b>	<b>1.0x</b>	<b>0.9x</b>	
<b>Debt Fin. Net / Shareholders' Equity</b>	<b>0.4x</b>	<b>0.5x</b>	

On March 31, 2021, **Celesc Group's total Financial Debt** reached **R\$2,004.2 million**, compared to **R\$1,961.5 million** on **December 31, 2020**, up by 2.2% (**R\$42.7 million**). **Short-Term Debt**, which accounts for **47.4% of Total Debt**, fell by **2.0% compared to December 2020**. **Long Term Debt**, which represents 52.6% of the **Total Debt**, it presented an increase of 6.3%, in comparison to the end of 2020.

The **Group's Consolidated Net Debt** totaled **R\$985.4 million** at the end of March 2021, up by 23.9% due to the "Cash Effect", compared to R\$795.2 million on December 31, 2020, **representing 0.9x of the LTM Adjusted EBITDA**.

### 3.3.1.6. Investments

#### Celesc Group | Investments Made in the Period

R\$ million	First Quarter		
	2020	2021	Δ
Electricity Generation	4.0	7.1	75.5%
Electricity Distribution	125.0	146.1	16.9%
<b>Total</b>	<b>129.0</b>	<b>153.2</b>	<b>18.7%</b>

In 1Q21, the Group's investments totaled **R\$153.2 million**, up by 18.7%, compared to **R\$129.0 million** in 1Q20. This total was distributed as follows: **R\$7.1 million** in Electricity Generation and **R\$146.8 million** in Electricity Distribution.

Pursuant to the Capital budget approved for 2021, the Company's Consolidated Investment for 2021 totals R\$722.01 million, in accordance with the Notice to the Market dated December 22, 2020.

## 4. SUSTAINABLE DEVELOPMENT

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

Celesc's PRSA principles also include issues that address the evolution of corporate management, striving for process improvement and goal achievement, and compliance with legislation, highlighting respect for the rule of law, especially the regulations of the electricity sector, the health and safety of workers, and the environment.

The highlighted indicators reflect the commitment of the actions that the company has been carrying out to improve performance in environmental, social, and governance issues.

### ➤ Environmental

Concerning climate change, the company has a Climate Change Statement (CMD), in compliance with the Prevention Principle of its PRSA. Through its DMC, the company expresses its commitment and defines guidelines for the prevention and mitigation of environmental impacts resulting from climate change.

Celesc has been preparing and publishing its Annual Greenhouse Gas Inventory in the Public Emissions Registry since 2012. Based on the learning acquired during this period, it was concluded that most of Celesc's emissions are concentrated in the energy losses associated with sub-transmission and energy distribution. Considering the relevance of the topic and its role as a local leader on the subject, Celesc is developing its Climate Change Plan, where it will set goals for emission reductions and eventually neutralization of emissions, as well as measures for business adaptability to climate change.

These actions demonstrate Celesc's commitment to reduce greenhouse gases and reinforce the company's commitment to eliminate Polychlorinated Biphenyls (PCBs), commercially known as Ascarel, by 2028. A common challenge for all companies in the Electric Sector, in compliance with the Stockholm Convention and Federal Decree 5.472/2005. The following table shows some sustainability indicators in this period.

Theme	Indicator	Measurement Unit	2018	2019	2020
<b>Environmental Management</b>	Total Greenhouse Gas Emissions (total of scopes 1, 2 and 3)	tCO <sub>2</sub> e	155,003.95	141,319.88	108,711.55
	Direct Greenhouse Gas Emissions (scope 1) by gross revenue	tCO <sub>2</sub> e/Thousand R\$	0,000475	0.00474	0.00374
	Employees trained on environmental impacts in relation to total employees	%	18.00%	25.76%	28.06%
	Waste forwarded for recycling (absolute)	tons	992.56	2,370.66	12,949.77
	Waste forwarded for recycling (relative)	%	79.06%	90.97%	97.84%
	Water consumption by employee	m <sup>3</sup>	17.71	23.98	15.95

Among the main variations observed in the period, the following are highlighted:

- ✓ Reduction of 29.87% and 23 % of total elimination of greenhouse gas emissions, in the period 2018 to 2020 and 2019 to 2020 respectively. Reduction observed mainly due to the decrease in transmission and distribution losses, the reduction in mobile combustion and the decrease in flights due to traffic restrictions
- ✓ In the first quarter of 2021, Celesc promoted the elimination of 108.11 tons of Polychlorinated Biphenyls (PCBs) waste, commercially known as Ascarel. The elimination of this chemical compound is a common challenge to all companies in the electric sector with a deadline of 2028 in compliance with the Stockholm Convention and Federal Decree 5,472/2005.



- ✓ The R&D project for the Development of Methodologies for the Management of New Connection in Legally Protected Areas (ALPs) was concluded, aiming at improving the approval process for new electricity connections in locations with environmental restrictions.

## ➤ **Social**

The company's performance is guided by the integration of the concept of sustainable development to the corporate strategy, a precept that is incorporated when planning and executing plans and socio-environmental programs, aiming at minimizing and/or mitigating the impacts of its undertakings and activities. The commitment to our stakeholders is in accordance with the Celesc Group's Policy of Socio-environmental Responsibility, which provides for constant dialogue between the company and its stakeholders. We are members of the Global Pact against Sexual Exploitation of Children and Teenagers on the Roadways, in partnership with Childhood Brazil, and of the National Pact for Integrity and Against Corruption, of the Ethos Institute, and we are also signatories of the Sustainable Development Goals - SDGs.

Another area designed as an external initiative is the extension of the Young Apprentice Program, where themes related to the electric sector will be inserted, presenting to childrens the possibilities of acting in the area, channeling the investments made by the Company in its operation branch, giving the Youngsters the opportunity of technical formation in the energy sector. Currently the Young Apprentice Program is mainly aimed at socially vulnerable young people, with 53% girls and 47% boys in its structure.

Internally, the company maintains a Diversity and Inclusion Committee - D&I, sponsored by the company's CEO, whose objective is to build a more diverse workforce. The company has been focusing on measures that promote a higher degree of equality among all employees, since cultural and social issues have a direct impact on the work environment.

## Quarter Highlights

- ✓ To develop projects and measures that promote equality and inclusion of diversity at Celesc, through the Celesc + Energia Program.
- ✓ Celesc joins the Women's Empowerment Principles (WEPs), principles that guide the Companies in which how they promote gender equality and women empowerment in the workplace, market and community.
- ✓ Since 2006, Celesc has maintained a partnership with the State Public Prosecutor's Office, which prioritizes positions for young people who live in shelters and assistance homes. So far, more than 1,200 young people have participated in the Program.

## ➤ **Governance**

Celesc constantly aims to improve its management mechanisms, with optimization of control procedures, compliance and transparency. It is a part of Level 2 Segment, B3's listing segment for corporate governance.

Celesc's Board of Directors is composed of 11 titular members, of which 08 (eight) are independent (classified in accordance with the Regulation of Level 2 of Governance) with a term of office of 02 (two) years, being 06 (six) representatives of the majority shareholder, 03 (three) representatives of the minority shareholders, 01 (one) representative of the preferred shareholders and 01 (one) representative (elected) by the employees.

Celesc's Board of Directors is composed of members with diversified professional backgrounds, including Electrical Engineering, Mechanical Engineering, Civil Engineering, Mining Engineering, Law, Accounting, Public Administration, Management Processes, and Social Sciences.

The Company has two Statutory Committees, which are the Statutory Audit Committee and the Eligibility Committee, in addition to Advisory Committees, to support the Board of Directors, with the objective of advising the Board in its deliberations on Financial, Human Resources, Strategic, Sustainability, Regulatory, Ethical, Internal Controls, Internal and External Audits and Risk Management issues, and any other issues that may be demanded.

The Company's Code of Ethical Conduct is the guiding instrument for the Company's conduct: document available on its website. The Company also maintain a set of Policies that guide its initiatives and good practices, such as: Anticorruption Policy, Related-Party Transactions Policy, Dividend Distribution Policy, Social Responsibility Policy, among others. All these

documents are on the company's Transparency Portal, which also has a Reporting Channel, available on its website. The following table presents some sustainability indicators measured in the period.

Theme	Indicator	1Q20	1Q21
<b>Governance</b>	Percentage of independent board members	73%	73%
	% Women in High Management	18%	18%
	Average age of Top Management	48	49

## 5. CAPITAL MARKET PERFORMANCE

Celesc's shares are traded on 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.

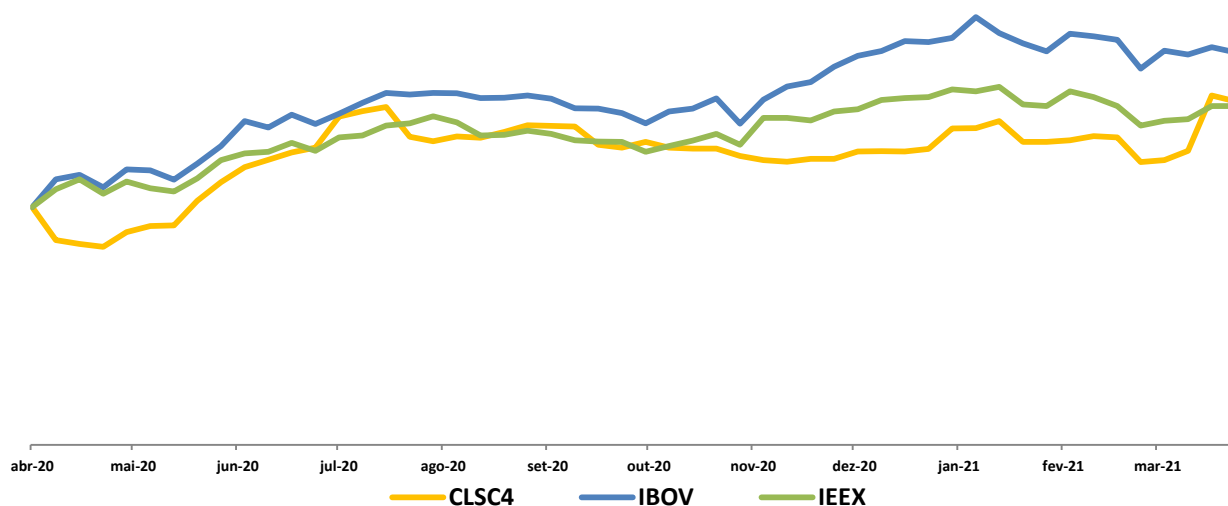
The **Company's Preferred Shares (CLSC4)** had a positive performance of **9.04% in the quarter** and a positive variation of **34.76% YTD in the last 12 months**. In the same period, the main index of the Brazilian Stock Exchange, Ibovespa, presented a **negative return of 2.00% (25.81% in 12 months)**, and the Electricity Index (IEE), which measures the performance of the main shares of the Electricity Sector, **decreased by 2.33% in the quarter** and a **positive variation of 40.35% in 12 months**.

CLSC4 Follow-up	1Q20	2Q20	3Q20	4Q20	1Q21
Closing price adjusted to earnings (R\$/share)	46.30	53.50	52.81	54.34	59.24
Price / Earnings	4.9x	5.6x	5.8x	4.8x	4.0x
Price / Asset Value	1.3x	1.3x	1.3x	1.3x	1.2x
Average traded volume ('000 shares)	16	17	38	7	6
Average traded volume (R\$ Thousand)	885	773	2080	380	294
Market Value (R\$ Million)	1,936	2,038	2,071	2,231	2,279
Market Value (US\$ Million)	399	379	368	430	406
Profitability (%)	-7.58	15.55	-1.28	6.84	9.04%
Profitability in the last 12 months (%)	-8.87	12.68	19.72	14.2	34.76
Ibovespa Profitability (%)	-36.86	30.17	-0.47	25.81	-2.00
Ibovespa profitability in the last 12 months (%)	-23.47	-5.85	-9.68	2.92	59.73
IEE Profitability (%)	-24.76	21.09	-2.27	20.82	-2.33
IEE Profitability in the last 12 months (%)	0.85	9.91	0.8	8.12	40.35

Source: Economática/ Investor Relations.

Chart 34 below shows CLSC4 performance against Ibovespa and IEE in the last 12 months.

**Gráfico 34 - CLSC4 - IBOVESPA - IEE - Evolução 12 meses**



Source: Economática/ Investor Relations.

## 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, assessing their credit risk level.

On 12/11/2020, Fitch Ratings assigned Long Term National Ratings **'AA(bra)'** to CELESC, its wholly owned subsidiary Celesc Geração S.A. and to the second issue of Debentures of Celesc Geração. The Outlook on corporate ratings is Stable.

On 12/29/2020, Fitch Ratings granted Long Term National Ratings **'AA(bra)'** to CELESC Distribuição, the same as its parent company Centrais Elétricas de Santa Catarina and its associate Celesc Geração, both with a stable outlook.



## 7. EXHIBITS

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

#### CONSOLIDATED BALANCE SHEET

Assets	December 31, 2020	March 31, 2021	Liabilities and Shareholders' Equity	Not e	December 31, 2020	March 31, 2021
<b>Current</b>			<b>Current</b>			
Cash and Cash Equivalents	1,166,205	1,018,770	Suppliers		1,224,547	1,000,907
Accounts Receivable	1,918,725	1,984,176	Loans		865,901	846,281
Inventories	12,313	14,873	Debentures		102,592	102,842
Taxes Recoverable	591,837	568,445	Payroll and Social Security Charges		211,656	208,609
Dividends	14,352	14,088	Taxes and Social Contributions		370,858	420,105
Financial Assets - "Portion A" - CVA	33,674	147,351	Proposed Dividends		123,621	123,621
Other Receivables	218,193	194,931	Regulatory Fees		177,921	296,963
			Related Parties		-	-
			Actuarial Liabilities		197,901	198,291
			Financial Liabilities - "Portion A" - CVA		142,491	-
			Other Liabilities		104,674	111,739
	<b>3,955,299</b>	<b>3,942,634</b>			<b>3,522,162</b>	<b>3,309,358</b>
<b>Noncurrent</b>			<b>Noncurrent</b>			
Financial Investments	137,478	137,478	Loans		789,043	875,448
Accounts Receivable	29,236	28,049	Debentures		203,916	179,613
Advance for Future Capital Increase		3,800	Payroll and Social Security Charges		60,264	45,009
Deferred Taxes	884,423	868,792	Deferred Taxes		24,469	31,085
Taxes Recoverable	109,904	15,624	Regulatory Fees		183,078	53,596
Court Deposits	291,869	302,009	Provision for Contingencies		492,793	487,986
Indemnity Assets - Concession	612,637	538,959	Actuarial Liabilities		2,319,432	2,275,766
Financial Assets - "Portion A" - CVA	554,774	468,998	Financial Liabilities - "Portion A" - CVA		-	1,090,067
Other Receivables	3,218	2,613	PIS/COFINS to be Returned to Consumers		1,087,455	
Investments	268,933	286,683	Other Liabilities		-	-
PP&E	201,427	206,660				
Intangible Assets	3,618,056	3,729,425				
					<b>5,160,450</b>	<b>5,038,570</b>
					<b>8,682,612</b>	<b>8,347,928</b>
	<b>6,711,955</b>	<b>6,589,090</b>	<b>Shareholders' Equity</b>			
			Capital Stock		1,340,000	1,340,000
			Capital Reserves		316	316
			Profit Reserves		1,911,470	1,911,470
			Equity Valuation Adjustments		(1,267,144)	(1,267,285)
			Accumulated Profit/Loss		-	199,295
					<b>1,984,642</b>	<b>2,183,796</b>
<b>Total Assets</b>	<b>10,667,254</b>	<b>10,531,724</b>	<b>Total Liabilities and Shareholders' Equity</b>		<b>10,667,254</b>	<b>10,531,724</b>

**CELESC - CENTRAIS ELÉTRICAS DE SANTA CATARINA S.A.**
**CONSOLIDATED INCOME STATEMENT**

	1Q20	1Q21	R\$ thousand Var. (%)
<b>Gross Operating Revenue</b>	<b>3,324,898</b>	<b>3,926,902</b>	<b>18.1%</b>
Electricity Supply	1,637,927	1,898,580	15.9%
Electricity Supply	130,426	153,672	17.8%
Regulatory Asset	(44,878)	162,731	462.6%
Short-Term Electricity	118,990	147,343	23.8%
Electric Grid Availability	1,194,089	1,269,107	6.3%
Donations and Subsidies	168,048	138,062	-17.8%
Income from Services Provided	111	383	245.0%
Service Fee	2,018	1,819	-9.9%
Financial Income	9,819	14,646	49.2%
Other Revenues	1,283	4,111	220.4%
<b>Construction Revenue</b>	<b>107,065</b>	<b>136,448</b>	<b>27.4%</b>
<b>Deductions from Operating Revenue</b>	<b>(1,215,105)</b>	<b>(1,403,212)</b>	<b>15.5%</b>
ICMS	(631,050)	(678,294)	7.5%
PIS/COFINS	(296,826)	(349,470)	17.7%
CDE	(300,735)	(366,840)	22.0%
R&D	(10,111)	(12,000)	18.7%
PEE	(9,873)	(11,747)	19.0%
ANEEL Regulatory Surveillance Rate	(1,964)	(2,306)	17.4%
Other Charges	35,454	17,445	-50.8%
<b>Net Operating Revenue</b>	<b>2,109,793</b>	<b>2,523,690</b>	<b>19.6%</b>
<b>Operating Costs and Expenses</b>	<b>(1,892,104)</b>	<b>(2,245,835)</b>	<b>18.7%</b>
Energy Purchased for Resale and Charges	(1,515,071)	(1,861,132)	22.8%
Personnel and Administrators	(151,749)	(141,596)	-6.7%
Actuarial Expense	(12,490)	2,407	119.3%
Supplies	(3,761)	(5,358)	42.5%
Third-Party Services	(58,182)	(62,485)	7.4%
Depreciation and Amortization	(59,368)	(62,436)	5.2%
Net Provision	(30,564)	(52,163)	70.7%
Reversal of Provision	32,313	55,647	72.2%
Other Revenues/Expenses	13,833	17,729	28.2%
<b>Construction Costs</b>	<b>(107,065)</b>	<b>(136,448)</b>	<b>27.4%</b>
<b>Equity in Earnings (Losses)</b>	<b>9,596</b>	<b>17,840</b>	<b>85.9%</b>
<b>Income from Activities - EBIT</b>	<b>227,285</b>	<b>295,695</b>	<b>30.1%</b>
Activity Margin (%)	10.8%	11.7%	
<b>EBITDA (R\$ million)</b>	<b>286,653</b>	<b>358,131</b>	<b>24.9%</b>
EBITDA Margin (%)	13.6%	14.2%	
<b>Financial Result</b>	<b>(8,568)</b>	<b>9,217</b>	<b>207.6%</b>
Financial Income	42,252	54,708	29.5%
Financial Expenses	(50,820)	(45,491)	-10.5%
<b>EBIT</b>	<b>218,717</b>	<b>304,912</b>	<b>39.4%</b>
Income Taxes and Social Contribution	(64,732)	(83,513)	29.0%
Deferred Income Tax and Social Contribution	(9,950)	(22,245)	123.6%
<b>Net Income</b>	<b>144,035</b>	<b>199,154</b>	<b>38.3%</b>
<b>Net Margin (%)</b>	<b>6.8%</b>	<b>7.9%</b>	

**CELESC - CENTRAIS ELÉTRICAS DE SANTA CATARINA S.A.**
**CONSOLIDATED CASH FLOW STATEMENT**

R\$ thousand

	12M20	3M21
<b>Profit/Loss Before Income Tax and Social Contribution</b>	<b>724,715</b>	<b>304,912</b>
<b>Adjustments</b>	<b>370,140</b>	<b>121,881</b>
Depreciation and Amortization	240,924	62,436
Write-off of Indemnity Assets	164	110
Write-off of PP&E and Intangible Assets	46,720	14,787
Equity Pickup	(56,583)	(17,840)
Financial Assets Update – VNR	(6,662)	(4,111)
Constitution (Reversal) of Impairment Recognition	(1,403)	-
Gains or Losses on Equity Interests (Assets)	-	-
Interest and Monetary Variations	172,708	42,916
Monetary Restatement - Concession Bonus	(45,570)	(14,646)
Other Investment Adjustments	-	-
Provision for Actuarial Liabilities	55,263	(2,407)
Allowance for Doubtful Accounts	(21,984)	45,443
Realization of Provision for Losses	-	-
Contingencies	(13,437)	(4,807)
<b>Changes in Assets and Liabilities</b>	<b>75,514</b>	<b>(413,902)</b>
Accounts Receivable	(438,393)	(66,919)
Inventories	2,383	(2,560)
Taxes Recoverable	459,683	117,672
Other Assets	2,933	(18,928)
Subsidy Decree No. 7,891/2013	6,204	-
Financial Assets	(576,660)	(21,676)
Court Deposits	(120,815)	(10,140)
Advance for Future Capital Increase	10,000	(3,800)
Suppliers	227,822	(223,633)
Social Security and Labor Obligations	11,586	(18,302)
Taxes Payable	149,654	28,986
Regulatory Fees	(1,553)	(11,946)
Financial Liabilities	454,519	(134,070)
PIS/COFINS to be Returned to Consumers	-	-
Other Liabilities	19,276	7,067
Actuarial Liabilities	(131,125)	(55,653)
<b>Cash From Operations</b>	<b>1,170,369</b>	<b>12,891</b>
Income Tax and Social Contribution Paid	(172,850)	(63,252)
Interest Paid	(84,199)	(5,596)
<b>Net Cash from Operating Activities</b>	<b>913,320</b>	<b>(55,957)</b>
<b>Cash Flows From Investing Activities</b>	<b>(526,755)</b>	<b>(115,792)</b>
Acquisitions of PP&E and Intangible Assets	(552,758)	(115,779)
Capital Increase	(9,875)	(277)
Dividends Received	35,878	264
<b>Cash Flows From Financing Activities</b>	<b>213,459</b>	<b>24,314</b>
Related Parties	-	-
Loan Amortization	(423,307)	(91,220)
Loan Additions	770,318	141,025
Debentures Additions	35,659	-
Payment of Debentures	(101,961)	(25,491)
Dividends Paid	(67,250)	-
<b>Total Effects of Cash and Cash Equivalents</b>	<b>600,024</b>	<b>(147,435)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>566,181</b>	<b>1,166,205</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>1,166,205</b>	<b>1,018,770</b>



## CELESC DISTRIBUIÇÃO S.A.

### BALANCE SHEET

R\$ thousand

Assets	December 31, 2020	March 31, 2021	Liabilities and Shareholders' Equity	December 31, 2020	March 31, 2021
<b>Current</b>			<b>Current</b>		
Cash and Cash Equivalents	1,061,116	831,937	Suppliers	1,217,190	994,992
Accounts Receivable from Customers	1,889,243	1,959,159	Loans and Financing	865,901	846,281
Inventories	12,221	14,786	Debentures	67,558	67,414
Taxes Recoverable	583,781	548,846	Social Security and Labor Obligations	210,777	207,609
Subsidy Decree No. 7,891/13	47,032	47,032	Taxes and Social Contributions	351,984	409,888
Financial Assets - "Portion A" - CVA		112,786	Proposed Dividends	97,149	97,149
Other Receivables	171,843	147,848	Loan - Affiliated and Subsidiary	91,832	
			Regulatory Fees	176,672	293,393
			Actuarial Liabilities	197,901	198,291
			Financial Liabilities - "Portion A" - CVA	142,491	
			Related Parties		
			Other Liabilities	104,293	111,386
	<b>3,765,236</b>	<b>3,662,394</b>		<b>3,523,748</b>	<b>3,226,403</b>
<b>Noncurrent</b>			<b>Noncurrent</b>		
Accounts Receivable from Customers	29,236	28,049	Loans and Financing	789,043	875,448
Deferred Taxes	871,596	854,443	Debentures	115,714	99,201
Taxes to Compensate or Recover	106,149	11,544	Deferred Taxes		
Court Deposits	270,170	280,358	Regulatory Fees	180,358	52,977
Indemnity Assets - Concession	610,216	536,538	Social Security and Labor Obligations	60,264	45,009
Financial Assets - "Portion A" - CVA	286,861	196,095	Actuarial Liabilities	2,319,432	2,275,766
Other Receivables	3,216	2,612	Provision for Contingencies	487,375	482,933
Intangible Assets	3,610,710	3,722,087	Financial Liabilities - "Portion A" - CVA		
			PIS/COFINS to be Returned to Consumers	1,087,455	1,090,067
			Other Liabilities		-
	<b>5,788,154</b>	<b>5,631,726</b>		<b>5,039,641</b>	<b>4,921,401</b>
				<b>8,563,389</b>	<b>8,147,804</b>
			<b>Shareholders' Equity</b>		
			Paid-up Capital Stock	1,053,590	1,053,590
			Profit Reserves	1,218,144	1,218,144
			Equity Valuation Adjustments	(1,281,733)	(1,281,733)
			Accumulated Profit/Loss	-	156,315
				<b>990,001</b>	<b>1,146,316</b>
<b>Total Assets</b>	<b>9,553,390</b>	<b>9,294,120</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>9,553,390</b>	<b>9,294,120</b>

## CELESC DISTRIBUIÇÃO S.A.

### INCOME STATEMENT

	1Q20	1Q21	Var. (%)
<b>Gross Operating Revenue</b>	<b>3,286,923</b>	<b>3,879,917</b>	<b>18.0%</b>
Electricity Supply	1,628,881	1,891,870	16.1%
Electricity Supply	110,760	127,466	15.1%
Regulatory Asset	(44,878)	162,731	462.6%
Short-Term Electricity	118,990	147,343	23.8%
Electric Grid Availability	1,194,645	1,269,684	6.3%
Donations and Subsidies	168,048	138,062	-17.8%
Income from Services Provided	111	383	245.0%
Service Fee	2,018	1,819	-9.9%
Other Revenues	1,283	4,111	220.4%
<b>Construction Revenue</b>	<b>107,065</b>	<b>136,448</b>	<b>27.4%</b>
<b>Deductions from Operating Revenue</b>	<b>(1,211,167)</b>	<b>(1,398,389)</b>	<b>15.5%</b>
ICMS	(631,050)	(678,294)	7.5%
PIS/COFINS	(293,431)	(345,741)	17.8%
CDE	(300,735)	(366,840)	22.0%
R&D	(9,873)	(11,747)	19.0%
PEE	(9,873)	(11,747)	19.0%
ANEEL Regulatory Surveillance Rate	(1,894)	(1,981)	4.6%
Other Charges	35,689	17,961	-49.7%
<b>Net Operating Revenue</b>	<b>2,075,756</b>	<b>2,481,528</b>	<b>19.5%</b>
<b>Electricity Costs</b>	<b>(1,510,942)</b>	<b>(1,857,578)</b>	<b>22.9%</b>
Electricity Purchased for Resale	(1,244,436)	(1,357,963)	9.1%
Charge for the Use of the Transmission System	(227,792)	(451,946)	98.4%
PROINFA	(38,714)	(47,669)	23.1%
Expense Recovery	-	-	-
<b>Operating Costs and Expenses</b>	<b>(364,944)</b>	<b>(384,536)</b>	<b>5.4%</b>
Personnel and Administrators	(145,293)	(134,426)	-7.5%
Actuarial Expense	(12,490)	2,407	119.3%
Supplies	(3,679)	(5,259)	42.9%
Third-Party Services	(55,303)	(59,953)	8.4%
Depreciation and Amortization	(57,390)	(60,512)	5.4%
Net Provision	(29,807)	(50,066)	68.0%
Reversal of Provision	31,741	41,121	29.6%
Other Provisions	-	-	-
Other Provision Reversals	-	-	-
Other Revenues/Expenses	14,342	18,600	29.7%
<b>Construction Costs</b>	<b>(107,065)</b>	<b>(136,448)</b>	<b>27.4%</b>
<b>Income from Activities - EBIT</b>	<b>199,870</b>	<b>239,414</b>	<b>19.8%</b>
Activity Margin (%)	9.6%	9.6%	-
<b>EBITDA</b>	<b>257,260</b>	<b>299,926</b>	<b>16.6%</b>
EBITDA Margin (%)	12.4%	12.1%	-
<b>Financial Result</b>	<b>(7,602)</b>	<b>9,451</b>	<b>224.3%</b>
Financial Income	41,265	53,585	29.9%
Financial Expenses	(48,867)	(44,134)	-9.7%
<b>EBIT</b>	<b>192,268</b>	<b>248,865</b>	<b>29.4%</b>
Income Taxes and Social Contribution	(58,259)	(75,398)	-
Deferred Income Tax and Social Contribution	(9,010)	(17,152)	-
<b>Net Income</b>	<b>124,999</b>	<b>156,315</b>	<b>25.1%</b>
<b>Net Margin (%)</b>	<b>6.0%</b>	<b>6.3%</b>	-

**CELESC DISTRIBUIÇÃO S.A.**
**CASH FLOW STATEMENT**

R\$ thousand

	12M20	3M21
<b>Profit/Loss Before Income Tax and Social Contribution</b>	<b>600,256</b>	<b>248,865</b>
<b>Items not affecting cash:</b>	<b>458,249</b>	<b>119,657</b>
Amortization	232,913	60,512
Financial Assets Update – VNR	(6,662)	(4,111)
Provision for Doubtful Accounts	(26,881)	14,393
Contingencies	(13,099)	(4,442)
Financial Assets and Liabilities	-	-
Interest and Monetary Variations - Net	169,834	40,815
Debentures Cost	-	-
Provision for Post-Employment Benefit Plan	55,263	(2,407)
Asset write-offs	46,881	14,897
<b>Changes in Current and Non-Current Assets</b>	<b>(676,965)</b>	<b>27,823</b>
Accounts Receivable from Customers	(421,897)	(83,441)
Inventories	2,373	(2,565)
Taxes Recoverable	466,717	129,540
Court Deposits	(122,826)	(10,188)
Subsidy Decree No. 7,891/2013	6,204	-
Financial Assets	(611,353)	(30,441)
Other Receivables	3,817	24,918
<b>Changes in Current and Non-Current Liabilities</b>	<b>723,426</b>	<b>(403,798)</b>
Suppliers	227,918	(222,198)
Payroll and Social Security Charges	11,339	(18,423)
Taxes and Social Contributions	143,681	31,618
Regulatory Fees	(2,205)	(12,166)
Private Pension Plan	-	-
Actuarial Liabilities	(131,125)	(55,652)
Financial Liabilities	454,519	(134,070)
PIS/COFINS to be Refunded to Consumers	-	-
Other Liabilities	19,299	7,093
<b>Cash From Operations</b>	<b>1,104,966</b>	<b>(7,453)</b>
Interest Paid	(79,824)	(6,756)
Interest and Charges Paid to Related Parties	-	-
Income Tax and Social Contribution Paid	(156,282)	(49,112)
<b>Net Cash from Operating Activities</b>	<b>868,860</b>	<b>(63,321)</b>
<b>Investing Activities</b>	<b>(521,700)</b>	<b>(108,997)</b>
Acquisition of Concession Assets	(521,700)	(108,997)
<b>Financing Activities</b>	<b>313,866</b>	<b>(56,861)</b>
Inflow of Funds	770,318	141,025
Related Party Additions	90,000	-
Amortization of Loans and Financing	(489,973)	(107,886)
Dividends and Interest on Equity - IoE	(56,479)	(90,000)
Amortization with Related Parties	-	-
<b>Total Effects of Cash and Cash Equivalents</b>	<b>661,026</b>	<b>(229,179)</b>
<b>Cash and Cash Equivalents At the Beginning of the Period</b>	<b>400,090</b>	<b>1,061,116</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>1,061,116</b>	<b>831,937</b>



## CELESC GERAÇÃO S.A.

### BALANCE SHEET

R\$ thousand

Assets	December 31, 2020	March 31, 2021	Liabilities and Shareholders' Equity	December 31, 2020	March 31, 2021
<b>Current</b>			<b>Current</b>		
Cash and Cash Equivalents	54,668	150,582	Suppliers	7,530	6,082
Accounts Receivable	29,727	25,265	Taxes and Social Contributions	18,134	9,998
Financial Assets	33,674	34,565	Proposed Dividends	20,546	20,546
Taxes Recoverable	223	2,291	Regulatory Fees	1,249	3,570
Advance to Suppliers	918		Debentures	35,034	35,428
Inventories	92	87	Related Parties		
Prepaid Expenses	125		Other Liabilities	1,356	1,363
Other Receivables	1	1,878			
	<b>119,428</b>	<b>214,668</b>		<b>83,849</b>	<b>76,987</b>
<b>Noncurrent</b>			<b>Noncurrent</b>		
Related Parties	91,832		Deferred Taxes	24,469	31,085
Taxes Recoverable	3,755	4,080	Regulatory Fees	2,720	619
Court Deposits	353	353	Provision for Contingencies	490	167
Financial Assets	267,913	272,903	Debentures	88,202	80,412
Capital Increase Advance	-	3,800			
Investments	79,198	82,764		<b>115,881</b>	<b>112,283</b>
PP&E	201,413	206,647			
Intangible Assets	2,402	2,520			
Concession Indemnity	2,421	2,421			
Deferred Taxes					
Other	2	1			
	<b>649,289</b>	<b>575,489</b>	<b>Total Liabilities</b>	<b>199,730</b>	<b>189,270</b>
			<b>Shareholders' Equity</b>		
			Capital Stock	250,000	250,000
			Profit Reserves	304,398	304,398
			Equity Valuation Adjustments	14,589	14,448
			Accumulated Profit/Loss	-	32,041
				<b>568,987</b>	<b>600,887</b>
<b>Total assets</b>	<b>768,717</b>	<b>790,157</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>768,717</b>	<b>790,157</b>

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

	1Q20	1Q21	Var. (%)
<b>Gross Operating Revenue (R\$ Thousand)</b>	<b>39,347</b>	<b>48,500</b>	<b>23.3%</b>
Electricity Supply	9,046	6,721	-25.7%
Electricity Supply	17,081	21,955	28.5%
Short-Term Electricity	3,401	5,178	52.2%
Financial Revenue - Interest and Update BO	9,819	14,646	49.2%
<b>Deductions from Operating Revenue (R\$ Thousand)</b>	<b>(3,938)</b>	<b>(4,823)</b>	<b>22.5%</b>
PIS/COFINS	(3,395)	(3,729)	9.8%
Comp. Loan for users Water Resources	(235)	(516)	119.6%
RGR and R&D	(238)	(253)	6.3%
ANEEL Regulatory Surveillance Rate	(70)	(325)	364.3%
<b>Net Operating Revenue (R\$ Thousand)</b>	<b>35,409</b>	<b>43,677</b>	<b>23.3%</b>
<b>Electricity Costs (R\$ Thousand)</b>	<b>(5,501)</b>	<b>(5,058)</b>	<b>-8.1%</b>
Electricity Purchased for Resale	(4,945)	(4,481)	-9%
System Use Charges	(556)	(577)	3.8%
<b>Operating Costs and Expenses (R\$ Thousand)</b>	<b>(7,069)</b>	<b>5,164</b>	<b>173.1%</b>
Personnel and Administrators	(3,480)	(3,656)	5.1%
Supplies	(82)	(99)	20.7%
Third-Party Services	(1,739)	(1,992)	14.5%
Depreciation / Amortization	(1,484)	(1,430)	-3.6%
Net Provisions	(167)	12,387	7517.4%
Reversal of Provision for Investment Losses	-	-	
Losses Assets and Rights Disposal	-	-	
Other Revenues / Expenses	(117)	(46)	-60.7%
Provision/Reversal Impairment Test, net	-	-	
<b>Equity in Earnings (Losses) (R\$ thousand)</b>	<b>1,328</b>	<b>3,289</b>	<b>147.7%</b>
<b>Income from Activities - EBIT (R\$ thousand)</b>	<b>24,167</b>	<b>47,072</b>	<b>94.8%</b>
Activity Margin (%)	68.3%	107.8%	
<b>EBITDA (R\$ million)</b>	<b>25,651</b>	<b>48,502</b>	<b>89.1%</b>
EBITDA Margin (%)	72.4%	111.0%	
<b>Financial Result (R\$ Thousand)</b>	<b>(1,018)</b>	<b>(442)</b>	<b>56.6%</b>
Financial Income	1,234	648	-47.5%
Financial Expenses	(2,252)	(1,090)	-51.6%
<b>EBIT (R\$ '000)</b>	<b>23,149</b>	<b>46,630</b>	<b>101.4%</b>
Income Taxes and Social Contribution	(6,473)	(8,115)	25.4%
Deferred Income Tax and Social Contribution	(940)	(6,615)	603.7%
<b>Net Income (R\$ Thousand)</b>	<b>15,736</b>	<b>31,900</b>	<b>102.7%</b>
Net Margin (%)	44.4%	73.0%	

**CELESC GERAÇÃO S.A.**
**CASH FLOW STATEMENT**

R\$

thousand

	12M20	3M21
<b>Profit/Loss Before Income Tax and Social Contribution</b>	<b>105,914</b>	<b>46,630</b>
<b>Adjustments</b>	<b>(42,251)</b>	<b>(26,792)</b>
Depreciation and Amortization	6,036	1,430
Gain or loss on disposal of PP&E	-	-
Write-off of PP&E / Intangible Assets	3	-
Equity Pickup	(10,049)	(3,289)
Gains/Losses on Equity Interests	-	-
Provisions/Reversals for Contingencies	(728)	-
Reversal of Provision for Contingency	(1,403)	(323)
Reversal/Provision for PP&E Losses	-	-
Reversal/Provision for Investment Losses	-	-
Monetary Variations	6,395	2,346
Loan Financial Revenue	(1,832)	(246)
Estimated losses in Doubtful Accounts	4,897	(12,064)
Financial Assets Update	(45,570)	(14,646)
<b>Changes in Current and Non-Current Assets</b>	<b>25,190</b>	<b>19,887</b>
Accounts Receivable from Customers	(16,508)	16,526
Taxes to Compensate or Recover	(2,109)	(777)
Inventories	10	5
Advance to Suppliers	(918)	(887)
Court Deposits	16	-
Financial Assets	34,693	8,765
Advance for Future Capital Increase	10,000	(3,800)
Other Assets	6	55
<b>Changes in Current and Non-Current Liabilities</b>	<b>(942)</b>	<b>(4,948)</b>
Suppliers	421	(1,448)
Regulatory Fees	652	220
Taxes and Social Contributions	(2,018)	(3,727)
Other Liabilities	3	7
<b>Cash From Operations</b>	<b>87,911</b>	<b>34,777</b>
Interest Paid and Received	(6,064)	(918)
Income Tax and Social Contribution Paid	(15,597)	(14,140)
<b>Net Cash from Operating Activities</b>	<b>66,250</b>	<b>19,719</b>
<b>Financing Activities</b>	<b>(20,800)</b>	<b>(8,824)</b>
Debentures Additions	35,659	-
Dividends Paid and Interest on Equity - IoE	(21,164)	-
Amortization of Loans/Debentures	(35,295)	(8,824)
<b>Investing Activities</b>	<b>(38,422)</b>	<b>85,019</b>
Capital Decrease in Investees	488	-
Investment Acquisition	(10,363)	(277)
Acquisition of PP&E	(30,440)	(6,619)
Acquisition of Intangible Assets	(618)	(163)
Related Parties - Loan Agreement	-	90,000
Dividends Received	2,511	-
Loan Interest Received	-	2,078
<b>Total Effects of Cash and Cash Equivalents</b>	<b>7,028</b>	<b>95,914</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>137,640</b>	<b>54,668</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>54,668</b>	<b>150,582</b>



