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Company Information / Capital Breakdown

Number of Shares (thousand)	Current Quarter June 30, 2022
Paid-up Capital	
Common Shares	15,527
Preferred Shares	23,044
Total	38,571
Treasury Shares	
Common Shares	0
Preferred Shares	0
Total	0

Parent Company Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code	Description	Current Quarter June 30, 2022	Previous Year December 31, 2021
1	Total Assets	3,074,526	2,803,107
1.01	Current Assets	235,513	210,679
1.01.01	Cash and Cash Equivalents	33,818	26,872
1.01.01.01	Available Cash	5	34
1.01.01.02	Cash Equivalents	33,813	26,838
1.01.06	Taxes Recoverable	37,318	37,879
1.01.06.01	Current Taxes Recoverable	37,318	37,879
1.01.08	Other Current Assets	164,377	145,928
1.01.08.03	Other	164,377	145,928
1.01.08.03.01	Dividends Receivable	164,328	145,877
1.01.08.03.03	Other Receivables	49	51
1.02	Noncurrent Assets	2,839,013	2,592,428
1.02.01	Long-Term Receivables	192,145	189,462
1.02.01.02	Financial Investments at Fair Value through Other Comprehensive Income	130,865	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Marketable Securities	130,648	137,261
1.02.01.09	Receivables from Related Parties	0	15,251
1.02.01.09.02	Receivables from Subsidiaries	0	15,251
1.02.01.10	Other Noncurrent Assets	61,280	36,733
1.02.01.10.03	Court Deposits	61,280	36,733
1.02.02	Investments	2,642,406	2,398,187
1.02.02.01	Equity Interest	2,642,406	2,398,187
1.02.02.01.01	Interests in Affiliates	105,883	106,049
1.02.02.01.02	Interest in Subsidiaries	2,407,155	2,174,944
1.02.02.01.03	Interest in Joint Ventures	129,368	117,194
1.02.03	Property, Plant & Equipment	272	338
1.02.03.01	Fixed Assets in Operation	8	10
1.02.03.02	Right of Use - Lease	264	328
1.02.04	Intangible Assets	4,190	4,441
1.02.04.01	Intangible Assets	4,190	4,441
1.02.04.01.01	Concession Agreement	4,190	4,441

Parent Company Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter June 30, 2022	Previous Year December 31, 2021
2	Total Liabilities	3,074,526	2,803,107
2.01	Current Liabilities	150,655	161,143
2.01.01	Social Security and Labor Obligations	2,318	1,312
2.01.01.01	Social Obligations	2,318	1,312
2.01.01.01.01	Social Charges	2,318	1,312
2.01.02	Suppliers	516	947
2.01.02.01	Domestic Suppliers	516	947
2.01.03	Tax Obligations	8,645	23,304
2.01.03.01	Federal Tax Obligations	8,421	23,130
2.01.03.01.02	Other Federal Tax Obligations	3,915	10,228
2.01.03.01.03	PIS/COFINS	4,506	12,902
2.01.03.03	Municipal Tax Obligations	224	174
2.01.05	Other Liabilities	139,176	135,580
2.01.05.02	Other	139,176	135,580
2.01.05.02.01	Dividends and Interest on Equity Payable	137,571	134,356
2.01.05.02.04	Other Current Liabilities	1,328	1,001
2.01.05.02.08	Lease Liabilities	277	223
2.02	Noncurrent Liabilities	24,690	20,595
2.02.02	Other Liabilities	0	118
2.02.02.02	Other	0	118
2.02.02.02.05	Lease Liabilities	0	118
2.02.04	Provisions	24,690	20,477
2.02.04.01	Tax, Social Security, Labor, and Civil Provisions	21,207	16,994
2.02.04.01.01	Tax Provisions	20,485	16,813
2.02.04.01.04	Civil Provisions	722	181
2.02.04.02	Other Provisions	3,483	3,483
2.02.04.02.04	Regulatory Provisions	3,483	3,483
2.03	Equity	2,899,181	2,621,369
2.03.01	Paid-up Share Capital	2,480,000	2,480,000
2.03.02	Capital Reserves	316	316
2.03.02.06	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	1,191,329	1,191,329
2.03.04.01	Legal Reserve	224,467	224,467
2.03.04.05	Retained Earnings Reserve	966,862	966,862
2.03.05	Retained Earnings/Accumulated Losses	284,745	0
2.03.06	Equity Valuation Adjustments	-1,057,209	-1,050,276

Parent Company Financial Statements / Income Statement

(R$ thousand)

Code	Description	Current Quarter April 1, 2022 to June 30, 2022	YTD Current Year January 1, 2022 to June 30, 2022	Same Quarter of the Previous Year April 1, 2021 to June 30, 2021	First Half of 2021 January 1, 2021 to June 30, 2021
3.04	Operating Expenses/Income	100,532	363,264	93,362	290,786
3.04.02	General and Administrative Expenses	-9,181	-14,662	-6,582	-10,924
3.04.04	Other Operating Income	0	3,699	0	0
3.04.05	Other Operating Expenses	-89	0	-558	-1,558
3.04.06	Equity Pickup	109,802	374,227	100,502	303,268
3.05	Income Before Financial Result and Taxes	100,532	363,264	93,362	290,786
3.06	Financial Result	634	-2,239	4,749	4,957
3.06.01	Financial Income	826	0	4,775	5,004
3.06.02	Financial Expenses	-192	-2,239	-26	-47
3.07	Earnings Before Taxes on Income	101,166	361,025	98,111	295,743
3.08	Income Tax and Social Contribution	0	0	2,041	3,563
3.08.02	Deferred	0	0	2,041	3,563
3.09	Net Income from Continuing Operations	101,166	361,025	100,152	299,306
3.11	Profit/Loss for the Period	101,166	361,025	100,152	299,306
3.99	Earnings per Share - (R$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	2.4749	8.8322	2.4501	7.3223
3.99.01.02	Preferred Shares	2.7224	9.7154	2.6952	8.0545
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	2.4749	8.8322	2.4501	7.3223
3.99.02.02	Preferred Shares	2.7224	9.7154	2.6952	8.0545

Parent Company Financial Statements / Statement of Comprehensive Income

(R$ thousand)

Code	Description	Current Quarter April 1, 2022 to June 30, 2022	YTD Current Year January 1, 2022 to June 30, 2022	Same Quarter of the Previous Year April 1, 2021 to June 30, 2021	First Half of 2021 January 1, 2021 to June 30, 2021
4.01	Net Income for the Period	101,166	361,025	100,152	299,306
4.02	Other Comprehensive Income	-6,614	-6,614	0	0
4.03	Comprehensive Income for the Period	94,552	354,411	100,152	299,306

Parent Company Financial Statements / Cash Flow Statement - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year January 1, 2022 to June 30, 2022	First Half of 2021 January 1, 2021 to June 30, 2021
6.01	Net Cash from Operating Activities	-49,551	-16,212
6.01.01	Cash Generated from Operations	-8,047	-6,519
6.01.01.01	Net Income before Income Tax and Social Contribution	361,025	295,743
6.01.01.02	Depreciation and Amortization	1,100	987
6.01.01.03	Equity Pickup	-374,227	-303,268
6.01.01.04	Interest and Monetary Variations	-146	0
6.01.01.06	Interest Paid	-12	0
6.01.01.07	Creation (Reversal) of Provision for Contingent Liabilities	4,213	19
6.01.02	Variations in Assets and Liabilities	-41,504	-9,693
6.01.02.01	Taxes Recoverable	561	8,400
6.01.02.02	Other Accounts - Assets	2	-13
6.01.02.03	Court Deposits	-24,547	-28
6.01.02.04	Suppliers	-431	69
6.01.02.05	Labor and Social Security Obligations	1,006	356
6.01.02.06	Taxes Payable	-18,421	-18,563
6.01.02.07	Other Accounts - Liabilities	326	86
6.02	Net Cash from Investing Activities	126,232	77,256
6.02.02	Interest Received - Celesc D Loans	409	0
6.02.03	Receipt of Principal - Celesc D Loans	15,000	0
6.02.04	Dividends Received	110,823	77,256
6.03	Net Cash from Financing Activities	-69,735	-61,505
6.03.02	Dividends Paid	-69,622	-61,505
6.03.04	Payment of Lease Liabilities	-113	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	6,946	-461
6.05.01	Opening Balance of Cash and Cash Equivalents	26,872	50,421
6.05.02	Closing Balance of Cash and Cash Equivalents	33,818	49,960

Parent Company Financial Statements / Statement of Changes in Shareholders' Equity - January 1, 2022 to June 30, 2022

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369
5.03	Adjusted Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369
5.04	Capital transactions with partners	0	0	0	-76,599	0	-76,599
5.04.07	Interest on Equity	0	0	0	-76,599	0	-76,599
5.05	Total Comprehensive Income	0	0	0	361,344	-6,933	354,411
5.05.01	Net Income for the Period	0	0	0	361,025	0	361,025
5.05.02	Other Comprehensive Income	0	0	0	0	-6,614	-6,614
5.05.02.01	Financial Instrument Adjustments	0	0	0	0	-6,614	-6,614
5.05.03	Reclassifications to Profit/Loss	0	0	0	319	-319	0
5.05.03.02	Realization of Attributed Cost	0	0	0	319	-319	0
5.07	Closing Balances	2,480,000	316	1,191,329	284,745	-1,057,209	2,899,181

Parent Company Financial Statements / Statement of Changes in Shareholders’ Equity - January 1, 2021 to June 30, 2021

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642
5.03	Adjusted Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642
5.05	Total Comprehensive Income	0	0	0	299,587	-281	299,306
5.05.01	Net Income for the Period	0	0	0	299,306	0	299,306
5.05.03	Reclassifications to Profit/Loss	0	0	0	281	-281	0
5.05.03.02	Realization of Attributed Cost	0	0	0	281	-281	0
5.06	Internal Changes in Shareholders’ Equity	1,140,000	0	-1,140,000	0	0	0
5.06.04	Share Capital Increase	1,140,000	0	-1,140,000	0	0	0
5.07	Closing Balances	2,480,000	316	771,470	299,587	-1,267,425	2,283,948

Parent Company Financial Statements / Value Added Statement

(R$ thousand)

Code	Description	YTD Current Year January 1, 2022 to June 30, 2022	First Half of 2021 January 1, 2021 to June 30, 2021
7.01	Revenue	11,220	0
7.02	Inputs Acquired from Third Parties	-8,284	-2,577
7.02.02	Materials, Energy, Outsourced Services, and Others	-8,284	-2,577
7.03	Gross Value Added	2,936	-2,577
7.04	Retentions	-1,101	-987
7.04.01	Depreciation, Amortization, and Depletion	-1,101	-987
7.05	Net Value Added Produced	1,835	-3,564
7.06	Value Added Received in Transfer	380,219	308,305
7.06.01	Equity Pickup	374,226	303,268
7.06.02	Financial Income	1,993	713
7.06.03	Other	4,000	4,324
7.07	Total Value Added to Distribute	382,054	304,741
7.08	Distribution of Value Added	382,054	304,741
7.08.01	Personnel	10,189	8,031
7.08.01.01	Direct Compensation	9,486	7,627
7.08.01.02	Benefits	304	229
7.08.01.03	Guarantee Fund for Length of Service (FGTS)	399	175
7.08.02	Taxes, Fees, and Contributions	10,415	-2,765
7.08.02.01	Federal	9,992	-2,765
7.08.02.03	Municipal	423	0
7.08.03	Return on Third-Party Capital	425	169
7.08.03.01	Interest	238	47
7.08.03.02	Rental	187	122
7.08.04	Return on Equity	361,025	299,306
7.08.04.02	Dividends	76,599	71,076
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	284,426	228,230

Consolidated Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code	Description	Current Quarter June 30, 2022	Previous Year December 31, 2021
1	Total Assets	11,704,306	11,958,245
1.01	Current Assets	3,568,654	3,765,568
1.01.01	Cash and Cash Equivalents	1,272,254	844,088
1.01.01.01	Available Cash	40,026	37,409
1.01.01.02	Cash Equivalents	1,232,228	806,679
1.01.03	Accounts Receivable	1,785,394	1,931,011
1.01.03.01	Trade Receivables	1,600,062	1,697,665
1.01.03.01.01	Trade Receivables	1,926,696	2,244,793
1.01.03.01.02	Allowance for Doubtful Accounts	-326,634	-547,128
1.01.03.02	Other Accounts Receivable	185,332	233,346
1.01.04	Inventories	19,601	13,556
1.01.06	Taxes Recoverable	202,736	572,007
1.01.06.01	Current Taxes Recoverable	202,736	572,007
1.01.08	Other Current Assets	288,669	404,906
1.01.08.03	Other	288,669	404,906
1.01.08.03.01	Financial Asset - Indemnification of US Pery Plant’s Basic Project	17,512	34,115
1.01.08.03.02	Water Shortage Bonus	1,138	102,861
1.01.08.03.03	Dividends Receivable	16,167	14,865
1.01.08.03.04	Other Receivables	164,656	167,063
1.01.08.03.06	Financial Assets – Concession Bonus	39,965	36,771
1.01.08.03.07	CDE Funds to Cover CVA	49,231	49,231
1.02	Noncurrent Assets	8,135,652	8,192,677
1.02.01	Long-Term Receivables	3,677,466	3,893,561
1.02.01.02	Financial Investments at Fair Value through Other Comprehensive Income	130,865	137,478
1.02.01.02.02	Other Securities	217	217
1.02.01.02.03	Negotiable Marketable Securities	130,648	137,261
1.02.01.04	Accounts Receivable	23,280	30,245
1.02.01.04.01	Trade Receivables	21,124	141,826
1.02.01.04.02	Allowance for Doubtful Accounts - ADA	0	-114,614
1.02.01.04.03	Other Accounts Receivable	2,156	3,033
1.02.01.07	Deferred Taxes	712,958	708,001
1.02.01.07.01	Deferred Income Tax and Social Contribution	712,958	708,001
1.02.01.10	Other Noncurrent Assets	2,810,363	3,017,837
1.02.01.10.03	Taxes Recoverable	1,065,856	1,020,876
1.02.01.10.04	Court Deposits	344,618	329,106
1.02.01.10.05	Financial Assets Indemnification - Concession	922,347	757,193
1.02.01.10.06	Financial Assets - Portion A – CVA	13,111	470,286
1.02.01.10.07	Financial Assets – Concession Bonus	307,317	292,578
1.02.01.10.08	Advance for Future Capital Increase	17,600	15,000
1.02.01.10.09	Financial Asset - Indemnification of US Pery Plant’s Basic Project	139,514	132,798
1.02.02	Investments	321,173	311,666
1.02.02.01	Equity Interest	321,173	311,666
1.02.02.01.01	Interests in Affiliates	191,805	194,472
1.02.02.01.04	Interest in Joint Ventures	129,368	117,194
1.02.03	Property, Plant & Equipment	128,779	128,813

Consolidated Financial Statements / Statement of Financial Position – Assets

(R$ thousand)

Code	Description	Current Quarter June 30, 2022	Previous Year December 31, 2021
1.02.03.01	Fixed Assets in Operation	36,406	35,991
1.02.03.02	Right of Use - Lease	10,441	14,341
1.02.03.03	Construction in Progress	81,932	78,481
1.02.04	Intangible Assets	4,008,234	3,858,637
1.02.04.01	Intangible Assets	4,008,234	3,858,637
1.02.04.01.01	Concession Agreement	3,957,032	3,806,354
1.02.04.01.02	Hydrological Risk Renegotiation – GSF	47,012	47,842
1.02.04.01.03	Other Intangible Assets	4,190	4,441

Consolidated Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter June 30, 2022	Previous Year December 31, 2021
2	Total Liabilities	11,704,306	11,958,245
2.01	Current Liabilities	3,004,249	3,282,108
2.01.01	Social Security and Labor Obligations	204,494	214,708
2.01.01.01	Social Obligations	204,494	214,708
2.01.02	Suppliers	880,900	1,088,186
2.01.02.01	Domestic Suppliers	880,900	1,088,186
2.01.03	Tax Obligations	321,313	910,696
2.01.03.01	Federal Tax Obligations	80,836	58,496
2.01.03.01.01	Income Tax and Social Contribution Payable	23,554	2,235
2.01.03.01.02	PIS/COFINS	43,182	43,608
2.01.03.01.03	Other	14,100	12,653
2.01.03.02	State Tax Obligations	238,495	850,543
2.01.03.03	Municipal Tax Obligations	1,982	1,657
2.01.04	Loans and Financing	386,898	176,554
2.01.04.01	Loans and Financing	152,835	23,559
2.01.04.01.01	In Domestic Currency	121,816	5,404
2.01.04.01.02	In Foreign Currency	31,019	18,155
2.01.04.02	Debentures	234,063	152,995
2.01.05	Other Liabilities	988,491	672,437
2.01.05.02	Other	988,491	672,437
2.01.05.02.01	Dividends and Interest on Equity Payable	137,571	134,356
2.01.05.02.04	Regulatory Fees	48,919	295,631
2.01.05.02.07	Financial Liability - "Portion A" - CVA	6,477	39,826
2.01.05.02.08	Lease Liabilities	3,557	6,216
2.01.05.02.09	Water Shortage Bonus	1,368	102,861
2.01.05.02.10	PIS/COFINS to be Refunded to Consumers	658,867	0
2.01.05.02.20	Other Current Liabilities	131,732	93,547
2.01.06	Provisions	222,153	219,527
2.01.06.01	Tax, Social Security, Labor, and Civil Provisions	222,153	219,527
2.01.06.01.03	Provisions for Employee Benefits	222,153	219,527
2.02	Noncurrent Liabilities	5,800,876	6,054,768
2.02.01	Loans and Financing	2,176,088	1,845,411
2.02.01.01	Loans and Financing	1,684,806	1,229,741
2.02.01.01.01	In Domestic Currency	552,883	97,818
2.02.01.01.02	In Foreign Currency	1,131,923	1,131,923
2.02.01.02	Debentures	491,282	615,670
2.02.02	Other Liabilities	1,310,687	1,883,119
2.02.02.02	Other	1,310,687	1,883,119
2.02.02.02.03	Social Security and Labor Obligations	29,983	50,032
2.02.02.02.04	Regulatory Fees	117,036	70,745
2.02.02.02.05	Other Noncurrent Liabilities	750	5,250
2.02.02.02.09	PIS/COFINS to be Refunded to Consumers	1,155,497	1,748,472
2.02.02.02.10	Lease Liabilities	7,421	8,620
2.02.03	Deferred Taxes	87,806	82,592
2.02.03.01	Deferred Income Tax and Social Contribution	87,806	82,592
2.02.04	Provisions	2,226,295	2,243,646

Consolidated Financial Statements / Statement of Financial Position – Liabilities

(R$ thousand)

Code	Description	Current Quarter June 30, 2022	Previous Year December 31, 2021
2.02.04.01	Tax, Social Security, Labor, and Civil Provisions	2,015,549	2,040,717
2.02.04.01.01	Tax Provisions	30,150	26,461
2.02.04.01.02	Social Security and Labor Provisions	48,217	43,601
2.02.04.01.03	Provisions for Employee Benefits	1,758,965	1,798,736
2.02.04.01.04	Civil Provisions	178,217	171,919
2.02.04.02	Other Provisions	210,746	202,929
2.02.04.02.04	Regulatory Provisions	192,156	184,280
2.02.04.02.05	Environmental Provisions	18,590	18,649
2.03	Consolidated Shareholders’ Equity	2,899,181	2,621,369
2.03.01	Paid-up Share Capital	2,480,000	2,480,000
2.03.02	Capital Reserves	316	316
2.03.02.06	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	1,191,329	1,191,329
2.03.04.01	Legal Reserve	224,467	224,467
2.03.04.05	Retained Earnings Reserve	966,862	966,862
2.03.05	Retained Earnings/Accumulated Losses	284,745	0
2.03.06	Equity Valuation Adjustments	-1,057,209	-1,050,276

Consolidated Financial Statements / Income Statement

(R$ thousands)

Code	Description	Current Quarter April 1, 2022 to June 30, 2022	YTD Current Year January 1, 2022 to June 30, 2022	Same Quarter of the Previous Year April 1, 2021 to June 30, 2021	First Half of 2021 January 1, 2021 to June 30, 2021
3.01	Revenue from the Sale of Goods and/or Services	2,365,674	5,042,828	2,411,121	4,934,811
3.01.01	Revenue from Sales and Services	1,888,859	4,704,362	2,118,830	4,339,230
3.01.02	Construction Revenue	301,922	559,154	140,879	277,327
3.01.03	Revenue Portion A - CVA	166,855	-234,984	147,698	310,429
3.01.04	Financial Asset Restatement - VNR	8,038	14,296	3,714	7,825
3.02	Cost of Goods and/or Services	-2,051,075	-4,187,367	-2,139,055	-4,302,857
3.02.01	Cost of Sale and Services	-1,538,996	-3,223,407	-1,819,806	-3,680,938
3.02.02	Cost of Goods Sold	-3,792	-6,600	-3,140	-6,022
3.02.03	Cost of Services	-206,365	-398,206	-175,230	-338,570
3.02.04	Construction Costs	-301,922	-559,154	-140,879	-277,327
3.03	Gross Profit	314,599	855,461	272,066	631,954
3.04	Operating Expenses/Income	-161,515	-312,911	-144,640	-208,833
3.04.01	Selling Expenses	-62,697	-121,522	-65,505	-105,968
3.04.02	General and Administrative Expenses	-131,320	-249,646	-85,056	-157,984
3.04.04	Other Operating Income	14,471	24,988	23,239	0
3.04.05	Other Operating Expenses	0	0	-31,358	23,239
3.04.06	Equity Pickup	18,031	33,269	14,040	31,880
3.05	Income Before Financial Result and Taxes	153,084	542,550	127,426	423,121
3.06	Financial Result	-9,275	-28,768	24,689	33,906
3.06.01	Financial Income	131,175	229,098	76,226	130,934
3.06.02	Financial Expenses	-140,450	-257,866	-51,537	-97,028
3.07	Earnings Before Taxes on Income	143,809	513,782	152,115	457,027
3.08	Income Tax and Social Contribution	-42,643	-152,757	-51,963	-157,721
3.08.01	Current	-10,199	-152,500	-54,346	-137,859
3.08.02	Deferred	-32,444	-257	2,383	-19,862
3.09	Net Income from Continuing Operations	101,166	361,025	100,152	299,306
3.11	Consolidated Profit/Loss for the Period	101,166	361,025	100,152	299,306
3.11.01	Attributed to the Parent Company’s Shareholders	101,166	361,025	100,152	299,306

Consolidated Financial Statements / Income Statement

(R$ thousands)

Code	Description	Current Quarter April 1, 2022 to June 30, 2022	YTD Current Year January 1, 2022 to June 30, 2022	Same Quarter of the Previous Year April 1, 2021 to June 30, 2021	First Half of 2021 January 1, 2021 to June 30, 2021
3.99	Earnings per Share - (R$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	2.4749	8.8322	2.4501	7.3223
3.99.01.02	Preferred Shares	2.7224	9.7154	2.6952	8.0545
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	2.4749	8.8322	2.4501	7.3223
3.99.02.02	Preferred Shares	2.7224	9.7154	2.6952	8.0545

Consolidated Financial Statements / Statement of Comprehensive Income

(R$ thousand)

Code	Description	Current Quarter April 1, 2022 to June 30, 2022	YTD Current Year January 1, 2022 to June 30, 2022	Same Quarter of the Previous Year April 1, 2021 to June 30, 2021	First Half of 2021 January 1, 2021 to June 30, 2021
4.01	Consolidated Net Income for the Period	101,166	361,025	100,152	299,306
4.02	Other Comprehensive Income	-6,614	-6,614	0	0
4.03	Consolidated Comprehensive Income for the Period	94,552	354,411	100,152	299,306
4.03.01	Attributed to the Parent Company’s Shareholders	94,552	354,411	100,152	299,306

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year January 1, 2022 to June 30, 2022	First Half of 2021 January 1, 2021 to June 30, 2021
6.01	Net Cash from Operating Activities	455,468	257,086
6.01.01	Cash Generated from Operations	846,551	556,388
6.01.01.01	Earnings before Income Tax and Social Contribution	513,782	457,027
6.01.01.02	Depreciation and Amortization	135,775	125,320
6.01.01.03	PIS/COFINS Credit - Right-of-use asset depreciation	333	0
6.01.01.04	Equity Pickup	-33,269	-31,880
6.01.01.05	Restatement/Interest Return/Concession Bonus	-53,929	-28,613
6.01.01.06	Interest and Monetary Variations	256,929	89,657
6.01.01.07	Write-off of Right of Use Lease Assets and Liabilities	-5	0
6.01.01.08	Income Tax and Social Contribution Paid	-5,542	-117,378
6.01.01.09	Interest Paid	-113,781	-57,711
6.01.01.11	Provision for Actuarial Liability	55,731	-2,849
6.01.01.12	Creation (Reversal) of Provision for Contingent Liabilities	22,420	32,012
6.01.01.14	Write-off of Property, Plant & Equipment/Intangible Assets	33,534	26,670
6.01.01.15	Financial Assets Adjustment – VNR	-14,296	-7,825
6.01.01.17	Allowance for Doubtful Accounts	47,405	71,599
6.01.01.18	Write-off of Indemnifying Financial Assets - Concession	1,464	359
6.01.02	Variations in Assets and Liabilities	-391,083	-299,302
6.01.02.01	Bonus Assets - Water Shortage	101,723	0
6.01.02.02	Financial Assets - (CVA, Concession Bonus)	316,085	-3,008
6.01.02.03	Accounts Receivable	111,163	150,655
6.01.02.05	Taxes Recoverable	324,291	-1,150,870
6.01.02.06	Court Deposits	-15,512	-19,957
6.01.02.07	Inventories	-6,045	-3,826
6.01.02.08	Bonus Liabilities - Water Shortage	-101,493	0
6.01.02.10	Other Accounts - Assets	-3,579	-35,764
6.01.02.11	Suppliers	-207,286	-179,830
6.01.02.12	Taxes Payable	-740,103	42,736
6.01.02.13	Labor and Social Security Obligations	-30,263	-41,321
6.01.02.14	Regulatory Fees	-205,996	-31,681
6.01.02.15	Financial Liabilities - CVA	153,624	-295,321
6.01.02.16	PIS/COFINS to be Refunded to Consumers	0	1,374,801
6.01.02.17	Advance for Future Capital Increase	-2,600	-3,800
6.01.02.19	Actuarial Liability	-118,777	-103,896
6.01.02.20	Other Accounts - Liabilities	33,685	1,780
6.02	Net Cash from Investing Activities	-448,931	-225,562
6.02.01	Additions to PP&E/Intangible Assets	-470,657	-243,477
6.02.03	Capital Increase (Decrease) of Investees	-499	-494
6.02.05	Dividends Received	22,225	18,409
6.03	Net Cash from Financing Activities	421,629	-96,983
6.03.01	Principal amortization of lease liabilities	-3,989	0
6.03.03	Amortization of Loans and Financing	-63,779	-670,972
6.03.04	Additions of Loans and Financing	610,000	141,025
6.03.05	Dividend Payment	-69,622	-61,505
6.03.06	Inflow of Debentures	0	545,450

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(R$ thousand)

Code	Description	YTD Current Year January 1, 2022 to June 30, 2022	First Half of 2021 January 1, 2021 to June 30, 2021
6.03.07	Payment of Debentures	-50,981	-50,981
6.05	Increase (Decrease) in Cash and Cash Equivalents	428,166	-65,459
6.05.01	Opening Balance of Cash and Cash Equivalents	844,088	1,166,205
6.05.02	Closing Balance of Cash and Cash Equivalents	1,272,254	1,100,746

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity - January 1, 2022 to June 30, 2022

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369	0	2,621,369
5.03	Adjusted Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369	0	2,621,369
5.04	Capital transactions with partners	0	0	0	-76,599	0	-76,599	0	-76,599
5.04.07	Interest on Equity	0	0	0	-76,599	0	-76,599	0	-76,599
5.05	Total Comprehensive Income	0	0	0	361,344	-6,933	354,411	0	354,411
5.05.01	Net Income for the Period	0	0	0	361,025	0	361,025	0	361,025
5.05.02	Other Comprehensive Income	0	0	0	0	-6,614	-6,614	0	-6,614
5.05.02.01	Financial Instrument Adjustments	0	0	0	0	-6,614	-6,614	0	-6,614
5.05.03	Reclassifications to Profit/Loss	0	0	0	319	-319	0	0	0
5.05.03.02	Realization of Attributed Cost	0	0	0	319	-319	0	0	0
5.07	Closing Balances	2,480,000	316	1,191,329	284,745	-1,057,209	2,899,181	0	2,899,181

Consolidated Financial Statements / Statement of Changes in Shareholders’ Equity - January 1, 2021 to June 30, 2021

(R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642	0	1,984,642
5.03	Adjusted Opening Balances	1,340,000	316	1,911,470	0	-1,267,144	1,984,642	0	1,984,642
5.05	Total Comprehensive Income	0	0	0	299,587	-281	299,306	0	299,306
5.05.01	Net Income for the Period	0	0	0	299,306	0	299,306	0	299,306
5.05.03	Reclassifications to Profit/Loss	0	0	0	281	-281	0	0	0
5.05.03.02	Realization of Attributed Cost	0	0	0	281	-281	0	0	0
5.06	Internal Changes in Shareholders’ Equity	1,140,000	0	-1,140,000	0	0	0	0	0
5.06.04	Share Capital Increase	1,140,000	0	-1,140,000	0	0	0	0	0
5.07	Closing Balances	2,480,000	316	771,470	299,587	-1,267,425	2,283,948	0	2,283,948

Consolidated Financial Statements / Value Added Statement

(R$ thousand)

Code	Description	YTD Current Year January 1, 2022 to June 30, 2022	First Half of 2021 January 1, 2021 to June 30, 2021
7.01	Revenue	8,408,678	7,730,240
7.01.01	Sales of Goods, Products and Services	7,748,995	7,363,455
7.01.02	Other Revenues	147,935	117,943
7.01.03	Revenues from Construction of Company Assets	559,154	277,327
7.01.04	Provision/Reversal of Credits of Doubtful Accounts	-47,406	-28,485
7.02	Inputs Acquired from Third Parties	-4,445,685	-4,588,205
7.02.01	Cost Products, Goods and Services Sold	-3,572,848	-4,057,739
7.02.02	Materials, Energy, Outsourced Services, and Others	-313,683	-253,139
7.02.04	Other	-559,154	-277,327
7.02.04.01	Revenues from Construction of Company Assets	-559,154	-277,327
7.03	Gross Value Added	3,962,993	3,142,035
7.04	Retentions	-136,109	-125,320
7.04.01	Depreciation, Amortization, and Depletion	-136,109	-125,320
7.05	Net Value Added Produced	3,826,884	3,016,715
7.06	Value Added Received in Transfer	282,038	168,606
7.06.01	Equity Pickup	33,268	31,880
7.06.02	Financial Income	244,549	132,278
7.06.03	Other	4,221	4,448
7.07	Total Value Added to Distribute	4,108,922	3,185,321
7.08	Distribution of Value Added	4,108,922	3,185,321
7.08.01	Personnel	345,332	249,051
7.08.01.01	Direct Compensation	217,053	193,084
7.08.01.02	Benefits	112,190	43,135
7.08.01.03	Guarantee Fund for Length of Service (FGTS)	16,089	12,832
7.08.02	Taxes, Fees, and Contributions	3,159,298	2,536,295
7.08.02.01	Federal	1,590,152	1,223,902
7.08.02.02	State	1,566,810	1,310,310
7.08.02.03	Municipal	2,336	2,083
7.08.03	Return on Third-Party Capital	243,267	100,669
7.08.03.01	Interest	238,135	91,495
7.08.03.02	Rental	5,132	9,174
7.08.04	Return on Equity	361,025	299,306
7.08.04.01	Interest on Equity	76,599	0
7.08.04.02	Dividends	0	71,076
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	284,426	228,230

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1. INVESTMENTS

The funds invested in property, plant and equipment, intangible assets, and shares in SHPs by the Company totaled R$595,989 in 1H22, compared to R$310,544 in 1H21, (up by 91.92%), as shown in the table below:

					Consolidated
Description	June 30, 2022		June 30, 2021		Horizontal Analysis
	R$ thousand	%	R$ thousand	%	
Electricity Distribution	**590,795**	**99.13%**	**298,103**	**95.99%**	**98.18%**
Company Resources	465,963	-	231,892	-	-
Consumer Financial Share	124,832	-	66,211	-	-
Electricity Generation	**5,194**	**0.87%**	**12,441**	**4.01%**	**-58.25%**
Equity Interests	499	-	494	-	-
Own Generation Park	4,695	-	11,947	-	-
Total	**595,989**	**100%**	**310,544**	**100%**	**91.92%**

Electricity Distribution

Of the total invested, the largest portion of R$590,795 was allocated to the expansion and improvement of the system, operational efficiency, and modernization of Celesc D’s management. Of this amount, R$465,963 was invested using the Company’s funds (R$435,761 in materials and services and R$30,202 in company labor), and R$124,832 was invested using third-party funds, arising from Consumer Financial Share in Celesc D’s works. Consumer Financial Share rules are established in ANEEL Regulatory Resolution 1.000, of December 7, 2021.

Electricity Generation

Of the main investments made at the own generation park between January and June 2022, R$1,912 was disbursed in supervision and control panels, voltage regulator, ancillary services and automation of the Caveiras plant; R$828 was spent with trash racks and automation at the Palmeiras plant; R$755 was spent with labor and machining services at the Piraí plant; R$295 was allocated to trash racks, security and monitoring, mechanical assembly and set of tools of the Salto plant; R$294 was invested in the executive electricity project of the Pery plant; and R$232 was disbursed in trash racks, electricity generators and mechanical assembly at the Bracinho plant.

2. STOCK MARKET

The BOVESPA index closed 2Q22 with a 17.88% depreciation. The Energy Sector Index (IEE), an indicator of the electricity sector, fell by 7.35% in the same period.

In the same period, the Company’s Common Shares (ON) depreciated 1.18%, while Preferred Shares (PN) depreciated by 3.38%.

The table below shows the final share prices on June 30, 2022, the respective percentage variations of the Company's shares and the key market indicators:

Description	Closing	Change %	
	June 30, 2022	2Q22	12 Months
Celesc Preferred Shares	R$57.22	-3.38%	-7.75%
Celesc Common Shares	R$55.47	-1.18%	-13.56%
IBOVESPA	98,542	-17.88%	-22.29%
Electricity Index (IEE)	78,787	-7.35%	-2.07%

Percentage variations with earnings adjustments

3. STOCK MARKET VALUE

The Company's stock market value on June 30, 2022, as shown above, is fifty-seven reais and twenty-two centavos (R$57.22) per preferred share - PN (CLSC4) and fifty-five reais and forty-seven centavos (R$55.47) per common share - ON (CLSC3).

The Santa Catarina state is the Company’s major shareholder, holding 50.2% of its common shares, corresponding to 20.2% of the total capital. The shareholding and corporate structure on June 30, 2022 is shown in the following organizational chart:

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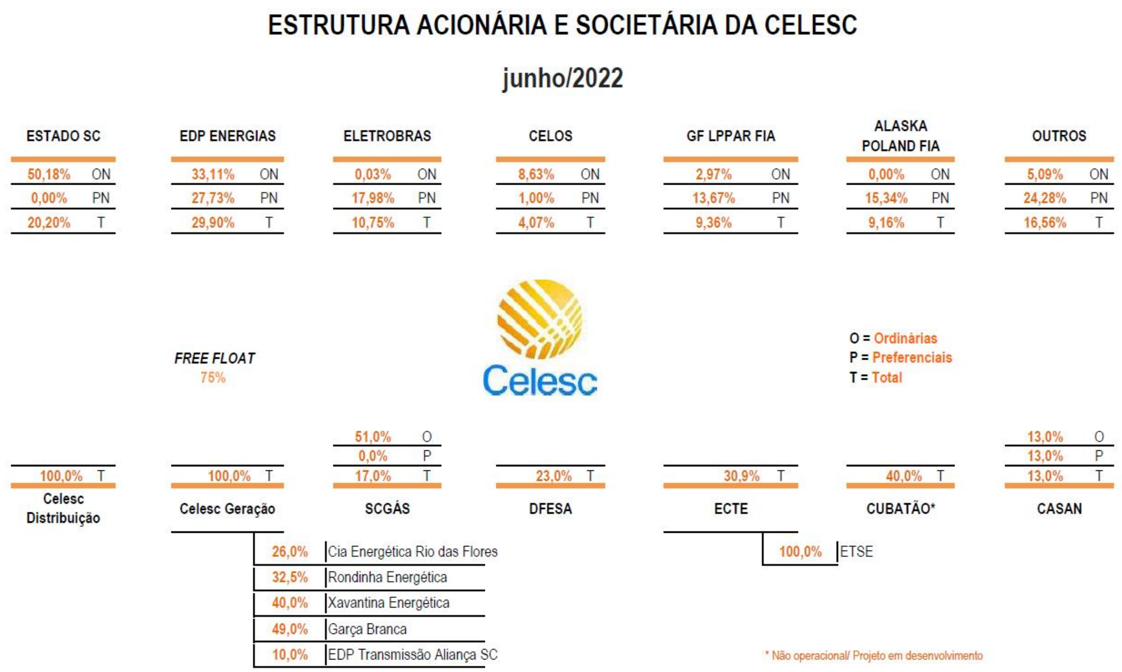


4. HUMAN RESOURCES

Celesc ended 2Q22 with 3,903 employees. The total number of employees rose by 8.15% YoY (3,609 employees last year).

5. ECONOMIC AND FINANCIAL PERFORMANCE

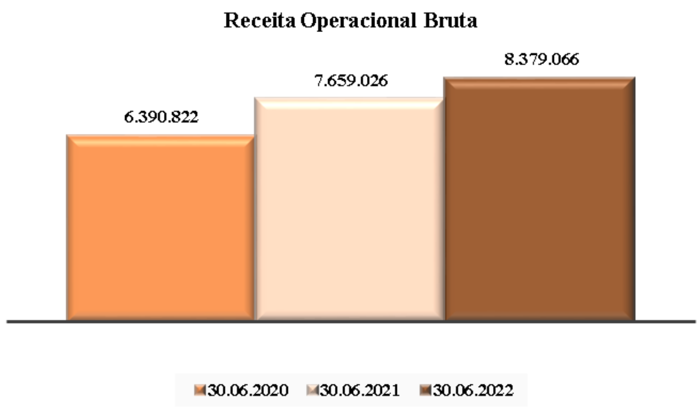
The following table shows the main economic and financial indicators for the year in comparison with the previous year:

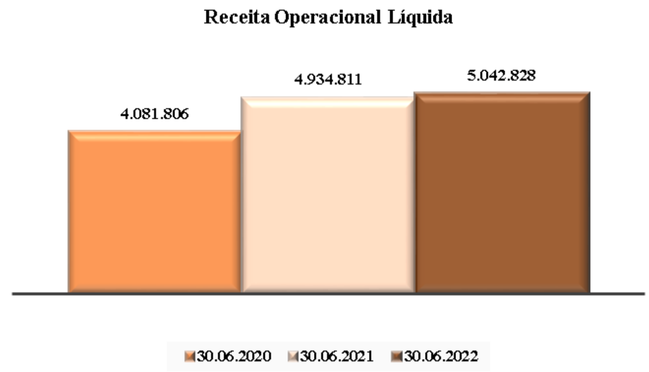
			Consolidated
Economic and Financial Data (R$ thousand)	**June 30, 2022**	**June 30, 2021**	**Variation**
Gross Operating Income - GOI	8,379,066	7,659,026	9.40%
Net Operating Income - NOI	5,042,828	4,934,811	2.19%
Operating Result	542,550	423,121	28.23%
EBITDA	678,325	548,441	23.68%
EBITDA Margin (EBITDA/NOR)	13.45%	11.11%	2.34 p.p.
Net Margin (Net Income/NOI)	7.16%	6.07%	1.09 p.p.
Financial Result	(28,768)	33,906	-184.85%
Total Assets	11,704,306	11,884,210	-1.51%
Property, Plant & Equipment	128,779	210,452	-38.81%
Shareholders' Equity	2,899,181	2,283,948	26.94%
Net Income	361,025	299,306	20.62%

5.1. Gross Revenue and Net Operating Income

Gross Operating Income - GOI totaled R$8.38 billion in 1H22, 9.4% higher than the R$7.66 billion reported in 1H21.

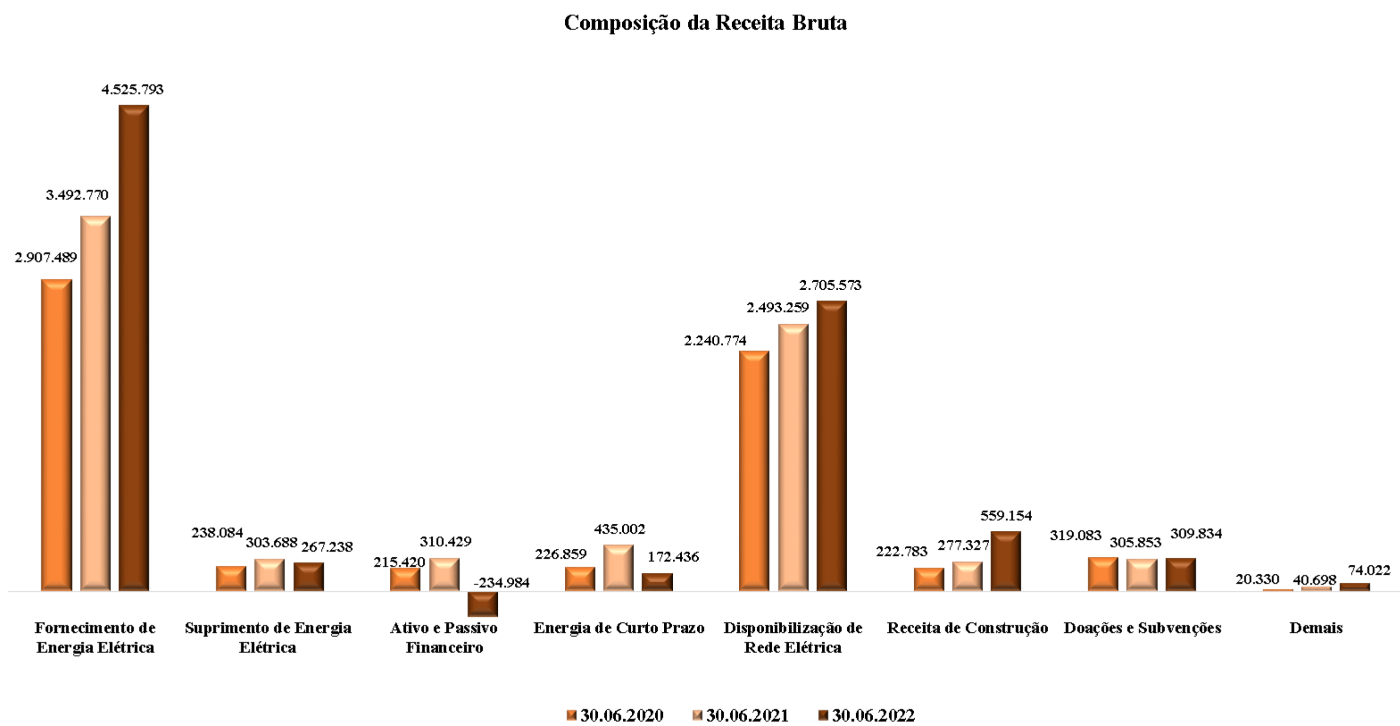
Net Operating Income – ROI totaled R$5.04 billion in 1H22, 2.19% higher than the R$4.93 billion reported in 1H21.





Celesc D's Gross Operating Income - GOI was mainly impacted by the average tariff adjustment of 5.65% charged from consumers, applied as of August 22, 2021 (2021/2022 cycle), and the YTD consumption increase (captive and free) of 2.2% over the same period of last year. We also highlight income from the availability of electricity, and the indemnifiable financial asset adjusted by the Extended National Consumer Price Index (IPCA). Another important factor that affected GOI was the amount of investments the Company has been making, which was noted in the construction revenue.

At Celesc G, the most significant factors that contributed to the growth of Gross Operating Income was the recognition of interest and monetary restatement of financial assets, which are recorded in this group. It is also worth noting the additional interest income and monetary restatement referring to the indemnification of the Pery Plant's basic project, due to the end of the concession in 2017 and its subsequent renewal, whose recognition occurred in August 2021. Said income from financial adjustments jumped from R$28.6 million in the first half of 2021 to R$53.9 million in the first half of 2022, an increase of 88.5%.



5.2. Costs and Expenses

Electricity costs reduced by 2.7% year on year in 1H22, with a 12.4% reduction in the cost of Electricity Purchased for Resale.

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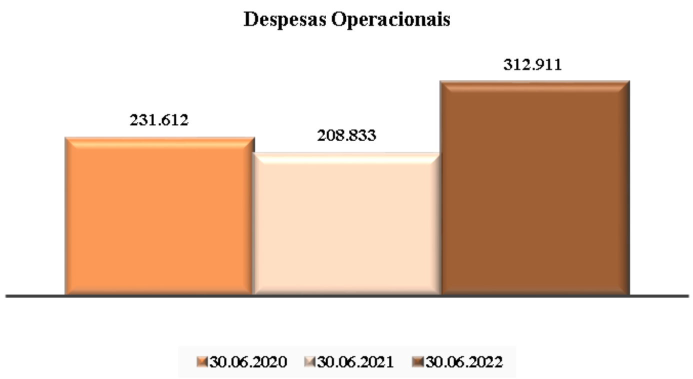
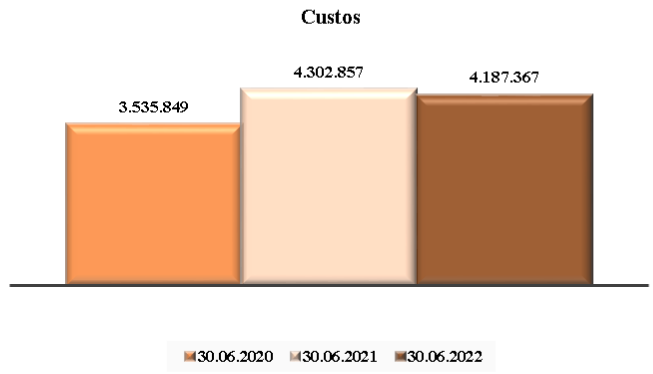




Celesc D's higher operating expenses in 1H22 was driven by the increase in the accounting of actuarial expenses, impacted by increased nominal discount rate, which is related to the recognition of current service costs and interest costs on actuarial obligations, as well as the increase of around 8.15% in the company's workforce. The increase in third-party service expenses was mainly due to cleaning and conservation services, as well as fuel, surveillance and maintenance of vehicles, notably related to the resumption of activities in the post-pandemic period.

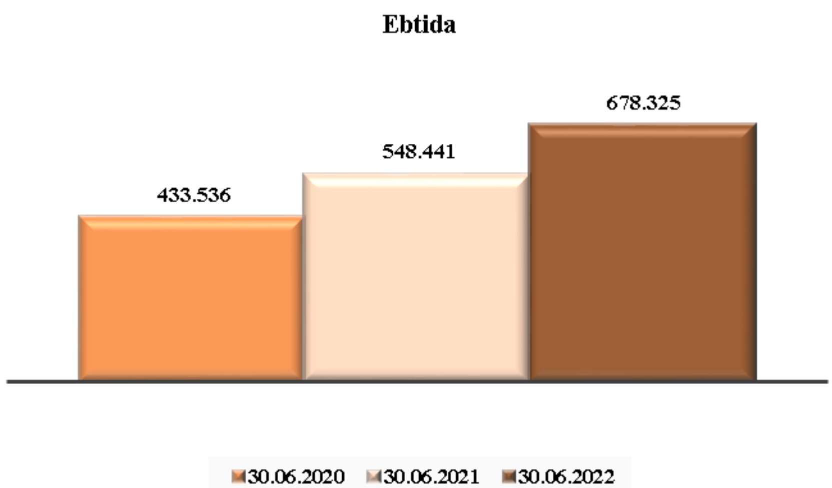
Celesc G's operating costs and expenses increased by approximately R$29.0 million, mainly due to lower allowance for doubtful accounts up to the third quarter of 2021, driven by the partial adherence to Law 14,052/2020 in September 2021, which addressed the hydrological risk renegotiation of the plants participating in the Energy Reallocation Mechanism (MRE), except for Hydroelectric Generating Power Plants.

5.3. EBITDA

The changes in net income for the year before interest, taxes, financial result and depreciation/amortization - EBITDA is as follows.

		Consolidated
Reconciliation of EBITDA (R$/thousand)	**June 30, 2022**	**June 30, 2021**
Net Income	361,025	299,306
Current and Deferred Income Tax and Social Contribution	152,757	157,721
Financial Result	28,768	(33,906)
Depreciation and Amortization	135,775	125,320
EBITDA	**678,325**	**548,441**

EBITDA reached R$678.3 million in 1H22, 23.7% higher than the EBITDA of R$548.4 million recorded in 1H21.



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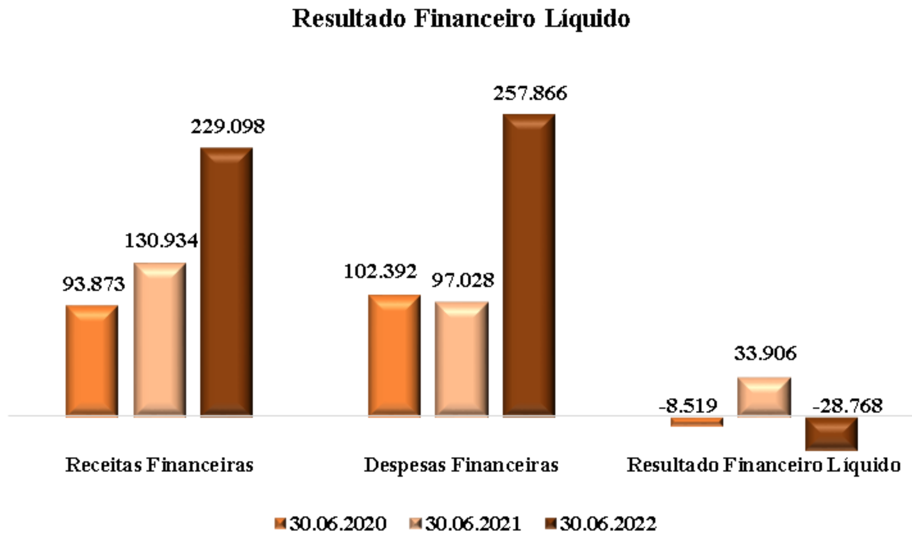
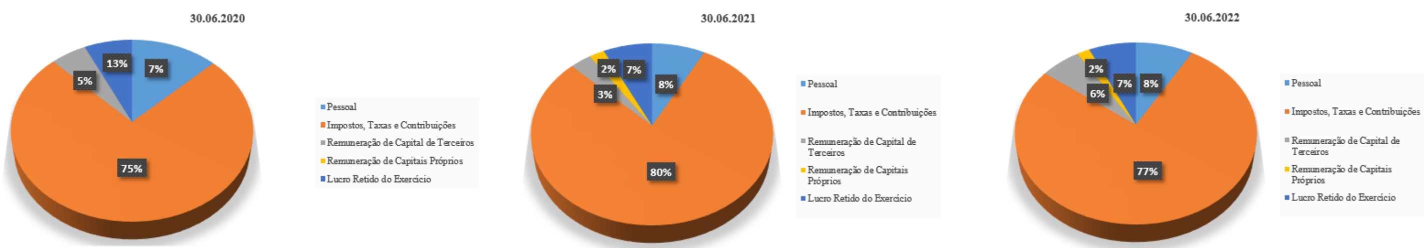
5.4. Financial Result

The Financial Result was negative by R$28.8 million in 1H22, being lower than the positive financial result of R$33.9 million recorded in 1H21, mainly due to the charges on the debt of Celesc D and Celesc G.



5.5. Added Value

The wealth created by the entity and its distribution through Personnel; Taxes, fees and contributions; Remuneration on third-party capital; and Interest on shareholders' equity is as follows.



5.6. Economic and Financial Indices

Some economic and financial indices are shown below.

			Consolidated
Indices	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**
General Liquidity	0.82	0.80	0.72
Current Liquidity	1.19	1.57	1.21
Shareholders' Equity Profitability	13.08%	14.02%	13.56%
General Indebtedness	75.23%	80.78%	84.12%

5.7. Net Income

Celesc's net income totaled R$361.0 million in 1H22, up by 20.6% over the R$299.3 million reported in 1H21.

The Company recorded a significant positive variation in net income, due to the good result of its subsidiaries.

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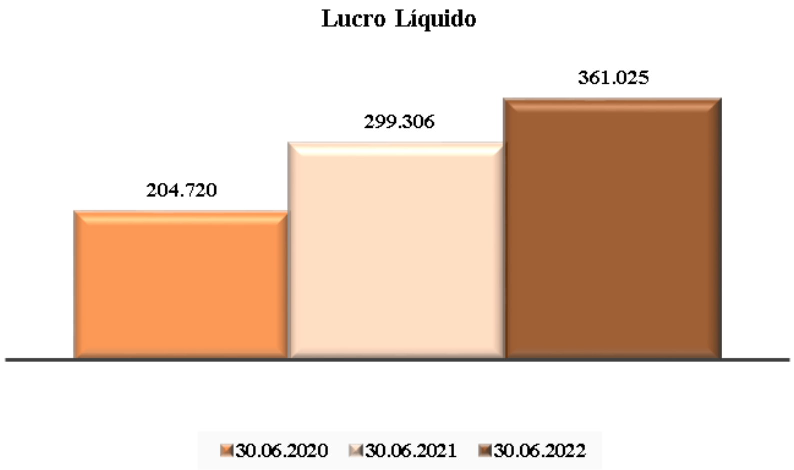

6. SHAREHOLDING STRUCTURE

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

Shareholder Base on March 31, 2022

Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Santa Catarina state	7,791,010	50.18	191	0.00	7,791,201	20.20
EDP Energias do Brasil S.A.	5,140,868	33.11	6,390,720	27.73	11,531,588	29.90
Fundação Celesc de Seguridade Social - CELOS	1,340,474	8.63	230,800	1.00	1,571,274	4.07
Geração LPar Fundo de Investimento	460,600	2.96	3,149,300	13.67	3,609,900	9.36
Centrais Elétricas Brasileiras – Eletrobras*	4,233	0.03	4,142,774	17.98	4,147,007	10.75
Alaska Poland FIA	-	0.00	3,534,800	15.34	3,534,800	9.16
Other	789,952	5.09	5,595,869	24.28	6,385,821	16.56
Total	**15,527,137**	**100.00**	**23,044,454**	**100.00**	**38,571,591**	**100.00**
Overall Total	**15,527,137**	**40.26**	**23,044,454**	**59.74**	**38,571,591**	**100.00**

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

7. FOREIGN EQUITY INTEREST

Foreign investors accounted for 0.58% of the Company's total share capital in 2Q22, holding a total of 225,333 shares, most of which preferred shares.

Investors' Equity Interest by Residence	No. of Shares	%
Foreign Investors	225,333	0.58%
National Investors	38,346,258	99.42%
Total	**38,571,591**	**100.00**

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

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

Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Controlling Shareholder	9,229,460	59.44%	234,305	1.02%	9,463,765	24.54%
Board of Directors	10	-	-	0.00%	10	0.00%
Executive Board	-	-	22	0.00%	22	0.00%
Fiscal Council	-	-	-	0.00%	-	0.00%
Other Shareholders	6,297,667	40.56%	22,810,127	98.98%	29,107,794	75.46%
Total	**15,527,137**	**100.00%**	**23,044,454**	**100.00%**	**38,571,591**	**100.00%**
Outstanding Shares	**6,297,667**	**40.56%**	**22,810,127**	**98.98%**	**29,107,794**	**75.46%**

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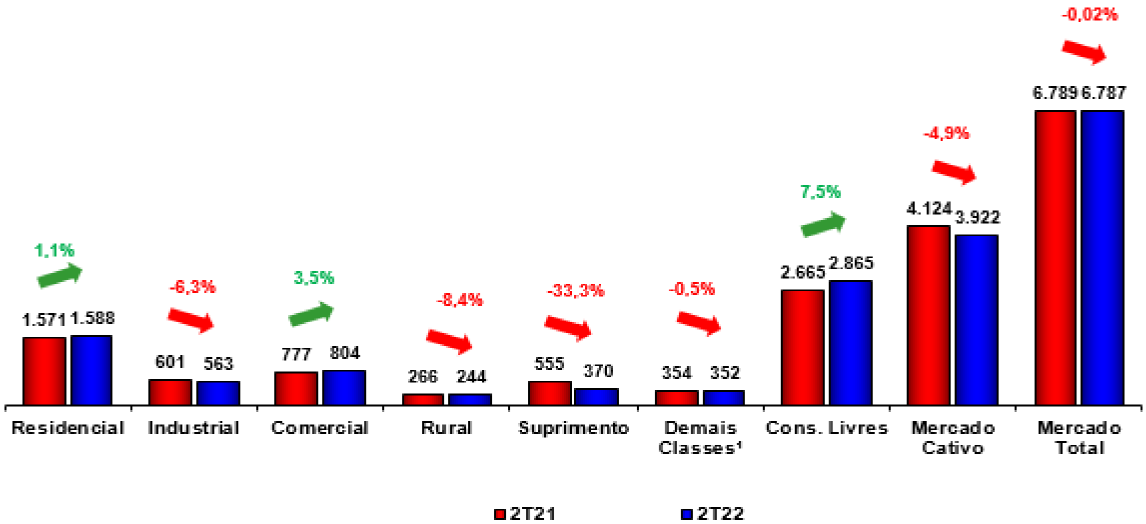
9. OUTSTANDING SHARES

Description	Common Shares - CLSC3		Preferred Shares - CLSC4		Total	
	Quantity	%	Quantity	%	Quantity	%
Total Capital	15,527,137	100.0	23,044,454	100.0	38,571,591	100.00
Outstanding Shares	6,297,667	40.56	22,810,127	98.98	29,107,794	75.46

10. ENERGY BALANCE

Celesc D's captive market decreased by 4.9% YoY in 1H22, reaching 3,922 GWh. In the Total Market, including free consumers, the reduction in electricity consumption was 0.02%, reaching 6,791 GWh.

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



Other Categories[1] = Government + Public Lighting + Public Service. Excluding Own Consumption.

11. ELECTRICITY MARKET

ELECTRICITY CAPTIVE MARKET

Description	2022		2021		Vertical Variation				Variation Horizontal	
	2Q	YTD	2Q	YTD	2Q 2022	YTD 2022	2Q 2021	YTD 2021	2Q 22-21	YTD 22-21
Sales Revenue by Consumption Category in thousands of Reais										
Residential	1,125,469	2,869,336	1,028,565	2,323,210	41.8%	44.1%	41.6%	43.6%	9.4%	23.5%
Industrial	434,078	939,051	414,016	801,627	16.1%	14.4%	16.7%	15.0%	4.8%	17.1%
Commercial	640,455	1,551,633	558,098	1,214,772	23.8%	23.9%	22.6%	22.8%	14.8%	27.7%
Rural	160,715	416,158	152,761	350,243	6.0%	6.4%	6.2%	6.6%	5.2%	18.8%
Government	83,280	188,775	66,127	133,646	3.1%	2.9%	2.7%	2.5%	25.9%	41.3%
Public Lighting	74,071	164,172	65,132	134,325	2.8%	2.5%	2.6%	2.5%	13.7%	22.2%
Public Service	63,884	143,111	60,938	119,657	2.4%	2.2%	2.5%	2.2%	4.8%	19.6%
Subtotal	**2,581,952**	**6,272,236**	**2,345,637**	**5,077,480**	**95.9%**	**96.5%**	**94.8%**	**95.2%**	**10.1%**	**23.5%**
Supply	111,316	228,196	127,627	255,092	4.1%	3.5%	5.2%	4.8%	-12.8%	-10.5%
TOTAL	**2,693,268**	**6,500,432**	**2,473,264**	**5,332,572**	**100%**	**100%**	**100%**	**100%**	**8.9%**	**21.9%**
Consumption in MWh by Category										

Residential	1,588,315	3,563,920	1,570,758	3,398,233	40.5%	42.5%	38.1%	39.9%	1.1%	4.9%
Industrial	563,270	1,057,800	600,965	1,120,401	14.4%	12.6%	14.6%	13.2%	-6.3%	-5.6%
Commercial	804,286	1,712,907	777,267	1,632,520	20.5%	20.4%	18.8%	19.2%	3.5%	4.9%
Rural	244,209	530,740	266,458	587,659	6.2%	6.3%	6.5%	6.9%	-8.3%	-9.7%
Government	110,911	232,227	97,719	189,877	2.8%	2.8%	2.4%	2.2%	13.5%	22.3%
Public Lighting	150,278	317,994	156,640	311,747	3.8%	3.8%	3.8%	3.7%	-4.1%	2.0%
Public Service	90,907	174,226	99,445	189,584	2.3%	2.1%	2.4%	2.2%	-8.6%	-8.1%
Subtotal	**3,552,176**	**7,589,814**	**3,569,252**	**7,430,021**	**90.6%**	**90.5%**	**86.6%**	**87.3%**	**-0.5%**	**2.2%**
Supply	369,842	795,777	554,650	1,081,432	9.4%	9.5%	13.4%	12.7%	-33.3%	-26.4%
TOTAL	**3,922,018**	**8,385,591**	**4,123,902**	**8,511,453**	**100%**	**100%**	**100%**	**100%**	**-4.9%**	**-1.5%**
Unit Average Price of MWh in Reais										
Residential	708.59	805.11	654.82	683.65	103.2%	103.9%	109.2%	109.1%	8.2%	17.8%
Industrial	770.64	887.74	688.92	715.48	112.2%	114.5%	114.9%	114.2%	11.9%	24.1%
Commercial	796.30	905.85	718.03	744.11	116.0%	116.9%	119.7%	118.8%	10.9%	21.7%
Rural	658.10	784.11	573.30	596.00	95.8%	101.2%	95.6%	95.1%	14.8%	31.6%
Government	750.87	812.89	676.71	703.86	109.3%	104.9%	112.8%	112.3%	11.0%	15.5%
Public Lighting	492.89	516.27	415.81	430.88	71.8%	66.6%	69.3%	68.8%	18.5%	19.8%
Public Service	702.74	821.41	612.78	631.16	102.3%	106.0%	102.2%	100.7%	14.7%	30.1%
Subtotal	**726.86**	**826.40**	**657.18**	**683.37**	**105.8%**	**106.6%**	**109.6%**	**109.1%**	**10.6%**	**20.9%**
Supply	300.98	286.76	230.10	235.88	43.8%	37.0%	38.4%	37.6%	30.8%	21.6%
TOTAL	**686.70**	**775.19**	**599.74**	**626.52**	**100%**	**100%**	**100%**	**100%**	**14.5%**	**23.7%**

12. ARBITRATION CLAUSE

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

13. INDEPENDENT AUDITORS

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

Florianópolis, August 4, 2022.

Management

1. OPERATIONAL CONTEXT

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

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

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

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

In the consolidated balance sheet for the period ended June 30, 2022, the Company presented positive net working capital with a ratio of 1.19, mainly due to the extension of long-term debt.

1.1. COVID-19 Pandemic

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

1.1.1. Initiatives in the Energy Sector

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

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

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

1.1.2. Actions taken at the Company

1.1.2.1. Celesc D Cash Protection

To maintain short-term cash flow health, Celesc D has a Minimum Cash policy, in which it observes safety limits in order not to compromise its liquidity, even in times of significant increase in payment commitments and/or collection lower than projected. In this context, the Company has specific lines of credit for the due timely protection of cash.

In addition, Celesc D seeks, whenever necessary, to access alternative lines of credit:

a) offsetting the credits referring to the lawsuit, which has become final and unappealable, by Celesc D on the exclusion of ICMS from the PIS/Cofins calculation basis;

b) postponement of ICMS in accordance with Decrees 1,679, of January 17, 2022, and Decree 1,805, of March 14, 2022, published by the State of Santa Catarina. The ICMS payable in January and February 2022 had their maturities postponed to April 10 and May 10, 2022, respectively.

1.1.2.2. Facing the Pandemic

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The Company maintained preventive measures for 2022, such as the obligation to leave work for a minimum period of 7 (seven) days from the onset of symptoms of contamination by Covid-19 (symptomatic), according to medical determination and Celesc protocol.

1.1.2.3. Future Impacts on Celesc D

The Company has been following the unfolding of the actions generated by the pandemic and analyzing these impacts on its economic and financial results.

One of the main points in this aspect is non-payment, which corresponds to the amount of revenue billed and not received.

In order to calculate Default, it is necessary to divide it by the Gross Operating Revenue from the Supply of Electricity, Electricity Supply, Availability of Electricity Grid, Taxed Service, and verify the percentage changes.

In June 2022, short-term delinquency, up to 90 days (period in which most collection actions are concentrated), had a decrease of 0.73 p.p compared to the previous quarter. The amount of delinquency over 90 days fell by 1.69 p.p compared to the previous quarter, from 4.69% in 1Q22 to 3.00% in 2Q22.

The following table shows the evolution of Celesc D's default:

Delinquency over 90 days

Classes	2Q21		3Q21		4Q21		1Q22		2Q22		Variation 2Q22
	R$ thousand	% Gross Operating Income	R$ thousand	% Gross Operating Income	R$ thousand	% Gross Operating Income	R$ thousand	% Gross Operating Income	R$ thousand	% Gross Operating Income	
Residential	163,751	1.40%	159,231	1.28%	174,965	1.35%	226,136	1.62%	160,81	1.13%	-0,49 p.p
Industrial	42,857	0.37%	31,499	0.25%	35,124	0.27%	36,43	0.26%	31,124	0.22%	-0,04 p.p
Commercial	48,198	0.41%	43,89	0.35%	55,599	0.43%	69,353	0.50%	49,325	0.35%	-0,15 p.p
Rural	12,083	0.10%	11,459	0.09%	16,308	0.13%	19,968	0.14%	12,626	0.09%	-0,05 p.p
Government	274	0.00%	392	0.00%	342	0.00%	584	0.00%	690	0.00%	0,00 p.p
Public Lighting	1	0.00%	2,329	0.02%	3	0.00%	45	0.00%	8	0.00%	0,00 p.p
Public Service	160	0.00%	111	0.00%	1,316	0.01%	35	0.00%	52	0.00%	0,00 p.p
Supplies	0	0.00%	844	0.01%	757	0.01%	757	0.01%	1,213	0.01%	0,00 p.p
Grid	710	0.01%	847	0.01%	873	0.01%	2,913	0.02%	1,548	0.01%	-0,01 p.p
Miscellaneous Credits	207	0.00%	324	0.00%	758	0.01%	15,127	0.11%	16,162	0.11%	0,00 p.p
Charged Service	23,428	0.20%	16,836	0.14%	12,162	0.09%	870	0.01%	988	0.01%	0,00 p.p
Financial Participation	2,757	0.09%	1,415	0.01%	402	0.00%	561	0.00%	921	0.01%	0,00 p.p
Total	**29,4426**	**5.35%**	**269,177**	**2,16%**	**298,609**	**2.31%**	**372,779**	**2.67%**	**275,467**	**194%**	**0,73 p.p.**

Delinquency over 90 days

Classes	2Q21		3Q21		4Q21		1Q22		2Q22		Variation 2Q22
	R$ thousand	% Gross Operating Income	R$ thousand	% Gross Operating Income	R$ thousand	% Gross Operating Income	R$ thousand	% Gross Operating Income	R$ thousand	% Gross Operating Income	
Residential	157,411	1.35%	168,786	1.36%	176,234	1.36%	188,356	1.35%	198,853	1.40%	+0.05 p.p.
Industrial	241,822	2.07%	254,227	2.05%	231,778	1.79%	235,143	1.69%	75,564	0.53%	-1.15 p.p.
Commercial	146,147	1.25%	154,444	1.24%	134,788	1.04%	142,119	1.02%	107,012	0.75%	-0.26 p.p.
Rural	11,676	0.10%	11,42	0.09%	10,862	0.08%	11,616	0.08%	9,917	0.07%	-0.01 p.p
Government	9,897	0.08%	9,372	0.08%	8,847	0.07%	8,861	0.06%	309	0.00%	-0.06 p.p.
Public Lighting	18,827	0.16%	16,485	0.13%	18,809	0.15%	16,485	0.12%	3,144	0.02%	-0.10 p.p
Public Service	1,463	0.01%	1,475	0.01%	211	0.00%	183	0.00%	15	0.00%	0.00 p.p
Supplies	2,883	0.02%	2,883	0.02%	2,883	0.02%	2,883	0.02%	35	0.00%	-0.02 p.p
Grid	3,256	0.03%	3,376	0.03%	3,523	0.03%	10,536	0.08%	2,233	0.02%	- 0.06 p.p
Miscellaneous Credits	1,062	0.01%	1,082	0.01%	1,08	0.01%	31,84	0.23%	24,699	0.17%	-0.05 p.p.
Charged Service	21,502	0.18%	29,147	0.23%	31,736	0.24%	3,761	0.03%	3,799	0.03%	0.0 p.p.
Financial Participation	10,329	0.09%	10,528	0.08%	10,534	0.08%	1,038	0.01%	829	0.01%	0.00 p.p
Total	**626,275**	**5.35%**	**663,225**	**5.33%**	**631,285**	**4.87%**	**652,821**	**4.69%**	**426,409**	**3.00%**	**-1.69 p.p.**

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Delinquency

Classes	2Q21 R$ thousand	2Q21 % Gross Operating Income	3Q21 R$ thousand	3Q21 % Gross Operating Income	4Q21 R$ thousand	4Q21 % Gross Operating Income	1Q22 R$ thousand	1Q22 % Gross Operating Income	2Q22 R$ thousand	2Q22 % Gross Operating Income	Variation 2Q22
Residential	321,162	2.75%	328,017	2.64%	351,199	2.71%	414,492	2.97%	359,663	2.54%	-0.44 p.p
Industrial	284,679	2.43%	285,726	2.30%	266,902	2.06%	271,573	1.95%	106,689	0.75%	-1.19 p.p
Commercial	194,345	1.66%	198,334	1.60%	190,387	1.47%	211,472	1.52%	156,337	1.10%	-0.41 p.p
Rural	23,759	0.20%	22,879	0.18%	27,17	0.21%	31,584	0.23%	22,542	0.16%	-0.07 p.p
Government	10,171	0.09%	9,764	0.08%	9,189	0.07%	9,445	0.07%	999	0.01%	-0.06 p.p.
Public Lighting	18,828	0.16%	18,814	0.15%	18,812	0.15%	16,53	0.12%	3,152	0.02%	-0.10 p.p
Public Service	1,623	0.01%	1,586	0.01%	1,527	0.01%	218	0.00%	67	0.00%	0.00 p.p
Supplies	2,883	0.02%	3,727	0.03%	3,64	0.03%	3,64	0.03%	1,248	0.01%	-0.02 p.p
Order Use Electricity Grid	3,966	0.03%	4,223	0.03%	4,396	0.03%	13,449	0.10%	3,781	0.03%	-0.07 p.p
Miscellaneous Credits	1,269	0.01%	1,406	0.01%	1,838	0.01%	46,967	0.34%	40,863	0.29%	-0.05 p.p.
Charged Service	44,93	0.38%	45,983	0.37%	43,898	0.34%	4,631	0.03%	4,786	0.03%	0.00 p.p
Financial Participation	13,086	0.11%	11,943	0.10%	10,936	0.08%	1,599	0.01%	1,75	0.01%	0.00 p.p
Total	**920,701**	**7.85%**	**932,402**	**7.50%**	**929,894**	**7.17%**	**1,025,600**	**7.37%**	**701,877**	**4.95%**	**-2.42 p.p.**
ROB (Accumulated from the last 12 months) in BRL		**11,696,472**		**12,408,532**		**12,971,057**		**13,953,982**		**14,187,254**	

1.2. Water Scarcity

In 2021, a regime of permanence of inflows below the historical average was experienced in most of the country. On the subject, it is noteworthy that, in terms of the National Interconnected System - SIN, the worst affluence in 91 years of history was recorded for the period from September 2020 to June 2021, according to the Technical Note of the National System Operator - ONS in DPL 0081/2021.

Given this scenario and, therefore, the persistence of unfavorable hydrometeorological conditions and low levels of storage in the reservoirs of hydroelectric plants, especially in the Southeast/Midwest subsystem, the Electric Sector Monitoring Committee - CMSE maintained the guideline for adopting the measures exceptional conditions for the due service to the load, for the lesser degradation of the storage of the equivalent reservoirs of the hydroelectric plants and for the maintenance of the governability of the hydraulic cascades.

1.2.1. Water Scarcity Account

The Water Scarcity Account was established by Provisional Measure 1,078, of December 13, 2021, and regulated by Decree 10,939, of January 13, 2022.

Decree 10,939, of January 13, 2022, discusses measures to deal with the financial impacts on the electricity sector resulting from the situation of water scarcity. The reason that led to this new operation was the deficit between the collection of the Escassez Hídrica Flag and the generation cost, which totaled R$14.0 billion until November 2021. The Decree also authorized the creation and management of the Water Scarcity Account by the Electric Energy Commercialization Chamber - CCEE, intended to receive funds to cover, in whole or in part, the additional costs arising from the situation of water scarcity for service concessionaires and permissionaires electricity distribution public, and the deferrals referred to in § 1-I of Art. 13 of Law 10,438, of April 26, 2002.

Among these additional costs expressed by the Decree, the following stand out:

i) the estimate of the balance of the Centralizing Account of the Resources of Tariff Flags for the period of April 2022;
ii) expenses related to the Incentive Program for the Voluntary Reduction of Electric Energy Consumption referred to in Resolution No. 2, of August 31, 2021;
iii) the import of energy in a decision approved by the Chamber of Exceptional Rules for Hydroenergetic Management – CREG referring to the competences of July and August 2021; and
iv) the expense with fixed income referring to the competences from May to December 2022 of the Simplified Competitive Procedure - PCS, of 2021.

The detailing and completion of the operation were regulated by ANEEL, which published Normative Resolution No. 1008, of March 15, 2022, the result of a discussion with society, through Public Consultation No. 02/2022, which provides for the Scarcity Account Water, financial operations, the use of the tariff charge of the Energy Development Account – CDE for these purposes and the corresponding procedures.

Celesc D adhered to the Term of Acceptance and the Provisions of Decree 10,939, of April 5, 2022. In the aforementioned document, Celesc D requested the ceiling on the resources of the first transfer referring to the Incentive Program for Voluntary Consumption Reduction (Bonus), as well as the import of energy authorized by the Chamber of Exceptional Rules for Hydroenergetic Management - CREG for the months of July and August 2021, totaling R$133.6 million. The amounts were received by Celesc D from CCEE on May 9, 2022.

It was also requested full access to the resources that will be made available by the Water Scarcity Account referring to the costs related to the Balance of the Centralized Account of the Tariff Flag Resources - CCRBT for the April 2022 competence and referring to the costs related to the Simplified Competitive Procedure - PCS . However, due to the improvement of the hydrological conditions and the recovery of the reservoirs throughout the SIN, as well as, due to the April 2022 competence of the CCRBT account showing a surplus result, the subsequent tranches related to the Water Scarcity Account will not occurred.

1.2.2. Implementation of the Chamber of Exceptional Rules for Hydropower Management - CREG

Noteworthy is the establishment of the Chamber of Exceptional Rules for Hydropower Management - CREG, through Provisional Measure No. to face the water crisis, thus establishing the necessary articulation between the bodies and entities responsible for activities dependent on water resources. In this way, exceptional measures evaluated by the Electric Sector Monitoring Committee - CMSE were implemented, according to the identified needs, thus guaranteeing their effectiveness in increasing the guarantee of security and continuity of electricity supply in the country.

In view of the studies presented by the National Electric System Operator - ONS, the CMSE recommended further flexibilization of the hydraulic restrictions related to the plants. In addition, the ONS evaluated, together with the National Agency for Water and Basic Sanitation - ANA, the strategy for using the reservoirs of the hydroelectric plants in the Rio Grande basin to provide the proper governance of the hydraulic cascades, preserve the use of water and guarantee security and continuity of electricity supply in the country during the dry period of 2021.

There was, until November 2021, authorization for the ONS to dispatch thermoelectric generation outside the order of merit and to import electricity without replacement from Argentina or Uruguay, without limitation on the associated amounts and prices, provided that respecting the operational restrictions, and in order to minimize the total operational cost of the electrical system. Despite the associated costs, such measures have proved to be fundamental for guaranteeing the security and continuity of the electricity supply in the country in the current scenario, according to permanent monitoring carried out by the CMSE.

At a meeting on December 1, 2021, the CMSE established a limit for the additional dispatch of resources to meet the SIN, so that the total thermoelectric generation of the plants dispatched by the ONS, already added to the amounts that may be imported, does not exceed 15,000 MW averages over the month. The committee also approved additional energy offers from thermoelectric projects, effective in that month and contracting limited to amounts of up to R$1,000.00/MWh for the Southeast/Midwest and South. In this way, energy production, including imports, started a trajectory that is considered a ceiling.

At the first meeting of 2022, held on January 12, the limits established in the previous month were maintained. Additionally, in cases of recognized systemic need, as in the case of forced unavailability of equipment, or exceptional situations duly justified, thermoelectric plants with variable unit cost - CVU could be dispatched up to R$1,500/MWh.

At the meeting held on February 2, 2022, the improvement in hydropower conditions led to the decision to reduce the costs of operating the system. The thermoelectric generation cap was set at 10,000 average MW and the CVU cap was raised to R$600/MWh.

In March 2022, conditions continued to exceed expectations. Storage on March 8, 2022 reached 63.6%, with 1.8 p.p. above the most optimistic scenario for that date. Thus, the CMSE decided to limit thermal production to an average of 8,000 MW, and limit the CVU to R$375.66/MWh.

In April 2022, the reservoirs reached the level of 70% of storage. With that, the CMSE decided to revoke the authorization for the activation of thermoelectric plants out of order of merit. The decision represented the resumption of the ordinary operation of the National Interconnected System - SIN and had, among its consequences, a reduction in the cost of operating the system.

1.2.3. National Energy Consumption Awareness Campaign

Additionally, among other matters, ANEEL submitted a proposal for a campaign to raise awareness of the efficient use of electricity, in compliance with the resolution of the 247th meeting of the CMSE. As recorded, the measure aimed to raise awareness among the population about the responsibility of conscious energy consumption, presenting assertive guidelines on the conditions of electric energy generation and conscious consumption, in order to avoid waste, which can translate into additional costs, paid by the whole of society. The campaign was mandatory for distribution concessionaires in the second half of 2021, with funding to be validated by ANEEL.

The campaign began to run in September 2021 with the title "Consumo Consciente Já". With the intention of joining efforts so that everyone contributes to the security of electricity supply at this delicate moment, the Ministry of Mines and Energy - MME, ANEEL, the Brazilian Association of Electric Energy Distributors - ABRADEE and their associates launched the campaign broadcast on Celesc's official channels, radio stations, TV and digital media, containing simple but effective tips, so that the population can contribute to this important cause for all. All campaign information is available on the website **https://www.consumoconscienteja.com.br**.

1.2.4. Bonus for Consumption Reduction - Incentive Program for Voluntary Reduction of Electric Energy Consumption

CREG, within the scope of its attributions provided for in MP nº 1.055/2021, instituted the Voluntary Consumption Reduction Program, stipulated the value of R$0.50 cents discount for each kilowatt-hour (kWh) of the volume of energy saved within the target of 10% to 20%. The comparison was based on the sum of consumption between September and December 2021, compared to the sum of the same four invoices from 2020. Once this comparison is made, if there was a reduction in consumption of 10% or more, the concessionaire would credit the discount to the January 2022 bill.

The amount calculated, for both Group A and Group B consumers, was R$102.8 million, effectively perceived in invoices issued as of January 2022, to be reimbursed to Celesc D, according to regulations stipulated by Normative Resolution No. , of March 15, 2022, to which Celesc D adhered on April 5 of that same year. The reimbursement for Celesc D was effective on May 9, 2022.

1.2.5. Implementation of Specific Level of Tariff Flags

Also within the scope of CREG's attributions, set out in MP No. 1,055/2021, a specific level of Tariff Flags was established, dealt with in Decree 8,401, of February 4, 2015, to bear the costs that are specified.

Due to the provisions of the CMSE deliberations and the information provided by ANEEL, through Official Letters No. 220/2021-DIR/ANEEL, of August 20, 2021, and No. 224/2021-DIR/ANEEL, of August 27, 2021, as well as the need to use the Tariff Flag System to pay extraordinary consumption expenses concomitantly with the production of electricity, in the deliberations of the 5th CREG Meeting (Extraordinary), held on August 31, 2021, and 48370.000113/2021-66, ANEEL was determined to implement a specific level of Tariff Flag, called Water Scarcity Flag, in the amount of BRL 142.00/MWh (one hundred and forty-two reais per megawatt-hour) . Due to the extreme situation that was presented, this flag level was already activated for the entire period, signaling the precariousness of the SIN reservoirs.

The original term was from September 2021 to April 2022, with no application to consumers enrolled in the Social Electricity Tariff - TSEE (low income), who follow the current triggering methodology.

However, at the 264th ordinary meeting of the CMSE, held on April 6, 2022, in view of the projections made by ANEEL regarding the collection of the Water Scarcity Flag for the month of April 2022, in view of the significant improvement in service conditions and, therefore, less need for thermoelectric dispatches compared to previous projections and in favor of tariff affordability, it was decided to interrupt the collection of the Water Scarcity Flag, as of April 16, 2022, in line with the provisions of Resolution no. 3/2021 of the Chamber of Exceptional Rules for Hydropower Management – CREG.

After the decision, ANEEL issued Circular Letter No. 6 /2022-DR/ANEEL, advising on the interruption of collection, as of April 16, 2022, which was then implemented by Celesc D with the adoption of the green tariff flag , that is, free of charge from the stipulated date.

2. BUSINESS PROFILE

2.1. Wholly-Owned Subsidiaries

2.1.1. Celesc Distribuição S.A. – Celesc D

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

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

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

Celesc D operates in the power distribution segment and serves, totally or partially, 285 municipalities, accounting for 3,273,375 consumer units. Of the total, 264 municipalities are covered by the distributor's concession agreement (263 in Santa Catarina and 1 in Paraná) and 21 municipalities are covered as registered warrants, in concession areas of other distributors (17 in Santa Catarina and 4 in Paraná). Precarious service is provided, in accordance with ANEEL's regulations, for reasons of technical and economic convenience, resulting from the lack of a network of the concessionaire holder of the concession. Additionally, Celesc D is responsible for supplying power to four concessionaires and 20 distribution permissionaires, which operate in Santa Catarina, in other municipalities not served by the Company.

2.1.1.1. Regulatory Environment

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

a) Extension of the Concession

Celesc D signed, on December 9, 2015, the 5th Addendum to the Concession Agreement No. 56/1999 for the distribution of electricity, effective for 30 years, which states that in the first 5 (five) years there will be targets to be to be achieved for indicators of technical quality and economic and financial sustainability, which are conditions for confirming the extension of the concession.

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

b) 2021 Periodic Tariff Revision

ANEEL, through Ratifying Resolution No. 2,921, of August 17, 2021, approved the result of the Periodic Tariff Review - RTP of Celesc D, applied as of August 22, 2021. Said readjustment resulted in an average tariff effect to be perceived by consumers, in the order of 5.65%, being 5.34%, on average, for consumers connected to High Voltage and 5.83%, on average, for consumers connected to Low Voltage.

Sector Charges account for 1.66%, Transmission Costs account for -2.59%, Energy Expenses account for 2.18%, Irrecoverable Revenues account for 0.03%, Distributor Costs account for -0.48%, the Financial Components of the current process account for 3.55% and the effect of withdrawing the Financial Components of the previous ordinary process is 1.28%.

c) Tariff Flags

On August 31, 2021, the Ministry of Mines and Energy - MME issued Resolution No. 03/2021. This resolution establishes the creation of the Water Scarcity Tariff Flag in the amount of R$142.00/MWh (one hundred and forty-two reais per megawatt-hour). The creation of the Flag aims to provide financial support so that Energy Distributors can pay the amounts related to thermal energy dispatches carried out in a critical situation of hydroelectric energy production. The Water Scarcity Flag was in effect until April 15, 2022. After this period, the flags were activated again according to ANEEL's ordinary methodology, based on the PLD and GSF of each month.

The activation of the flags and the monthly amounts of the Centralizing Account of Tariff Flag Resources - CCRBT, transferred to Celesc D, as well as the amounts transferred from Celesc D to CCRBT for the purpose of settling short-term market operations with the Commercialization Chamber of Electric Energy - CCEE, in the first half of 2022 were:

Month	Flag	Transfer from CCRBT to Celesc D (R$/thousand)	Transfer from Celesc D to CCRBT (R$/thousand)	No of Dispatches ANEEL
January	Water Shortage	7,067	-	593/2022
February	Water Shortage	4,527	-	860/2022
March	Water Shortage	-	52,505	1.132/2022
April		-	18,413	1.452/2022
May		3,824	-	1.741/2022
June		3,716	-	2.061/2022

d) 2014 Contractual Exposure – ANEEL Orders 2642/2015 and 2078/2016

Celesc D filed a lawsuit against ANEEL, seeking to challenge Order 2078/16, in order to obtain the full recognition of contractual exposures as involuntary, at the same time that it requested the grant of an injunction to suspend the application of tariff reducer in the amount of R$256.6 million, expected to be applied together with the ratification of the Annual Tariff Revision process occurred on August 22, 2016.

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

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

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

Due to the decision in the first instance, in August 2019, ANEEL, through Ratification Resolution 2.593, allocated in the tariff process the value of the non-transfer of tariffs. The Distributor requested deferral of the amount in 5 tariff proceedings, and ANEEL then partially accepted the claim and approved the deferral of the financial effect of the 2014 contractual exposure in one fifth of the amount in the 2019 tariff adjustment, in the amount of R$65.8 millions.

In the 2020 RTA, the same method was adopted considering the request formally made to the Regulatory Agency for deferral in 5 cases and this time with the treatment of the amount of R$68.5 million as a reduction.

In the 2021 Periodic Tariff Adjustment - RTP, the reduction amount was R$70.2 million.
For the next tariff processes, the Agency will evaluate the possibility of maintaining the deferral or the full consideration of the value. The remaining balance remains as a regulatory contingency, and the restated balance as of June 30, 2022 is R$152.1 million.

2.1.2. Celesc Geração S.A. – Celesc G
On September 29, 2006, Celesc G, a privately held corporation, was created, as authorized by State Law No. 13,570/2005, as a result of the process of unbundling the electricity sector.

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

2.1.2.1. Generation Park

On June 30, 2022, Celesc G has its own generating site with 12 plants: 6 hydroelectric plants (HPPs), 5 hydroelectric generating plants (HGPs) and 1 small hydroelectric plant (SHP).

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

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

All plants in the own generating park and in partnership participate in the Energy Reallocation Mechanism - MRE, a hydrological risk sharing system in which the participating plants transfer the energy generated in excess of their physical guarantee to the plants that generated below.

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

2.1.2.2. Company’s Generation Park – 100% Celesc G

Plants	Location	Final Concession Term	Installed Capacity (MW)	Physical Guarantee (MW)	Physical Guarantee in Shares
Pery HPP	Curitibanos/SC	07/07/2054*	30.00	14.08	100%
Palmeiras HPP	Rio dos Cedros/SC	06/11/2053*	24.60	16.70	70%
Bracinho HPP	Schroeder/SC	06/11/2053*	15.00	8.80	70%
Garcia HPP	Angelina/SC	03/01/2053*	8.92	7.10	70%
Cedros HPP	Rio dos Cedros/SC	06/11/2053*	8.40	6.75	70%
Salto Weissbach HPP	Blumenau/SC	05/11/2053*	6.28	3.99	70%
Celso Ramos SHP	Faxinal dos Guedes/SC	31/05/2039*	13.92	6.77	(***)
Caveiras HGP	Lages/SC	(**)	3.83	2.77	(***)
Ivo Silveira HGP	Campos Novos/SC	(**)	2.60	2.03	(***)
Rio do Peixe HGP	Videira/SC	(**)	0.52	0.50	(***)
Piraí HGP	Joinville/SC	(**)	0.78	0.45	(***)
São Lourenço HGP	Mafra/SC	(**)	0.42	0.22	(***)
Total			**115.27**	**70.16**	

(*) Plants that adhered to the hydrological risk renegotiation according to REN ANEEL nº 895/2020 and received a 7-year extension to the concession period, except Celso Ramos, who received a 4.2-year extension of the concession.
(**) Plants with a power of less than 5 MW are exempt from the concession act (Federal Law No. 13,360/2016)
(***) Does not apply.

2.1.2.3. Generation Park with Minority Interest

Plants	Location	Final Concession Term	Installed Capacity (MW)	Physical Guarantee (MW)	Celesc G Interest	Pot Equiv. Inst. (MW)	Equiv. of Physical Warranty (MW)
Rondinha SHP	Passos Maia/SC	September 6, 2041	9.60	5.48	32.5%	3.12	1.78
Silver CGH (CRF)***	Bandeirante/SC	(**)	3.00	1.68	26.07%	0.78	0.44
CGH Belmonte (CRF)***	Belmonte/SC	(**)	3.60	1.84	26.07%	0.94	0.48
Bandeirante CGH (CRF)***	Bandeirante/SC	(**)	3.00	1.76	26.07%	0.78	0.46
Xavantina SHP	Xanxerê/SC	April 7, 2040	6.08	3.54	40.0%	2.43	1.42
Garça Branca SHP	Anchieta/SC	March 13, 2043	6.50	3.44	49.0%	3.19	1.69
Total			**31.78**	**17.74**		**11.24**	**6.27**

(*) Plant that adhered to the hydrological risk renegotiation according to REN ANEEL nº 895/2020 and received an extension of 336 days to the concession period.
(**) Power plants with a power equal to or less than 5 MW are exempt from the concession act (Federal Law No. 13,360/2016).
(***) The Rio das Flores Energy Complex – CRF, is formed by the Prata, Belmonte and Bandeirante CGHs.

2.1.2.4. Company's Generation Park - Expansion Project

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

Plants	Location	Final Concession Term	Installed Power (MW)	Power Increase (MW)	Pot Final (MW)	forecast Int. Operation	Status
Salto Weissbach HPP	Blumenau/SC	November 7, 2046	6.28	23.00	29.28	(**)	Environmental Licensing
UHE Cedros Stages 1 and 2	Rio dos Cedros/SC	November 7, 2046	8.40	4.50	12.90	(**)	Basic Design Review
Palmeiras HPP	Rio dos Cedros/SC	November 7, 2046	24.60	0.75	25.35	(**)	Basic Design Review
Maruim HGP	São José/SC	(*)	0.00	1.00	1.00	2022	Pending Bidding Process
Caveiras HGP	Lages/SC	(*)	3.83	5.57	9.40	(**)	Environmental Licensing
Total			**43.11**	**34.82**	**77.93**		

(*) Plants with a power of less than 5 MW are exempt from the concession act.
(**) Depends on regulatory, environmental and construction procedures.

Seeking to diversify its activities in renewable sources, as one of the guidelines of its Master Plan, in 2022, the Company started to operate new businesses 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, in view of the segment's growth prospects.

The Distributed Generation Business Plan, approved by the company in December 2021, provides for the implementation of 6 MW in photovoltaic solar projects in the year 2022, to be installed in the concession area of the Celesc Group distributor.

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.

2.1.2.5. EDP Transmissão Aliança SC

Celesc G has an equity interest in an electric power transmission project, containing five sections of 230 and 525kV transmission lines and a 525/230kV substation, as shown in the table below:

enterprise	Location	Final Concession Term	Transformation Capacity (MVA)	Transmission Lines (km)	Celesc G Interest
EDP – Transmissão Aliança SC	SC	August 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.

EDP Aliança SC is a partnership between Celesc G (10%) and EDP Energias do Brasil (90%), formed from the success of the Transmission Auction nº 05/2016 held in April 2017.

2.1.2.6. Regulatory Environment

a) Extension of the UHE Pery Concession

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

As part of the hydrological risk renegotiation, enacted by Law No. 14,052, of September 8, 2020, UHE Pery received a seven-year extension of the concession to the current term.

However, during the approval of the Annual Revenue Generation (ARG) in 2018, 2019 and 2020, ANEEL opted for readjusting the Improvement Cost of the Generation Asset Management – Improvement of the GAM, without defining the remuneration of investments in unamortized, undepreciated and non-indemnified reversible assets, pursuant to article 15 of Law 12,783/2013, and article 3 of MME Ordinance 257, of July 5, 2017.

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

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

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

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

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

As for the Improvement of the GAM, we considered a regulatory investment of R$19.1 million, with price index of July 2017 and annualization factor of 0.0498641, to be applied in the calculation for inclusion in the Pery HPP's Annual Revenue Generation.

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

Therefore, in the 2021 tariff process, the amount of compensation was included in the RAG (cycle 2021/2022), retroactively, being distributed as follows: Annual Generation Revenue (RAG) from indemnity 21/22 - R$53.9 million (R$37.1 million from Indemnity and GAG updated until July 2021 and R$16.6 million from the Tariff Cycle).

According to Technical Note No. 55/2021, of June 28, 2021, issued by ANEEL, the indemnity amount and accumulated depreciation rates of the Generating Units - GU of UHE Pery are summarized in the table below:

GU	Indemnifiable Amount (R$ thousand)	VNR without JDC* (R$ thousand)	No depreciated	Accumulated Amortization	Indemnifiable Amount (R$ thousand) Reference date: July 2017
GU01-03(**)	2,880.03	30,816.65	9.35%	90.65%	2,893.28
UG04-05	111,091.41	125,599.11	88.45%	11.55%	111,602.44
Total	**113,971.44**	**156,415.76**	**72.86%**	**27.14%**	**114,495.72**

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

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

b) Generation Scaling Factor Adjustment Factor - GSF

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

Since August 2015, Celesc G had a preliminary injunction obliging the CCEE to limit the reduction of physical guarantees of its plants exposed to hydrological risk, based on the GSF's incidence, in the maximum percentage of 5%, forbidding any collection or apportionment arising from the GSF's Adjustment or other related lawsuits.

On September 9, 2020, Law No. 14,052 was published, which established new conditions for the renegotiation of the hydrological risk of electricity generation (GSF), establishing compensation for the hydroelectric plants participating in the MRE that were impacted, by extending the term of grant. The legal amendment aimed at compensating the holders of hydroelectric plants participating in the MRE for non-hydrological risks.

On August 3, 2021, ANEEL Ratifying Resolution No. 2,919 was published, which ratifies the extension period of the granting of the hydroelectric plants participating in the MRE, among which, 7 plants of Celesc G. Said decision was ratified in the Authorizing Resolution No. 11,998/2022.

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

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

- The Garcia, Bracinho, Cedros, Palmeiras and Salto HPPs: each concession was extended for another 7 years (2,555 days). All the plant's physical guarantee related to the previous concession term (as of January 2013), including the physical guarantee of 30% related to the term of each new concession until December 2020, is considered eligible for the calculation (a physical guarantee of 70% is allocated to quotas, and therefore, the hydrological risk is taken by the consumer);

- Celso Ramos HPP: concession extended for another 4 years and 2 months (1,531) days. All the plant's physical guarantee related to the current concession term (from January 2013 to December 2020) is considered eligible for the calculation;

- Pery HPP: concession extended for another 7 years (2,555 days). All the plant's physical guarantee related to the previous concession term (from January 2013 to July 2017) is considered eligible for the calculation. In the current concession, the full physical guarantee is allocated to quotas, and therefore, the hydrological risk is taken by the consumer;

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

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

On the other hand, Celesc G will maintain the existing preliminary injunctions against the Ivo Silveira, the São Lourenço, the Piraí, the Rio do Peixe and the Caveiras HGPs, since ANEEL has not yet presented a renegotiation proposal to these plants.

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

The extension of the concession period by the granting authority has the criteria indicated by CPC 04 (R1) – Intangible Assets for the recognition of this asset. The asset of R$45.9 million was recognized at fair value in the group of intangibles, after approval by the Board of Directors, on September 23, 2021, and will be amortized on a straight-line basis until the end of the new concession term of each renegotiated plant. . The corresponding entry was recorded as recovery of costs in the Short-Term Electricity Costs item.

c) Salto Weissbach HPP

In 2018, ANEEL approved, through Order No. 1,117, of May 21, 2018, the basic project for the expansion of HPP Salto Weissbach, located in the municipality of Blumenau/SC. The expansion project provides for the construction of a new pipeline circuit in parallel with the existing one, with a pipeline, water intake and power house with two generating units of 11.5 MW each, adding up to 23 MW of installed power. at the Plant, rising to 29.28 MW.

In 2019, Celesc G filed the request to obtain the Environmental Installation License - LAI with the Santa Catarina Environment Institute - IMA, culminating in the issuance of LAI No. 3454/2022 on June 23, 2022.

With the issuance of the LAI, the process returns for technical and economic analysis by the Energy Research Company - EPE, which will then be forwarded to ANEEL to calculate the remuneration of this project, so that the Company can refer to the stages of financial feasibility, bidding and construction. The energy resulting from the expansion of the Salto Weissbach Plant will be entirely dedicated to the quota system.

d) CGH Skulls

In 2018, Celesc G filed a request with ANEEL to carry out inventory studies for the stretch of the river where CGH Caveiras is installed, with a view to promoting the expansion of its installed capacity. In the same year, through Order No. 3005/2018, it granted the inventory record to Celesc G, for a period of 630 days, counted from its publication.

On September 28, 2020, through Order No. 2,752, ANEEL approved the revision of the Caveiras River Inventory Studies and granted Celesc G the right of first refusal regarding the hydroelectric use.

On December 17, 2020, ANEEL issued Order No. 3,592, which granted Celesc G the Order for the Registration of Intent to Grant Authorization - DRI PCH. Thus, during 2021, a company was hired to carry out the consolidation of the Basic Expansion Project, and in early 2022 it was forwarded to ANEEL.

On April 28, 2022, through Order No. 1,102, ANEEL decided to register the compatibility of the Executive Summary with the Hydroelectric Inventory Studies and with the use of hydraulic potential through the issuance of an Executive Summary Suitability Registration Order - DRS-PCH of PCH Caveiras, with 9,400 kW of Installed Power.

With the approval of the Basic Expansion Project, Celesc G started the environmental licensing process with the IMA. Subsequently, the stages of obtaining the grant from ANEEL, preparing and approving the Business Plan, so that the project can be tendered and built.

e) CGH Maruim

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

In 2018, Celesc G promoted the review and consolidation of the basic project, and this new configuration provides for an installed capacity of 1 MW, using the existing powerhouse, listed as a historical heritage since 2005.

In 2021, Celesc G obtained the Environmental Installation License from IMA and with the approval of the Business Plan, it proceeded with the bidding stages for contracting the works. However, the macroeconomic scenario resulted in a strong variation in associated prices, leading to the need to adapt the public notices. Thus, in the second quarter of 2022, the Company approved the revision of the Business Plan and proceeded with the execution of new bidding processes for contracting the works.

In the same quarter, in June 2022, ANEEL held the New Energy Auction No. 003/2022, called Auction A-4. Celesc was successful in the commercialization of energy from CGH Maruim, whose energy should be delivered from 2026.

f) EDP Transmissão Aliança SC S.A.

EDP Transmissão Aliança SC, a company formed by EDP – Energias do Brasil, with a 90.00% share, and Celesc G, with a 10.00% share, won the dispute for lot 21 of ANEEL Auction No. , referring to the Bidding for the Concession of Public Electricity Transmission Service.

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

* CS: Simple circuit / CD: Double Circuit

The installations aim to expand the system in the southern region and plateau of the State of Santa Catarina and will also allow Celesc to connect its distribution system to the new structure, in order to bring direct benefits to critical regions in the State's energy system.

Nevertheless, the implementation of reinforcements and improvements in transmission facilities is an obligation of the transmission service concessionaires and is provided for in the Concession Agreement No. and ANEEL.

In this sense, on January 10, 2019, ANEEL sent EDP Transmissão Alliance SC S.A. Official Letter No. 011/2019, informing that the 2018 Electric Power Transmission Grant Plan 2018 - POTEE 2018, issued by the Ministry of Mines and Energy - MME, includes the installation of the third 525/230 kV, 3 X 224 MVA single-phase autotransformer in the SE Siderópolis 2, with a need date in December 2022, whose implementation is the responsibility of EDP Transmissão Aliança SC S.A. Through Technical Note No. 501/2019, ANEEL authorized the implementation of the reinforcement in 2019. In view of this, the SPE decided to expand the scope of the current contract for the construction of the Siderópolis SE (original project), immediately starting the implementation of the reinforcement simultaneously with the SE, minimizing the environmental and land impacts and mitigating the risks of the work performed.

In June 2021, the necessary steps were completed for the energization and integration of the stretches located on the Santa Catarina coast to the National Interconnected System. In this first stage, 180 km of transmission lines with voltage levels of 230 and 525 kV and the important substation Siderópolis 2 with voltage 525/230kV were concluded. The stretch was delivered 14 months earlier in relation to ANEEL's calendar, partially anticipating revenues.

In February 2022, six months ahead of the regulatory schedule, the remaining stages were completed, corresponding to the stretch between the coast and the Santa Catarina mountains. As a result, the project was fully authorized for commercial operation. With the start of operations, the SPE starts to receive RAP of R$208.0 million, resulting in anticipated revenue of R$143.1 million.

g) Readjustment of Annual Revenue from Generation - RAG 2021

On July 20, 2021, ANEEL, through Ratifying Resolution No. 2,902, ratified the RAGs of hydroelectric plants under quota regime for the 2021/2022 cycle. The new Annual Revenue Generation will be effective from July 1st, 2021 to June 30, 2022.

The monthly RAG established for the plants owned by Celesc G are:

Plants	Annual Revenue (R$/thousand) 2021/2022 Cycle	Monthly Revenue (R$/thousand) 2021/2022 Cycle
Pery HPP	61,607	5,134
Garcia HPP	11,721	977
Bracinho HPP	14,849	1,237
Cedros HPP	10,447	871
Palmeiras HPP	23,006	1,917
SALTO HPP	7,542	628

h) Dam Safety Plan - PSB and Emergency Action Plan - PAE

The PSB presents the conditions, characteristics and operational rules of each dam. The PAE provides strategies in emergency situations. In 2017, Celesc G concluded the PSBs and PAEs of the plants and sent them to the regulatory body and related entities.

In 2021, the preparation of the RPS - Periodic Safety Review was contracted, with delivery for 2022, in which the PSB/PAE will be fully revised, with hydrological data updated, new "dam break" studies, computer simulation of the affected areas and dissemination of results to the civil defense bodies involved. According to ANEEL Resolution No. 695/2015, Celesc G has until the end of 2022 to deliver the revisions.

Celesc
Centrais Elétricas de Santa Catarina S.A.

2.2. Other Participations

Investments	Classification	Description	Recognition
Companhia de Gás de Santa Catarina S.A. – SCGÁS	controlled in Set	A mixed-capital company, created on February 25, 1994, it has the concession for the exploration of natural gas distribution services in 100% of the territory of Santa Catarina and its channeled gas distribution concession contract, signed on March 28, 1994, is valid for 50 years (2044). Celesc holds 51.0% of the common shares, and 17% of the company's total capital stock.	Equity Pickup
Empresa Catarinense de Transmissão de Energia S.A. – ECTE	affiliate	Established in August 2000, with the specific purpose of integrating the electricity transmission system in the state of Santa Catarina, with the exploration of electricity transmission lines in the eastern and coastal regions of Santa Catarina, the company is the concessionaire of the line transmission line SE Campos Novos/SC – SE Blumenau/SC C2, 252.5 km long. It is the second project in operation under the new modality designed for the new cycle of the electricity industry. After winning Lot D of Auction 006/2011, in December 2011, ECTE formed its subsidiary ETSE - Empresa de Transmissão Serrana S.A., which covers the concession of SE Abdon Batista (525/230 kV) and SE Gaspar (230/138 kV), both located in the state of Santa Catarina, in order to integrate the power generation plants with the SIN, enable access to Celesc's distribution system, and meet the increased power supply demand in the region of Vale do Itajaí. The affiliate ECTE has an electricity transmission concession contract No. 088/2000, dated November 1, 2000, with a term of 30 years. For its subsidiary ETSE, the electric power transmission concession contract nº 006/2012, of May 10, 2012, has a term of 30 years. Celesc holds 30.88% of the company's total share capital.	Equity Pickup
Dona Francisca Energética S.A – DFESA	affiliate	An independent electric energy producer, DFESA holds an 85% interest in the Dona Francisca Hydroelectric Power Plant, built on the Jacuí River, in Rio Grande do Sul. The plant has an installed capacity of 125 MW and assured energy of 80 MW. The venture opened in May 2001. DFESA holds the Concession Agreement No. 188/98 dated August 28, 1998. In 2021, the term of the concession increased from 35 to 39 years from the date of signature of the contract. The extension was granted after the adhesion to Law No. 14.052/2020. Celesc holds 23.03% of the company's share capital.	Equity Pickup
Catarinense Water and Sanitation Company – Casan	Temporary Investment	Publicly-held mixed-capital company, controlled by the Government of the State of Santa Catarina, Casan's role is to coordinate the planning and execute, operate and explore public sanitation and drinking water supply services, as well as carry out basic sanitation works. , in agreement with municipalities in the State of Santa Catarina. Celesc holds 12.97% of the company's total capital stock.	Fair Value Through Other Comprehensive Income -VJORA.
Usina Hidrelétrica Cubatão S.A.	N/A	Specific Purpose Company – SPE, established in 1996, to implement the Cubatão Hydroelectric Power Plant, in Joinville/SC. With a history of environmental obstacles, denial of the request for postponement of the concession period and consequent economic unfeasibility for the development of the project, the enterprise asked ANEEL for the amicable termination of Concession Agreement No. 04/1996 (ANEEL Process No. 48100.003800/1995-89). By means of Ordinance No. 310, of July 27, 2018, the Ministry of Mines and Energy - MME decided to terminate the concession and also recognizes that there are no reversible assets linked to the concession, nor any burden of any nature to the Granting Authority or ANEEL . Celesc owns 40% of the share capital of the company, Inepar S.A. 40%, and Statkraft Energias Renováveis S.A. 20%. The investment in said Plant is fully provisioned as a devaluation in equity interest. The SPE has been dealing with the corporate aspects for its dissolution.	N/A

3. PREPARATION BASIS

The bases of preparations applied in this Interim, Individual and Consolidated Financial Information are described below:

3.1. Conformity declaration

The Interim Financial Information was prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Statements and in accordance with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and must be read in conjunction with the last consolidated Annual Financial Statements of the Group, for the year ended December 31, 2021, previously disclosed. The rules issued by the Securities and Exchange Commission – CVM also apply to the preparation.

The issuance of the Interim Accounting Information was authorized by the Board of Directors on August 4, 2022.

3.2. Functional Currency and Presentation Currency

The Interim Financial Information is presented in reais, which is the functional currency, and all amounts are rounded to thousands of reais, unless otherwise indicated.

3.3. Critical Accounting Estimates and Judgments

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

Estimates and assumptions may cause material adjustments to equity values and income for the next periods, impacting the following measurements:

a) Fair Value of Financial Instruments (Note 5.4);
b) Estimated Losses on Doubtful Accounts – PECLD (Note 9.2);
c) Financial Assets – Grant Bonus (Note 13.2);
d) Indemnifiable Financial Asset – Celesc G (Pery Usina Basic Project) (Note 14.3);
e) Realization of Deferred IRPJ and CSLL (Note 17);
f) Impairment of Non-Financial Assets (Notes 18 and 19);
g) Depreciation (Note 19.2); and
h) Amortization of Indemnifiable Assets - Concession - Celesc D (Note 20).
i) Intangible Assets – Celesc G (Extension of the concession term of the renegotiated plants) (Note 20).
j) Contingencies (Note 27);
k) Actuarial Liabilities – CPC 33 (Note 28);
l) Unbilled Revenue – Celesc D (Note 9 and 32.1).

4. ACCOUNTING POLICIES

The basis of preparation and accounting policies are the same used in the preparation of the Annual Financial Statements for the year ended December 31, 2021, contemplating the adoption of accounting pronouncements in effect as of January 1, 2022.

4.1. Measurement Base

The Individual and Consolidated Interim Financial Information was prepared based on the historical cost, with the exception of financial assets measured at Fair Value through Other Comprehensive Income – VJORA and at Fair Value through Income – VJR, recognized in the Balance Sheet.

4.2. Accounting Policies, Change of Estimate and Error Rectification

Technical pronouncement CPC 23 (IAS 8), which deals with accounting policies, changes in estimates and correction of errors, establishes that inaccuracies may occur in the recording, measurement, presentation or disclosure of elements of the financial statements. It also establishes that the entity must correct material errors from prior periods retrospectively in the first set of financial statements, whose authorization for publication occurs after the discovery of such errors, defining as one of the alternatives the restatement of comparative amounts for the previous period presented. where the error occurred.

4.2.1. Restatement of the Comparative Figures of the Value Added Statement

The Company continually reviews the way in which its financial statements are presented and disclosed, aiming at their construction in an appropriate manner and in accordance with the applicable regulations in force. In a more careful analysis, specifically for the preparation of the Statement of Added Value, based on technical pronouncement CPC 09, inadequate classifications were observed between the items, especially in the disclosure of tax credits on inputs purchased from third parties, social charges, among others. Although such inadequacies do not cause changes and losses to the statements of equity and income, it was deemed prudent to make corrections to this disclosure and, for purposes of comparability, reclassifications were carried out in the corresponding amounts for the period ended June 30, 2021.

The effects of these restatements are shown below:

Description	Parent Company June 30, 2021	reclassification	June 30, 2021 (Re-introduced)	Consolidated June 30, 2021	reclassification	June 30, 2021 (Re-introduced)
Revenue	-	-	-	7,718,224	12,016	7,730,240
Sales of Goods, Products and Services	-	-	-	7,373,874	(10,419)	7,363,455
Other Revenues	-	-	-	95,508	22,435	117,943
Revenues from Construction of Company Assets	-	-	-	277,327	-	277,327
Provision/Reversal Doubtful Accounts	-	-	-	(28,485)	-	(28,485)
Inputs Acquired from Third Parties	(2,577)	-	(2,577)	(4,171,413)	(416,792)	(4,588,205)
Costs Products, Goods and Services Sold	-	-	-	(3,757,908)	(299,831)	(4,057,739)
Materials, Energy, Third Party Services and Others	(2,577)	-	(2,577)	(136,178)	(116,961)	(253,139)
Other	-	-	-	(277,327)	-	(277,327)
Own Asset Construction Costs	-	-	-	(277,327)	-	(277,327)
Gross Value Added	(2,577)	-	(2,577)	3,546,811	(404,776)	3,142,035
Retentions	(987)	-	(987)	(125,320)	-	(125,320)
Depreciation, Amortization, and Depletion	(987)	-	(987)	(125,320)	-	(125,320)
Net Value Added Produced	(3,564)	-	(3,564)	3,421,491	(404,776)	3,016,715
Added Value Received in Transfer	308,272	33	308,305	162,814	5,792	168,606
Equity Pickup	303,268	-	303,268	31,880	-	31,880
Financial Income	5,004	(4,291)	713	130,934	1,344	132,278
Other	-	4,324	4,324	-	4,448	4,448
Total Value Added to Distribute	**304,708**	**33**	**304,741**	**3,584,305**	**(398,984)**	**3,185,321**
Distribution of Value Added	**304,708**	**33**	**304,741**	**3,584,305**	**(398,984)**	**3,185,321**
Personnel	8,621	(590)	8,031	292,211	(43,160)	249,051
Direct Compensation	8,021	(394)	7,627	231,788	(38,704)	193,084
Benefits	425	(196)	229	47,688	(4,553)	43,135
Guarantee Fund for Length of Service (FGTS)	175	-	175	12,735	97	12,832
Taxes, Fees, and Contributions	(3,388)	623	(2,765)	2,886,637	(350,342)	2,536,295
Federal	(3,396)	631	(2,765)	1,572,059	(348,157)	1,223,902
State	5	(5)	-	1,309,937	373	1,310,310
Municipal	3	(3)	-	4,641	(2,558)	2,083
Return on Third-Party Capital	169	-	169	106,151	(5,482)	100,669
Interest	-	47	47	2,679	88,816	91,495
Rental	122	-	122	9,123	51	9,174
Other	47	(47)	-	94,349	(94,349)	-
Monetary and Exchange Variations	-	-	-	8,526	(8,526)	-
Other Financing Expenses	47	(47)	-	85,823	(85,823)	-
Return on Equity	299,306	-	299,306	299,306	-	299,306
Dividends	71,076	-	71,076	71,076	-	71,076
Retained Earnings/Accumulated Losses for the Period	228,230	-	228,230	228,230	-	228,230

4.3. New Standards and Interpretations

The following amendments to standards were issued by the IASB, but are not effective for the 2022 fiscal year. Early adoption of standards, although encouraged by the IASB, is not permitted by the Accounting Pronouncements Committee (CPC) in Brazil.

Standard	Corresponding CPC	change	Application
IFRS 17	CPC 50	Insurance contracts.	January 1, 2023

The standards shown do not have a significant impact on the Company's Interim Financial Information. In addition, there are no other IFRS standards or IFRIC interpretations, yet to come into force, that could have this impact, and are not even mentioned.

5. RISK MANAGEMENT

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

The Group's Financial, Operational, Compliance and Strategic Risk classes, and their categories, have not been updated in relation to the policies disclosed in the Consolidated Annual Financial Statements as of December 31, 2021.

5.1. Financial Risk Class

5.1.1. Liquidity Category

a) Cash Flow

Risk of low financial liquidity, whether due to low collection, impossibility of funding, default, excess expenses and/or investments, to meet financial commitments and the business strategy.
The amounts disclosed in the table are the undiscounted contracted cash flows as of June 30, 2022.

Consolidated

Description	Rates %	Less than a month	from one to three months	From three months to a year	Between one and five years	over five years	Total
Accounts Receivable (net of PECLD)		1,673,716	60,980	50,698	20,734	390	**1,806,518**
Cash and Cash Equivalents		1,272,254	-	-	-	-	**1,272,254**
Court Deposits		-	-	-	344,618	-	**344,618**
CDE Subsidy (Decree 7.891/2013)		49,231	-	-	-	-	**49,231**
Financial Asset - CVA	SELIC	-	-	-	17,534	-	**17,534**
Financial Asset - Grant Grant	IPCA	3,524	6,982	30,811	160,318	326,638	**528,273**
Financial Asset – Ind. Pery Plant Basic Project	IPCA	1,541	3,055	13,508	70,940	150,722	**239,766**
Total Assets		**3,000,266**	**71,017**	**95,017**	**614,144**	**477,750**	**4,258,194**

Consolidated

Description	Rates %	Less than a month	from one to three months	From three months to a year	Between one and five years	over five years	Total
Banking Loans - CDI	CDI + 0.8% to 1.65% p.a.	24,774	-	94,770	621,202	-	**740,746**
Electricity Development Account – CDE		19,473	-	-	-	-	**19,473**
Eletrobras	5% p.a.	75	146	667	1,889	-	**2,777**
Finame	2.5% to 9.5% p.a.	362	601	2,231	1,324	-	**4,518**
Debentures – Celesc D	CDI + 1.9% to 2.6% p.a.	19,027	-	183,506	512,771	-	**715,304**
Debentures – Celesc G	CDI + 2.5% p.a.	-	9,152	26,669	-	-	**35,821**
Debentures – Celesc G	IPCA + 4.3% p.a.	-	(62)	-	27,225	28,747	**55,910**
Suppliers		566,860	311,988	2,052	-	-	**880,900**
Financial Liabilities - CVA	SELIC	542	1,090	5,074	-	-	**6,706**
Mathematical Reserve to be Amortized	IPCA + 6% p.a.	19,412	18,194	86,140	219,169	-	**342,915**
IDB	CDI + 0.77% to 1.98% p.a.	-	31,252	-	247,686	1,460,039	**1,738,977**
Total Liabilities		**650,525**	**372,361**	**401,109**	**1,631,266**	**1,488,786**	**4,544,047**

5.2. Sensitivity Analysis

The table below shows the sensitivity analysis of financial instruments, which describes the interest rate risks that may generate material effects for the Company, with the most likely scenario (scenario I) according to an assessment carried out by Management, considering a horizon three months, when the next financial information containing such analysis should be released.

Additionally, two other scenarios are shown in order to present 25% and 50% deterioration in the risk variable considered, respectively (scenarios II and III). The amounts are presented in absolute terms rather than in relation to the probable scenario presented.

The sensitivity analysis presented considers changes in relation to a given risk, keeping all other variables, associated with other risks, constant, with balances as of June 30, 2022:

Consolidated

Assumptions	Effects of the Accounts on the Result	NE no.	Balance	(Scenario I)	(Scenario II)	(Scenario III)
CDI				**13.66%**	**17.08%**	**20.49%**
	Financial Investments	8	1,232,228	168,322	210,465	252,484
	Loans	22	(1,830,721)	(250,076)	(312,687)	(375,115)
	Debentures	23.5	(683,081)	(93,309)	(116,670)	(139,963)
Selic				**12.33%**	**15.41%**	**18.50%**
	CVA - Active	13.1	13,111	1,617	2,020	2,426
	CVA - Passive	13.1	(6,477)	(799)	(998)	(1,198)
IPCA				**11.89%**	**14.86%**	**17.84%**
	Indemnifiable Financial Assets - Concession	14	474,534	56,422	70,516	84,657
	Debentures	23	(42,264)	(5,025)	(6,281)	(7,538)
	Financial Assets – Concession Bonus	13.2	347,282	41,292	51,606	61,955
	Financial Asset – Ind. Pery Plant Basic Project	14.3	157,026	18,670	2,775	495
	Mathematical Reserve to be Amortized	28	(299,341)	(35,592)	(44,482)	(53,402)

5.3. Capital Management

The objectives when managing its capital are to safeguard the Company's ability to continue as a going concern to offer returns to shareholders and benefits to other stakeholders, in addition to maintaining an ideal capital structure to reduce this cost.

In order to maintain or adjust the capital structure, the Company may review the dividend payment policy, returning capital to shareholders or even issue new shares or sell assets to reduce, for example, the level of indebtedness.
In line with other companies in the sector, the Company monitors capital based on the financial leverage ratio. This ratio corresponds to net debt divided by total capital.

Net debt, in turn, corresponds to total loans and financing, including short-term and long-term loans and debentures, less cash and cash equivalents. Total capital is calculated by adding net equity to net debt.

The following table presents the Financial Leverage Ratio:

			Consolidated
Description	**NE no.**	**June 30, 2022**	**December 31, 2021**
Loans and Financing – National Currency	22	674,699	103,222
Loans and Financing - Foreign Currency	22	1,162,942	1,150,078
Debentures	23.5	725,345	768,665
(-) Cash and Cash Equivalents	8	(1,272,254)	(844,088)
Net Debt		**1,290,732**	**1,177,877**
Total Shareholders' Equity		**2,899,181**	**2,621,369**
Total Capital		**4,189,913**	**3,799,246**
Financial Leverage Ratio (%)		**30.81%**	**31.00%**

5.4. Fair Value Estimate

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

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

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

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

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

Inputs for assets or liabilities that are not based on data adopted by the market, ie, unobservable inputs (Level 3).

The following table presents the Group's assets measured at fair value as of June 30, 2022. The Company does not have liabilities measured at fair value on that base date.

			Consolidated
Description - Level 3	**NE no.**	**June 30, 2022**	**December 31, 2021**
Fair Value through Other Results Comprehensive – VJORA			
Marketable Securities	15	130,648	137,261
Other	-	217	217
Fair Value through Profit and Loss - VJR			
Indemnifiable Asset - Concession	14	922,347	757,193
Total Assets		**1,053,212**	**894,671**

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

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

Assets accounted for as Bonds and Securities, valued by VJORA, other techniques were used, such as discounted flow analysis. The cost approach was applied to the others account.

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

6. FINANCIAL INSTRUMENTS BY CATEGORY

The following table presents the financial instruments by category as of June 30, 2022.

Consolidated

Description	Cost Amortized	Fair Value per Middle of Result	Fair Value through Other Comprehensive Results	Total
Assets	**3,990,040**	**922,347**	**130,865**	**5,043,252**
Cash and Cash Equivalents	1,272,254	-	-	1,272,254
Trade Receivables	1,806,518	-	-	1,806,518
Court Deposits	344,618	-	-	344,618
CDE - Subsidy Decree 7,891/2013	49,231	-	-	49,231
Marketable Securities	-	-	130,648	130,648
Indemnifiable Financial Assets - Concession	-	922,347	-	922,347
Financial Asset - CVA	13,111	-	-	13,111
Financial Assets – Concession Bonus	347,282	-	-	347,282
Financial Asset - Indemnification of the Pery Plant Basic Project	157,026	-	-	157,026
Other	-	-	217	217

Description	Cost Amortized	Fair Value per Middle of Result	Fair Value through Other Comprehensive Results	Total
Liabilities	**3,764,983**	**19,473**	**-**	**3,784,456**
Suppliers	880,900	-	-	880,900
celos	15,279	-	-	15,279
National Currency Loans	674,699	-	-	674,699
Foreign Currency Loan	1,162,942	-	-	1,162,942
Debentures	725,345	-	-	725,345
Mathematical Reserve to be Amortized	299,341	-	-	299,341
Sector Charges - CDE	-	19,473	-	19,473
Financial Liabilities - CVA	6,477	-	-	6,477

The following table presents the financial instruments by category as of December 31, 2021.

Consolidated

Description	Cost Amortized	Fair Value per Middle of Result	Fair Value through Other Comprehensive Results	Total
Assets	**4,147,196**	**757,193**	**137,478**	**5,041,867**
Cash and Cash Equivalents	844,088	-	-	844,088
Trade Receivables	1,958,223	-	-	1,958,223
Court Deposits	329,106	-	-	329,106
CDE - Subsidy Decree 7,891/2013	49,231	-	-	49,231
Marketable Securities	-	-	137,261	137,261
Indemnifiable Financial Assets - Concession	-	757,193	-	757,193
Financial Asset - CVA	470,286	-	-	470,286
Financial Assets – Concession Bonus	329,349	-	-	329,349
Financial Asset - Indemnification of the Pery Plant Basic Project	166,913	-	-	166,913
Other	-	-	217	217

Description	Cost Amortized	Fair Value per Middle of Result	Fair Value through Other Comprehensive Results	Total
Liabilities	**3,488,851**	**19,472**	**-**	**3,508,323**
Suppliers	1,088,186	-	-	1,088,186
celos	5,142	-	-	5,142
National Currency Loans	103,222	-	-	103,222
Foreign Currency Loan	1,150,078	-	-	1,150,078
Debentures	768,665	-	-	768,665
Mathematical Reserve to be Amortized	333,732	-	-	333,732
Sector Charges - CDE	-	19,472	-	19,472
Financial Liabilities - CVA	39,826	-	-	39,826

7. CREDIT QUALITY OF FINANCIAL ASSETS

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

Consolidated

Trade Receivables	June 30, 2022	December 31, 2021
Group 1 - Customers with Collection on Maturity	915,667	978,851
Group 2 - Customers with an average delay between 01 and 90 days	768,570	845,281
Group 3 - Customers with an average delay of more than 90 days	448,915	795,833
Total	**2,133,152**	**2,619,965**

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All other financial assets that the Company maintains, mainly current accounts and financial investments, are considered to be of high quality and do not show signs of loss.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term commitments and not for other purposes.

	Parent Company		Consolidated	
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Bank and Cash Resources	5	34	40,026	37,409
Financial Investments	33,813	26,838	1,232,228	806,679
Total	**33,818**	**26,872**	**1,272,254**	**844,088**

Financial investments are highly liquid, readily convertible into a known amount of cash, and are not subject to significant risk of changes in value. These securities refer to repo operations and Bank Deposit Certificates – CDBs, remunerated on average at the rate of 96% of the Interbank Deposit Certificate – CDI variation.

9. TRADE RECEIVABLES

9.1. Consumers, Concessionaires and Licensees

					Consolidated
Description	**dues**	**overdue up to 90 days**	**Overdue for more than 90 days**	**June 30, 2022**	**December 31, 2021**
Consumers	**1,167,171**	**254,635**	**401,220**	**1,823,026**	**2,310,487**
Residential	298,496	160,810	198,853	658,159	710,998
Industrial	77,368	31,125	81,949	190,442	504,926
Business	132,961	49,325	107,012	289,298	369,224
Rural	39,395	12,625	9,917	61,937	86,643
Government	34,902	690	310	35,902	55,457
Public Lighting	17,653	8	3,164	20,825	43,683
Public Service	19,003	52	15	19,070	26,137
Non-Invoiced Supply	547,393	-	-	547,393	513,419
Supply to Other Dealers	**267,167**	**6,430**	**36,529**	**310,126**	**309,478**
Concessionaires and Licensees	229,114	2,761	2,268	234,143	243,021
Transactions within the scope of the CCEE	26,185	-	526	26,711	1,118
Other Receivables	-	3,669	33,735	37,404	52,493
Concessionaires and Licensees not Billed	11,868	-	-	11,868	12,846
Total	**1,434,338**	**261,065**	**437,749**	**2,133,152**	**2,619,965**
PECLD with Customers (b)				(326,634)	(661,742)
Total Trade Receivables, Net				**1,806,518**	**1,958,223**
Current				**1,785,394**	**1,931,011**
Noncurrent				**21,124**	**27,212**

9.2. Allowance for Doubtful Accounts - ADA

Estimated losses on amounts due are recognized as a result of significant increases in credit risk since initial recognition, assessed individually or collectively, considering all reasonable and sustainable information, including forward-looking information.

Celesc G, in addition to defaults generated by bilateral contracts, is subject to defaults occurring in the electricity market of the national interconnected system, which are managed and accounted for by CCEE, and are apportioned among market agents. The breakdown by consumption class is shown below:

		Consolidated
Consumers	**June 30, 2022**	**December 31, 2021**
Residential	132,963	121,104
Industrial	78,630	234,184
Textile (i)	-	114,614
Commerce, Services and Others	78,834	110,776
Rural	4,411	6,502
Government	223	10,711
Public Lighting	3,303	19,001
Public Service	20	225
Concessionaires and Licensees (ii)	853	2,459
Free Consumers	2,698	10,825
Other	24,699	31,341
Total	**326,634**	**661,742**
Current	**326,634**	**547,128**
Noncurrent	**-**	**114,614**

Below is a demonstration of the movement that took place in the last two years:

	Consolidated
Description	**Total**
Balance on December 31, 2021	**661,742**
Provision/Reversal Recorded in the Period	40,542
Write-offs of Accounts Receivable	(375,650)
Balance on June 30, 2022	**326,634**

Celesc D, as required by CPC 48/IFRS 9, uses the provisions matrix as a practical expedient to estimate its expected credit losses over the next twelve months, having been updated in December 2021.

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

aging (Months)	General	Residential	Industrial	Commercial	Rural	Government	Public Lighting	Public Service
0	77.29%	77.72%	79.74%	68.60%	77.15%	98.59%	85.05%	98.20%
1	16.23%	24.33%	11.38%	12.83%	14.98%	5.93%	1.20%	3.57%
3	1.63%	2.69%	0.64%	1.23%	1.87%	0.20%	0.42%	0.05%
6	0.83%	1.23%	0.46%	0.80%	0.72%	0.07%	0.42%	0.02%
12	0.65%	0.92%	0.46%	0.65%	0.37%	0.03%	0.42%	0.02%
18	0.60%	0.81%	0.45%	0.59%	0.27%	0.01%	0.42%	0.02%
24	0.56%	0.73%	0.45%	0.56%	0.22%	0.01%	0.42%	0.02%
36	0.51%	0.64%	0.45%	0.48%	0.17%	0.01%	0.42%	0.02%
48	0.48%	0.60%	0.45%	0.43%	0.14%	0.01%	0.42%	0.02%
60	0.43%	0.55%	0.42%	0.42%	0.13%	0.01%	0.42%	0.02%

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

In 2009, Celesc D carried out a debt recovery action plan for textile companies, including Têxtil Renaux View S.A, Tecelagem Kuehnrich – TEKA and Companhia Industrial Schlösser S.A.

Regarding the company Têxtil Renaux View S.A., the management of Celesc D, considering the default on the debt related to the installment agreement and due to the remote possibility of receiving it, constituted a provision for the total amount receivable in the amount of R$45.2 million , in 2013.

In 2012, TEKA filed a request for judicial reorganization before the Judicial District of Blumenau, Santa Catarina. The recovery plan was approved by the majority of creditors, although Celesc D voted not to approve it and thus the company's bankruptcy. Therefore, the probability of receiving the referred amount is remote in Management's assessment, and Celesc D set up a provision for the entire installment plan that TEKA has with Celesc D in the amount of R$55.8 million.

Also in 2011, Companhia Industrial Schlösser S.A. also entered into judicial recovery, being provisioned in 2012 the amount of R$16.9 million. Celesc D received, in 2017, related to judicial recovery, the amount of R$3.3 million, which amount was reversed from the provision.

Aiming to sanitize electric energy billing credits and maintain compliance with the matrix of estimated losses with doubtful debts (PECLD) and with the criteria of current tax legislation (Federal Decree 9580/2018 and Normative Instruction of the Federal Revenue Service of Brazil 1700/2017), which regulate the deduction of part of the amounts of losses in the IRPJ and CSLL calculation basis, the Company's Management approved, on June 7, 2022, the new rules for accounting entries for losses related to invoices overdue for more than 5 years, considering the possibility of successful collection as remote, even having started the collection process through administrative and/or judicial means.

The accounting entries for the definitive recognition of losses of credits previously provisioned must be limited to the write-off of the respective asset against the provision constituted, both in equity accounts, and must not be carried through the result.

In view of the reduction in PECLD, which the definitive loss entries caused, Celesc D's default indicators showed a significant improvement.

With the new rule, electricity billing credits accumulate a reduction of R$375.65 million in the year, of which R$114.6 million refer to the entry for losses of receivables from the textile sector.

Finally, it is worth remembering that the accounting entries in question do not imply closure of the collection process.

The following table shows the composition of balances by company:

	Consolidated
Description	**Total**
Têxtil Renaux View S.A.	45,215
Teka Tecelagem Kuehnrich S.A.	55,795
Companhia Industrial Schlösser S.A	13,604
	114,614
Write-offs of Accounts Receivable	(114,614)
Balance on June 30, 2022	-

(ii) Judicial Decision of the Generation Scaling Factor Adjustment Factor – GSF

On September 27, 2021, Celesc G communicated to CCEE the withdrawal of the existing lawsuit for UHE's Garcia, Bracinho, Cedros, Palmeiras, Salto, Pery and PCH Celso Ramos. The PECLD value of these plants was fully reversed until October 2021. Celesc G maintains the preliminary injunctions referring to the CGH's and awaits an outcome from ANEEL.

The amounts referring to the adjustments in Celesc G of the preliminary measures related to the CGH's, in the first half of 2022, regarding the GSF in the reports of the results of the short-term market accounting, issued by the CCEE, were in the amount of R$18.0 thousand. During the first half of 2022, R$491.0 thousand were reversed due to its receipt and the renegotiation of the hydrological risk, which took place in October 2021.

As of June 30, 2022, the balance of PECLD is R$526, referring to CGHs, for which Celesc G maintains the lawsuit (Note 2.1.2.6. – item c).

The movement in the period is shown in the table below:

	Consolidated
Description	**Total**
Balance on December 31, 2021	**999**
Provision Recorded in the Period	18
Reversal in the Period (Write-off in Accounts Receivable)	(491)
Balance on June 30, 2022	**526**

10. STOCKS

Inventories comprise materials intended for the maintenance of generation operations and, mainly, energy distribution, in addition to materials for administrative use.

		Consolidated
Description	**June 30, 2022**	**December 31, 2021**
Warehouse	19,545	13,500
Other	56	56
Total	**19,601**	**13,556**

11. TAXES TO RECOVER

		Parent Company		Consolidated
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
PIS/COFINS (Exclusion of ICMS Calculation Base)	-	-	1,136,079	1,497,090
IRPJ/CSLL	37,318	37,879	83,900	46,543
ICMS	-	-	47,632	48,223
PIS/COFINS	-	-	-	5
Other	-	-	981	1,022
Total	**37,318**	**37,879**	**1,268,592**	**1,592,883**
Current	**37,318**	**37,879**	**202,736**	**572,007**
Noncurrent	-	-	**1,065,856**	**1,020,876**

The IRPJ and CSLL balances consist substantially of amounts paid in advance and reductions at source for income tax on financial investments and will be realized in the normal course of operations.

ICMS credits to be recovered recorded in non-current assets arise from acquisitions of fixed assets and can be offset within 48 months.

11.1. Exclusion of ICMS from the PIS/COFINS calculation base

	Consolidated	
Description	June 30, 2022	December 31, 2021
PIS/COFINS (Exclusion ICMS Calculation Base) 1st action	91,820	498,392
PIS/COFINS (Exclusion of ICMS Calculation Base) 2nd action	1,044,259	998,698
Total	**1,136,079**	**1,497,090**
Current	**91,820**	**498,392**
Noncurrent	**1,044,259**	**998,698**

On April 1, 2019, Celesc D obtained the final and unappealable decision in a court proceeding, assessed under No. of the inclusion of ICMS in the calculation base, in the period between April 2007 and December 2014, as a result of the time limitation given in the decision resulting from the supervenience of Law No. 12,973/2014.

The credits were initially written down in accordance with the consultation solution of the Federal Revenue Service of Brazil - RFB No. 13/2018. After the judgment of the Motion for Clarification in the Extraordinary Appeal No. 574.706/PR, with general repercussion, by the Federal Supreme Court, which took place on May 13, 2021, the company supplemented the amount of the registered credit to adapt it to the exclusion methodology of ICMS detached from the PIS/COFINS base. In this sense, the amount of R$91.8 million is in the process of offsetting the taxes due and has a balance classified as current assets, this balance being calculated based on the projections of amounts to be offset in the next twelve months.

On July 9, 2019, Celesc D filed the 2nd lawsuit, assessed under No. The process became final on May 30, 2022, returning to the origin for the execution of the judgment. The action was upheld in the lower court, recognizing the concessionaire's right to exclude ICMS from the PIS and COFINS calculation basis as of January 1, 2015, a decision confirmed by the Federal Regional Court of the 4th Region when analyzing the Appeal filed by the Union - National Treasury. However, as a result of the modulation of the effects of the decision rendered in the leading case No. 574.706 - Topic 69 - there was, in a retraction court, the limitation of the right to repeat the undue payment from March 15, 2017, the date of the judgment on the merits of the Extraordinary Appeal No. 574,706 by the Federal Supreme Court.

As long as the 2nd action does not have the credit authorization issued by the RFB, an administrative requirement for the start of the offset, the respective amounts will remain recorded in non-current assets.

12. OTHER CURRENT AND NONCURRENT ASSETS

	Consolidated	
Description	June 30, 2022	December 31, 2021
PIS/COFINS and ICMS ST (i)	58,230	57,173
Infrastructure Sharing (ii)	33,300	29,479
Proinfa advance (iii)	28,591	28,591
CDE Refund Difference (iv)	1,397	20,765
Low Income Program	15,026	12,336
Expenses Paid in Advance	17,500	6,877
Account Flags	3,824	6,251
Intended for Alienation	2,155	3,032
Staff at your disposal	789	770
Other Credits (v)	6,000	4,822
Total	**166,812**	**170,096**
Current	**164,656**	**167,063**
Noncurrent	**2,156**	**3,033**

(i) PIS/COFINS and ICMS Tax Replacement (ST)

Amounts receivable from Free Consumers arising from the collection of taxes on electricity bills linked to Convenio/CONFAZ No. 77, of August 5, 2011.

(ii) Shared Infrastructure

It refers to the use of attachment points on Celesc D poles, carried out by third parties, for the provision of telecommunications services of collective interest, such as telephony, internet, cable TV and others.

(iii) Early Payment of the Incentive Program for Alternative Electricity Sources - PROINFA

Refers to the advance of the charge regulated by Decree 5025/2004, at Celesc D, which aims to increase the share of alternative renewable sources in the production of electricity.

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(iv) CDE Reimbursement Difference

Corresponds to the difference between the amounts granted for tariff discounts to consumer units of Celesc D and the amounts received from CEEE to offset the aforementioned discounts on tariffs applicable to: generators and consumers of incentivized source; irrigation and aquaculture service at special hours; public water, sewage and sanitation service; distributors with their own market below 500 GWh/year; rural class; rural electrification cooperative subclass and; public irrigation service.

(v) Other Credits

They correspond mainly to amounts receivable from contractual fines with suppliers and damage caused to the company's assets by third parties.

13. FINANCIAL ASSETS/LIABILITIES

13.1. Installment A - CVA

Description	December 31, 2021	Addition / Decrease	Amortization	Remuneration	transfers	June 30, 2022	Amortization Balance	Incorporation Balance	Current	Noncurrent
Active CVA	**1,693,500**	**176,993**	**(475,610)**	**67,567**	**(39,152)**	**1,423,298**	**134,720**	**1,288,578**	**1,237,170**	**186,128**
Energy	823,056	(525,460)	(241,653)	12,352	-	68,295	68,295	-	68,295	-
Itaipu Energy Cost	60,794	(9,593)	(40,817)	1,152	-	11,536	11,536	-	11,536	-
Proinfa	16,491	66,492	(13,079)	1,881	-	71,785	3,696	68,089	61,950	9,835
Basic Network Transport	90,258	28,432	(49,122)	3,212	-	72,780	13,882	58,898	64,272	8,508
Energy Transport	16,725	12,076	(7,336)	818	-	22,283	2,073	20,210	19,364	2,919
ESS	578,433	277,085	(42,660)	40,506	(39,152)	814,212	12,057	802,155	698,345	115,867
CDE	40,579	315,799	(32,183)	7,710	-	331,905	9,095	322,810	285,277	46,628
Neutrality Installment A	4,080	(4,003)	-	(77)	-	-	-	-	-	-
Energy overcontracting	56,574	16,165	(43,893)	-	-	28,846	12,681	16,165	26,511	2,335
Other	6,510	-	(4,867)	13	-	1,656	1,405	251	1,620	36
Passive CVA	**(1,263,040)**	**(811,144)**	**697,353**	**(39,833)**	**-**	**(1,416,664)**	**(201,458)**	**(1,215,206)**	**(1,243,647)**	**(173,017)**
Energy Acquisition	-	(504,390)	-	(10,206)	-	(514,596)	-	(514,596)	(440,266)	(74,330)
Itaipu Energy Cost	-	(62,465)	-	(886)	-	(63,351)	-	(63,351)	(54,200)	(9,151)
Energy overcontracting	(103,002)	60,193	35,106	(2,439)	-	(10,142)	(10,142)	-	(10,142)	-
CDE	(29,747)	29,964	-	(217)	-	-	-	-	-	-
Neutrality Installment A	(65,302)	(45,967)	50,665	(2,014)	-	(62,618)	(14,637)	(47,981)	(55,687)	(6,931)
Tariff Refunds	(585,927)	(22,714)	420,550	(2,938)	-	(191,029)	(121,492)	(69,537)	(183,475)	(7,554)
Tariff Flags	-	(158)	-	-	-	(158)	-	(158)	(158)	-
Other	(479,062)	(265,607)	191,032	(21,133)	-	(574,770)	(55,187)	(519,583)	(499,719)	(75,051)
Balance Assets/(Liabilities)	**430,460**	**(634,151)**	**221,743**	**27,734**	**(39,152)**	**6,634**	**(66,738)**	**73,372**	**(6,477)**	**13,111**

		Consolidated
Description	**June 30, 2022**	**December 31, 2021**
CVA 2021 - from August 23, 2020 to August 22, 2021	120,634	538,216
CVA 2022 - from August 23, 2021 to August 22, 2022	694,215	1,058,373
Total – CVA	**814,849**	**1,596,589**
Other Items - from August 23, 2020 to August 22, 2021	(187,372)	(835,966)
Other Items - from August 23, 2021 to August 22, 2022	(620,843)	(330,163)
Total - Other Items - CVA	**(808,215)**	**(1,166,129)**
Total	**6,634**	**430,460**

13.2. Financial Asset - Grant Bonus

In 2016, Celesc G paid R$228.6 million as Grant Bonus – BO referring to the new concessions of Usinas Garcia, Bracinho, Palmeiras, Cedros and Salto. This amount is included in the RAG of these plants, established by ANEEL Homologatory Resolution No. 2,902, of July 20, 2021, effective from July 1, 2021 to June 30, 2022; and will be reimbursed by consumers over 30 years with annual adjustment by the IPCA, as defined by ANEEL. The balance of the financial asset for each of the plants is calculated by the amount paid for the Return on Granting Bonus – RBO, through the RAG; monthly interest calculated based on the Effective Interest Rate – TIR; and monetary restatement by the IPCA.

						Consolidated
Description	**Garcia Plant**	**Bracinho Power Plant**	**Cedars Plant**	**Salto Plant**	**Palmeiras Plant**	**Total**
Balance on December 31, 2021	**47,986**	**68,907**	**52,589**	**31,789**	**128,078**	**329,349**
Restatement	2,565	3,684	2,813	1,696	6,863	17,621
Interest	2,909	4,236	3,125	2,191	6,843	19,304
Amortization / Write-off	(2,858)	(4,128)	(3,063)	(2,101)	(6,842)	(18,992)
Balance on June 30, 2022	**50,602**	**72,699**	**55,464**	**33,575**	**134,942**	**347,282**
Current						**39,965**
Noncurrent						**307,317**

14. INDEMNIFYABLE FINANCIAL ASSET - CONCESSION

		Consolidated
Description	**June 30, 2022**	**December 31, 2021**
Concession Asset - Energy Distribution	**919,926**	**754,772**
In service	474,534	393,021
Ongoing	445,392	361,751
Concession Asset - Power Generation	**159,447**	**169,334**
Indemnifiable Asset	2,421	2,421
Indemnifiable Asset - Basic Project Usina Pery	157,026	166,913
Total	**1,079,373**	**924,106**
Current	**17,512**	**34,115**
Noncurrent	**1,061,861**	**889,991**

14.1. Indemnifiable Financial Asset - Energy Distribution

Due to the extension of the 5th Addendum to the Concession Agreement No. 56/1999, Celesc D divided its assets linked to the concession into intangible assets and indemnifiable assets.

Based on Technical Interpretation ICPC 01 – Concession Agreements, the portion of the infrastructure that will be used during the concession was recorded in Intangible Assets, consisting of the electricity distribution assets, net of special obligations (consumer participation).

	Consolidated
Description	**Total**
Balance on December 31, 2021	**754,772**
(+) New Applications	68,681
(+) Variation in Fixed Assets in Progress - AIC	83,641
(+) Update Indemnifiable Financial Asset - Concession (i)	14,296
(-) Rescue	(1,464)
Balance on June 30, 2022	**919,926**

(i) IPCA

14.2. Indemnifiable Financial Asset - Power Generation

Celesc G requested to the granting authority at the end of the concessions of the Bracinho, Cedros, Salto and Palmeiras plants, as compensation, according to the criteria and procedures for calculation established by Normative Resolution - REN nº 596, of December 19, 2013, the investments carried out in infrastructure and not depreciated during the concession period, as it has an unconditional right to be indemnified, as provided for in the contract.

More recently, as a conclusion of Public Hearing No. 3 of 2019, ANEEL published, on July 22, 2021, REN No. 942, amending REN No. § 1 of art. 10 of Decree 7,805 of 2012, to investments made throughout the concession, and considering that it remained unfinished until the end of the year, the amounts presented in the table below must be requested again from the granting authority, through a new procedure to be established .

		Consolidated
Plants	**June 30, 2022**	**December 31, 2021**
Bracinho HPP	85	85
Cedros HPP	195	195
SALTO HPP	1,906	1,906
Palmeiras HPP	235	235
Total	**2,421**	**2,421**

14.3. Indemnifiable Financial Asset - Basic Project Usina Pery

	Consolidated
Description	**Pery Plant**
Balance on December 31, 2021	**166,913**
Restatement	7,974
Interest	9,030
Amortization / Write-off	(26,891)
Balance on June 30, 2022	**157,026**

The proposal presented in Technical Note No. 55/2021-SRM/ANEEL, of June 28, 2021, for the annual installment referring to the indemnification of Usina Pery takes into account a total indemnity amount in the amount of R$114.5 million, pursuant to the terms of MME Ordinance No. 257, of 2017, with a price index for July 2017, and an annualization factor of 0.1217615.

As of July 1, 2021, Celesc G began to receive compensation retroactively to July 1, 2018, in the RAG of the 2021/2022 cycle. The balance of R$157.0 million as of June 30, 2022, refers to the amount recognized as compensation for the Basic Project of the Pery plant in the amount of R$114.5 million, approved by Order No. July 2021, issued by ANEEL, updated by IPCA and monthly remuneratory interest calculated based on the IRR. The balance is amortized monthly, until the end of the concession period, which will take place in July 2047, according to amounts approved annually in the RAG. Accounting recognition is based on CPC 48 - Financial Instruments.

15. MARKETABLE SECURITIES

Temporary investments classified as non-current assets are measured at fair value.

	Parent Company		Consolidated	
Fair Value through Other Comprehensive Income (VJORA)	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Casan shares	130,648	137,261	130,648	137,261
Other Investments	217	217	217	217
Noncurrent	**130,865**	**137,478**	**130,865**	**137,478**

15.1. Catarinense Water and Sanitation Company – Casan

On June 30, 2022, the Company held 56,713,251 Common Shares – ON, and 56,778,178 Preferred Shares – PN, representing 12.97% of Casan's Capital Stock.

As it does not have significant influence over Casan, the Company measured the fair value of its equity interest in the temporary investment, adopting the discounted cash flow method for the annual valuation of said investment. The historical cost of acquiring Casan shares is R$110.7 million.

To calculate the valuation, the projection period adopted is 5 years (until 2026), with a terminal value (flow from the last 12 months of projection). The discount rate used was a nominal WACC of 11.89% p.a., with a nominal long-term (perpetuity) growth rate of 4.22% (average) of the IPCA projections for the period from 2021 to 2025. The after-tax cost of debt is 7.36% p.a. and the cost of equity is 16.53% p.a..

With the reduction in the share capital of Casan, the Company evaluated the assumptions and reduced the fair value through other comprehensive income by R$6.6 million. In the second quarter of 2022, the measurement of the fair value of this asset is R$130.6 million, with the adjustment recognized as a debit to shareholders' equity, in the equity valuation adjustment subgroup.

The following table shows the accounting reconciliation statement:

	Parent Company	Consolidated
Casan shares	**Total**	**Total**
Balance on December 31, 2020	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	26,545	26,545
Balance on December 31, 2021	**137,261**	**137,261**
Historical Acquisition Cost	110,716	110,716
Fair Value	19,931	19,931
Balance on June 30, 2022	**130,647**	**130,647**

Celesc
Centrais Elétricas de Santa Catarina S.A.

16. RELATED PARTIES

The Company has a policy of transactions with related parties and the balances in assets and liabilities, current and non-current, are shown in the following tables:

	Parent Company				Consolidated				
	Assets		Liabilities		Assets		Liabilities		
Description	Trade Receivables	Other credits	Dividends and Interest on Equity Payable	Others	accounts to receive from Trade Receivables	taxes to To recover	taxes to To recall	Dividends and Interest on Equity Payable	Other
Santa Catarina State Government									
Declared Dividends and Interest on Equity	-	-	23,586	-	-	-	-	23,586	-
ICMS	-	-	-	-	-	48,223	850,543	-	-
Electricity Bill	-	-	-	-	9,908	-	-	-	-
Staff at your disposal	-	-	-	-	256	-	-	-	-
celos									
Contribution Pension Plan, Healthcare Plan, and Others	-	-	-	-	-	-	-	-	5,142
DFESA									
Purchase of Energy	-	-	-	-	-	-	-	-	2,712
Celesc G									
Dividends and Interest on Equity	16,760	-	-	-	-	-	-	-	-
Celesc D									
Agreement Collection Fee	-	-	-	35	-	-	-	-	-
Staff at your disposal	-	-	-	762	-	-	-	-	-
Dividends and Interest on Equity	92,687	-	-	-	-	-	-	-	-
Celesc D Mutual	-	15,251	-	-	-	-	-	-	-
Balance on December 31, 2021	**109,447**	**15,251**	**23,586**	**797**	**10,164**	**48,223**	**850,543**	**23,586**	**7,854**
Santa Catarina State Government									
Declared Dividends and Interest on Equity	-	-	28,306	-	-	-	-	28,306	-
ICMS	-	-	-	-	-	47,632	238,495	-	-
Electricity Bill	-	-	-	-	7,533	-	-	-	-
Staff at your disposal	-	-	-	-	256	-	-	-	-
celos									
Contribution Pension Plan, Healthcare Plan, and Others	-	-	-	73	-	-	-	-	15,352
DFESA									
Purchase of Energy	-	-	-	-	-	-	-	-	1,312
Celesc G									
Dividends and Interest on Equity	23,628	-	-	-	-	-	-	-	-
Celesc D									
Agreement Collection Rate	-	-	-	135	-	-	-	-	-
Staff at your disposal	-	-	-	815	-	-	-	-	-
Dividends and Interest on Equity	118,117	-	-	-	-	-	-	-	-
Balance on June 30, 2022	**141,745**	**-**	**28,306**	**1,023**	**7,789**	**47,632**	**238,495**	**28,306**	**16,664**

	Parent Company		Consolidated			
Description	Other expenses	Financial Income	taxes	Sales revenue	Financial Expense	Conventional Resale Cost
Santa Catarina State Government:						
ICMS	-	-	(1,309,904)	-	-	-
Revenue from Sales	-	-	-	39,051	-	-
celos						
Mathematical Reserve Adjustment	-	-	-	-	(27,603)	-
DFESA						
Purchase of Energy	-	-	-	-	-	7,324
Celesc D						
Staff at your disposal	(5,107)	-	-	-	-	-
Balance on June 30, 2021	**(5,107)**	**-**	**(1,309,904)**	**39,051**	**(27,603)**	**7,324**
Santa Catarina State Government:						
ICMS	-	-	(1,566,191)	-	-	-
Revenue from Sales	-	-	-	56,005	-	-
celos						
Mathematical Reserve Adjustment	-	-	-	-	(25,901)	-
DFESA						
Purchase of Energy	-	-	-	-	-	7,184
Celesc D						
Agreement Collection Fee	(867)	-	-	-	-	-
Staff at your disposal	(4,374)	-	-	-	-	-
Mutual Celesc D	-	158	-	-	-	-
Balance on June 30, 2022	**(5,241)**	**158**	**(1,566,191)**	**56,005**	**(25,901)**	**7,184**

The remuneration of the managers (Board of Directors - CA, Fiscal Council - CF, Statutory Audit Committee - CAE and Executive Board) are shown below:

		Consolidated
Description	**June 30, 2021**	**December 31, 2021**
Fees	2,962	5,666
Participation in Profits and/or Results	1,742	1,241
Social Charges	795	1,493
Other	618	1,020
Total	**6,117**	**9,420**

17. INCOME WITH CORPORATE INCOME TAX – IRPJ AND WITH SOCIAL CONTRIBUTION WITHOUT NET INCOME – CSLL

17.1. Composition of Net Deferred IRPJ and CSLL

Deferred IRPJ and CSLL assets and liabilities were calculated from:

(i) CPC 25 – Provisions, Contingent Liabilities and Contingent Assets. Provision for contingencies of legal proceedings;
(ii) ICPC 10 – Interpretation on the initial application to fixed assets;
(iii) CPC 01 (R1) – Reduction to the recoverable value of assets on the provision for losses on property, plant and equipment;
(iv) CPC 33 (R1) – Employee benefits;
(v) CPC 27 – Fixed Assets. Adjustment to the fair value of property, plant and equipment, arising from the first adoption of the Technical Pronouncement
(vi) CPC 39 – Financial instruments in the recognition and measurement of the New Replacement Value – VNR;
(vii) CPC 39 - Financial Instruments. The deferred taxes calculated on the Grant Bonus were calculated in accordance with the Normative Instruction of the Federal Revenue Service of Brazil – RFB No. 1,700, of March 14, 2017;
(viii) CPC 48 – Financial Instruments referring to the amounts of the Financial Asset related to the indemnification of Usina Pery;
(ix) CPC 04 (R1) – Intangible Assets referring to the values of the renegotiation of the GSF hydrological risk;
(x) CPC 06 – Leases. Expenses arising from leasing contracts.

The following table shows the balances of the deferred IRPJ and CSLL accounts:

		Consolidated
Description	**June 30, 2022**	**December 31, 2021**
Assets	712,958	708,001
Liabilities	(87,806)	(82,592)
Net Deferred Tax	**625,152**	**625,409**

						Consolidated
	Deferred Assets		**Deferred Liabilities**		**Net Deferred**	
Temporary Differences	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Provision for Contingencies	157,742	151,551	-	-	157,742	151,551
Provision for Asset Losses	24,716	65,335	-	-	24,716	65,335
Post-Employment Benefit	597,759	608,501	-	-	597,759	608,501
Leases	178	164			178	164
Attributed Cost	-	-	7,099	7,263	(7,099)	(7,263)
Deferred Income Tax and Social Contribution on Tax Losses	47,435	-	-	-	47,435	-
Effects of ICPC 01 - Concession Agreements	-	-	48,740	49,800	(48,740)	(49,800)
Effects of CPC 39 - Financial Instruments	-	-	60,054	61,361	(60,054)	(61,361)
Grant Bonus	-	-	52,983	46,174	(52,983)	(46,174)
Financial Asset - Pery Plant	-	-	18,500	19,940	(18,500)	(19,940)
Hydrological Risk Renegotiation – GSF	-	-	15,203	15,467	(15,203)	(15,467)
Other Provisions	-	-	99	137	(99)	(137)
Total	**827,830**	**825,551**	**202,678**	**200,142**	**625,152**	**625,409**

17.2. Realization of Deferred Assets

The taxable base of IRPJ and CSLL arise not only from the income generated, but from the existence of non-taxable income, non-deductible expenses, tax incentives and other variables, with no immediate correlation between the Company's net income and the result of income tax and contribution Social. Thus, the expectation of the use of tax credits should not be taken as the only indication of the Company's future results.

The realization of deferred taxes is based on budget projections approved by the Company's Board of Directors, with the objective of defining and presenting the necessary actions to meet regulatory demands in order to also converge towards compliance with the concession agreement.

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

Deferred taxes on actuarial liability for employee benefits are being realized through the payment of contributions.
The remaining balance of the process of initial recognition of the contractual exposure of 2014 by the regulatory agency in the amount of R$152.1 million updated until June 30, 2022 is in a lawsuit with the federal court and had its amounts of IRPJ and CSLL deferred until final judgment on the ongoing process. In August 2019, ANEEL, through Ratifying Resolution No. 2,593, approved the deferral of the financial effect of the 2014 contractual exposure, reflected in five subsequent annual tariff processes. Thus, the tariff adjustment for 2019, 2020 and 2021 had a financial realization in the amount of R$65.7 million, R$68.5 million and R$70.2 million, respectively, and the consequent realization of deferred IRPJ and CSLL on this base.

The realization estimates for the balance of total assets as of June 30, 2022 are:

		Consolidated
Year	**June 30, 2022**	**December 31, 2021**
2021	130,371	127,618
2022	120,280	84,222
2023	81,416	81,416
2024	32,549	40,029
2025 onwards	463,214	492,266
Total	**827,830**	**825,551**

17.3. Conciliation IRPJ and CSLL Recognized in Shareholders' Equity

The movement in deemed cost and the amounts of IRPJ and CSLL, recognized directly in equity, is shown below:

	Consolidated
Description	**Total**
Balance on December 31, 2021	**25,176**
(-) Write-off of the Attributed Cost	(484)
(-) Taxes (IRPJ/CSLL)	165
Balance on June 30, 2022	**24,857**

17.4. IRPJ and CSLL Reconciliation Recognized in Other Comprehensive Income

The change in actuarial liabilities with the amounts of IRPJ and CSLL, recognized directly in other comprehensive income, is shown below:

	Consolidated
Description	**Total**
Balance on December 31, 2021	**1,064,375**
(+) CASAN fair value	6,614
Balance on June 30, 2022	**1,070,989**

17.5. Reconciliation of IRPJ and Current and Deferred CSLL

The reconciliation of IRPJ and CSLL expenses, at the nominal and effective rate, is shown below:

	Parent Company		Consolidated	
Description	**June 30, 2022**	**June 30, 2021**	**June 30, 2022**	**June 30, 2021**
Profit/(Loss) before IRPJ and CSLL	**361,025**	**295,743**	**513,782**	**457,027**
Combined Nominal Rate of IRPJ and CSLL	34%	34%	34%	34%
Income Tax and Social Contribution	**(122,748)**	**(100,553)**	**(174,686)**	**(155,389)**
Permanent Additions and Deletions				
Equity Pickup	127,237	103,111	11,311	10,839
Tax Benefit	-	-	(629)	(33)
Tax Incentive	-	-	2,189	2,304
Interest on Equity	(2,996)	-	25,713	-
Non-Deductible Provisions	(1,767)	(316)	(1,767)	(316)
Nondeductible Fines	-	-	(3,898)	(5,708)
IRPJ/CSLL w/o Tax Loss not recognized	(816)	-	(816)	-
Participation of Administrators	(216)	(149)	(242)	(169)
Non-Technical Losses	-	-	-	(10,726)
Other Additions (Exclusions)	1,306	1,470	(9,932)	1,477
Total Current and Deferred IRPJ and CSLL	**-**	**3,563**	**(152,757)**	**(157,721)**
Current	-	-	(152,500)	(137,859)
Deferred	-	3,563	(257)	(19,862)
Effective Rate	**0.00%**	**-1.20%**	**29.73%**	**34.51%**

17.6. Uncertainty about treatment of IRPJ and CSLL

17.6.1 Tax action procedure no 0900100-2018-00117-1

On September 24, 2018, the Special Secretariat of the Federal Revenue of Brazil - SERFB initiated a tax action procedure no. 0900100-2018-00117-1. This procedure resulted, on January 8, 2019, in the issuance of tax assessment notice No. 10980.727742/2018-81 in the amount of R$306.8 million. The aforementioned tax assessment is related to the calculation of the taxable income and the CSLL calculation basis, thus attributing to the concessionaire:

a) Undue adjustments attributed to the Compensation Account for the Variation of Values of Portion A Items – CVA;

b) Failure to comply with the remaining term of the concession agreement for the purposes of the determinations provided for in article 69 of Federal Law No. 12,973/2014.

After analysis by the Administration, it was found that the amounts calculated by the tax entity are dissociated from tax rules, doctrine and judicial decisions in similar cases. Management, based on the position of its legal advisors, understands that the procedures adopted will probably be accepted in decisions of higher courts of last resort (probability of acceptance >50%), for their total value and, for this reason, did not record any liability of IRPJ/CSLL in relation to these actions.

In 2020, the Administrative Council of Tax Appeals - CARF, in judgment of the Voluntary Appeal filed by the Company, partially granted the request, in order to cancel the requirements regarding the adjustments (additions) referred to in art. 69 of Law No. 12,973/2014, and the application of isolated fines for failure to collect estimates, maintaining the requirement to tax positive adjustments related to CVA on an accrual basis. As a result, it is estimated that the granting of the appeal resulted in the reduction of the contingency to R$107.0 million. From the decision, the taxpayer filed a motion for clarification, which is awaiting judgment before CARF.

18. INVESTMENTS IN SUBSIDIARIES, JOINT SUBSIDIARIES AND AFFILIATES

	Parent Company		Consolidated	
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
SUBSIDIARIES	**2,407,155**	**2,174,944**	**-**	**-**
Celesc D	1,671,706	1,483,521	-	-
Celesc G	735,449	691,423	-	-
jointly controlled	**129,368**	**117,194**	**129,368**	**117,194**
SCGÁS	129,368	117,194	129,368	117,194
affiliates	**105,883**	**106,049**	**191,805**	**194,472**
ECTE	80,069	78,988	80,069	78,988
DFESA	25,814	27,061	25,814	27,061
SPEs	-	-	85,922	88,423
Total	**2,642,406**	**2,398,187**	**321,173**	**311,666**

18.1. Investment Information

										Parent Company
Description	**shares of Company**		**participation of Company**	**Assets Current**	**Assets Noncurrent**	**Current Liabilities**	**Non-Current Liabilities**	**Patrimony Liquid**	**Revenue**	**Profit (Loss)**
	Common Shares	**capital Social**	**capital voter**							
Balance on December 31, 2021										
Celesc D	630,000	100.00%	100.00%	4,540,682	7,440,911	4,259,895	6,238,177	1,483,521	11,087,657	385,205
Celesc G	43,209	100.00%	100.00%	158,629	771,987	91,917	147,276	691,423	261,763	165,808
ECTE	13,001	30.88%	30.88%	89,315	536,447	79,337	290,673	255,752	102,289	90,581
SCGÁS	1,827	17.00%	51.00%	240,380	610,859	270,048	83,972	497,219	1,658,113	162,728
DFESA	153,381	23.03%	23.03%	13,569	166,855	19,938	42,987	117,499	66,797	37,231
Balance on June 30, 2022										
Celesc D	630,000	100.00%	100.00%	4,557,427	7,266,225	4,225,278	5,926,668	1,671,706	4,943,644	289,721
Celesc G	43,209	100.00%	100.00%	166,174	801,247	94,565	137,407	735,449	103,928	51,902
ECTE	13,001	30.88%	30.88%	104,015	561,524	48,805	357,486	259,248	52,550	45,497
SCGÁS	1,827	17.00%	51.00%	430,030	677,666	394,791	139,755	573,150	1,167,784	89,369
DFESA	153,381	23.03%	23.03%	16,638	162,916	29,122	38,347	112,085	33,119	14,586

Consolidated

Description	shares of Company Common Shares	participation of Company capital Social	participation of Company capital voter	Assets Current	Assets No Current	Liabilities Current	Liabilities No Current	Patrimony Liquid	Revenue	Profit (Loss)
Balance on December 31, 2021										
ECTE	13,001	30.88%	30.88%	89,315	536,447	79,337	290,673	255,752	102,289	90,581
SCGÁS	1,827	17.00%	51.00%	240,380	610,859	270,048	83,972	497,219	1,658,113	162,728
DFESA	153,381	23.03%	23.03%	13,569	166,855	19,938	42,987	117,499	66,797	37,231
Rondinha Energética S.A.	13,332	32.50%	32.50%	5,434	44,528	3,575	2,700	43,687	11,314	2,665
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	13,979	53,490	25,180	4,988	37,301	15,235	(11,961)
Xavantina Energética S.A.	271	40.00%	40.00%	3,308	33,327	3,324	6,690	26,621	10,799	1,096
Garça Branca Energética S.A.	24,669	49.00%	49.00%	1,547	58,510	3,742	18,603	37,712	4,986	(1,037)
EDP Transmissão Aliança SC	16,450	10.00%	10.00%	90,066	2,187,484	65,261	1,847,240	365,049	560,540	88,464
Balance on June 30, 2022										
ECTE	13,001	30.88%	30.88%	104,015	561,524	48,805	357,486	259,248	52,550	45,497
SCGÁS	1,827	17.00%	51.00%	430,030	677,666	394,791	139,755	573,150	1,167,784	89,369
DFESA	153,381	23.03%	23.03%	16,638	162,916	29,122	38,347	112,085	33,119	14,586
Rondinha Energética S.A.	13,332	32.50%	32.50%	3,042	43,847	3,431	1,300	42,158	3,993	992
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	15,636	53,211	27,535	4,242	37,070	7,831	4,294
Xavantina Energética S.A.	271	40.00%	40.00%	3,954	32,501	4,325	5,381	26,749	5,343	688
Garça Branca Energética S.A.	24,669	49.00%	49.00%	1,235	57,907	3,840	16,894	38,408	2,307	(146)
EDP Transmissão Aliança SC	16,450	10.00%	10.00%	103,288	2,290,322	117,308	1,946,368	329,934	112,827	(13,238)

18.2. Changes in Investments

Parent Company

Description	Celesc D	Celesc G	ECTE	SCGÁS	DFESA	Total
Balance on December 31, 2021	**1,483,521**	**691,423**	**78,988**	**117,194**	**27,061**	**2,398,187**
Dividends and Interest on Equity Credited	(101,536)	(7,876)	(12,972)	(2,284)	(4,606)	(129,274)
Amortization Concession Use Right	-	-	-	(734)	-	(734)
Equity Pickup	289,721	51,902	14,053	15,192	3,359	374,227
Balance on June 30, 2022	**1,671,706**	**735,449**	**80,069**	**129,368**	**25,814**	**2,642,406**

Consolidated

Description	ECTE	SCGÁS	DFESA	SPEs	Total
Balance on December 31, 2021	**78,988**	**117,194**	**27,061**	**88,423**	**311,666**
Payments	-	-	-	499	499
Dividends and Interest on Equity – Credited JCP	(12,972)	(2,284)	(4,606)	(3,665)	(23,527)
Amortization Concession Use Right	-	(734)	-	-	(734)
Equity Pickup	14,053	15,192	3,359	665	33,269
Balance on June 30, 2022	**80,069**	**129,368**	**25,814**	**85,922**	**321,173**

18.3. Acquisition of the Concession Use Right

The balance of the concession right of use generated in the acquisition of SCGÁS on June 30, 2022 is R$31.9 million (R$32.7 million on December 31, 2021). The right to use the concession is amortized over the term of the concession for the provision of public services by the said company (until 2044).

19. PROPERTY, PLANT AND EQUIPMENT

19.1. Balance Breakdown

Parent Company

Description	Machines and equipment	Furniture and utensils	Right of Use Assets	Total
Balance on December 31, 2021	**10**	**-**	**328**	**338**
Property, Plant and Equipment Costs	50	1	547	598
Accumulated Amortization	(40)	(1)	(219)	(260)
Balance on December 31, 2021	**10**	**-**	**328**	**338**
additions	-	-	49	49
Depreciation	(2)	-	(113)	(115)
Property, Plant and Equipment Costs	50	1	596	647
Accumulated Amortization	(42)	(1)	(332)	(375)
Balance on June 30, 2022	**8**	**-**	**264**	**272**
Average Depreciation Rate	**8.00%**		**50.00%**	

								Consolidated
Description	land	Reservoirs Dams and Water Mains	Buildings and Constructions	Machines and equipment	Other	Construction in progress	Right of Use Assets	Total
Balance on December 31, 2021	**7,451**	**9,214**	**2**	**18,784**	**540**	**78,481**	**14,341**	**128,813**
Property, Plant and Equipment Costs	19,209	164,515	16,400	97,986	2,068	78,481	22,369	401,028
Provision for Losses	(4,430)	(23,175)	(487)	(2,729)	78	-	(273)	(31,016)
Accumulated Amortization	(7,328)	(132,126)	(15,911)	(76,473)	(1,606)	-	(7,755)	(241,199)
Balance on December 31, 2021	**7,451**	**9,214**	**2**	**18,784**	**540**	**78,481**	**14,341**	**128,813**
additions	-	-	-	-	-	4,682	271	4,953
Write-offs - Gross Balance	-	-	-	-	-	-	(135)	(135)
Depreciation	-	(172)	(9)	(544)	(66)	-	(3,703)	(4,494)
(+/-) Transfers	-	-	94	747	365	(1,231)	-	(25)
(-) PIS/Cofins Credit Depreciation Right to Use Assets	-	-	-	-	-	-	(333)	(333)
Property, Plant and Equipment Costs	19,209	155,381	12,949	84,368	2,429	81,932	22,232	378,500
Provision for Losses	(4,430)	(23,175)	(487)	(2,729)	78	-	(333)	(31,076)
Accumulated Amortization	(7,328)	(123,164)	(12,375)	(62,652)	(1,668)	-	(11,458)	(218,645)
Balance on June 30, 2022	**7,451**	**9,042**	**87**	**18,987**	**839**	**81,932**	**10,441**	**128,779**
Average Depreciation Rate	**-**	**3.38%**	**1.58%**	**2.88%**	**8.81%**	**-**	**8.33%**	

Of the main investments made in the own generating complex in the period from January to June 2022, R$1,912 were disbursed in supervision and control panels, voltage regulator, auxiliary services and automation of US Caveiras; R$828 was spent on cleaning grids and automation of US Palmeiras plants; R$755 were spent on labor and machining services at US Piraí; R$295 was allocated to large cleans, security and monitoring, mechanical assemblies and US Salto toolkits; R$294 was invested in the electrical executive project at US Pery and R$232 was spent on Clean grids, electrical generators and mechanical assemblies at US Bracinho.

19.2. Depreciation

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

	Consolidated
Management	**Percentages (%)**
Buildings and Constructions	6.3
Machines and equipment	5.1
vehicles	14.3
Furniture and utensils	6.6

Operation	**Percentages (%)**
Buildings and Constructions	1.5
Machines and equipment	2.9
Reservoirs, Dams and Pipelines	3.4
vehicles	2.8
Furniture and utensils	1.0

The straight-line depreciation method, useful lives and residual values are reviewed at each end of the fiscal year and any adjustments are recognized as changes in accounting estimates.

The assets of Usinas Pery, Celso Ramos, Garcia, Palmeiras, Salto Weissbach, Cedros and Bracinho are depreciated at the rates established in ANEEL Resolution No. 674, of August 11, 2015. The Caveiras, Ivo Silveira, Piraí, São Lourenço and Rio do Peixe CGHs are also depreciated by the same Resolution, as they have a registration agreement.

Central Administration assets (Buildings and Constructions, Machinery and Equipment, Vehicles and Furniture and Utensils) are also depreciated at the rates established in Resolution No. 674/2015.

19.3. Fully Depreciated Fixed Assets Still in Operation

The gross book value of property, plant and equipment that are fully depreciated and still in operation as of June 30, 2022 are:

		Consolidated
Description	**June 30, 2022**	**December 31, 2021**
Reservoirs, Dams and Pipelines	121,992	121,610
Buildings, Civil Works and Improvements	11,401	11,331
Machines and equipment	43,906	43,647
Other	14,168	14,157
Total	**191,467**	**190,745**

19.4. Right of Use Assets - CPC 06/IFRS 16 - Leases

In compliance with CPC 06 (R2), the Company records the amounts payable from leases and rentals, as a contra entry to the Fixed Assets item as Right-of-Use Assets.

The amounts recorded in liabilities are adjusted to present value, at the discount rate of 8.09%, calculated by the Company.

ASSETS	Parent Company	Consolidated
Description		
Balance on December 31, 2021	**328**	**14,341**
(+) Additions	49	271
(-) Depreciation	(113)	(3,703)
(-) PIS/COFINS Credit Depreciation Right to Use Assets	-	(333)
(-) Low	-	(135)
Balance on June 30, 2022	**264**	**10,441**
Current	**-**	**-**
Noncurrent	**264**	**10,441**

LIABILITIES	Parent Company	Consolidated
Description		
Balance on December 31, 2021	**341**	**14,836**
(+) Additions	49	271
(-) Write-offs	-	(140)
(+) Interest Incurred	12	519
(-) Principal Payment	(113)	(3,989)
(-) Interest Paid	(12)	(519)
Balance on June 30, 2022	**277**	**10,978**
Current	**277**	**3,557**
Noncurrent	**-**	**7,421**

19.4.1. Maturities of the Long-Term Installments:

Description	Parent Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
2023	-	118	1,127	2,106
2024	-	-	1,193	1,158
2025	-	-	1,135	795
2026	-	-	1,112	800
2027	-	-	1,112	841
2027+	-	-	1,742	2,920
Total	**-**	**118**	**7,421**	**8,620**

Recognized assets have the following specialties:

a) Buildings: refer to the lease agreements related to the on-site service stores, located in the distributor's concession area;
b) Land: refer to land where telecommunication towers, substation and warehouse are installed;
c) Vehicles: refer to the vehicle rental agreement, fleet, used in the provision of services and vehicles used by the Executive Board.

20. INTANGIBLE ASSETS

	Parent Company
Description	**Agio (i)**
Balance on December 31, 2021	**4,441**
Total Cost	14,248
Accumulated Amortization	(9,807)
Balance on December 31, 2021	**4,441**
Amortization	(251)
Balance on June 30, 2022	**4,190**
Total Capital	14,248
Accumulated Amortization	(10,058)
Balance on June 30, 2022	**4,190**
Average Amortization Rate	**0.9%**

Celesc
Centrais Elétricas de Santa Catarina S.A.

						Consolidated
Description	Concession Asset Celesc D (ii)	Software Acquired	Renegotiation Hydrological Risk GSF (iii)	Agio (i)	Items in Progress	Total
Balance on December 31, 2021	**3,806,354**	**651**	**45,491**	**4,441**	**1,700**	**3,858,637**
Total Capital	6,198,904	7,404	45,879	14,248	1,700	6,268,135
Accumulated Amortization	(2,392,550)	(6,753)	(388)	(9,807)	-	(2,409,498)
Balance on December 31, 2021	**3,806,354**	**651**	**45,491**	**4,441**	**1,700**	**3,858,637**
additions	313,640	-	-	-	13	313,653
Write-offs	(33,534)	-	-	-	-	(33,534)
Amortization	(129,428)	(91)	(777)	(251)	-	(130,547)
Transfer	-	41	-	-	(16)	25
Balance on June 30, 2022	**3,957,032**	**601**	**44,714**	**4,190**	**1,697**	**4,008,234**
Total Capital	6,479,010	7,445	45,879	14,248	1,697	6,548,279
Accumulated Amortization	(2,521,978)	(6,844)	(1,165)	(10,058)	-	(2,540,045)
Balance on June 30, 2022	**3,957,032**	**601**	**44,714**	**4,190**	**1,697**	**4,008,234**
Average Amortization Rate	**4.3%**	**19.3%**	**-**	**0.9%**	**-**	

(i) The goodwill generated on the acquisition of ECTE is amortized over the concession period for the provision of public services by said company.

(ii) The rates established by ANEEL are used in the tariff review processes, calculation of indemnity at the end of the concession and are recognized as a reasonable estimate of the useful life of the concession assets. Thus, these rates were used as a basis for the valuation and amortization of the intangible asset.

(iii) The extension of the concession period by the granting authority for plants renegotiated by the GSF hydrological risk was calculated at fair value and recognized as Intangible Assets. These assets will be amortized on a straight-line basis until the end of the new concession period for each renegotiated plant.

21. SUPPLIERS

	Parent Company		Consolidated	
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Electricity	-	-	527,851	681,233
Charges from the Use of the Power Grid	-	-	147,494	137,331
Materials and Services	516	947	159,080	133,097
Electricity Trading Chamber – CCEE (i)	-	-	46,475	136,525
Total	**516**	**947**	**880,900**	**1,088,186**

(i) Among its attributions, CCEE is responsible for determining the accounting value of the agents. This amount, in the case of distributors, involves, in addition to the short-term sale and purchase, charges, the effect of the dispatch of thermal plants and also various impacts of hydrological risk.
The hydrological risk, in the case of distributors, is associated with energy contracts (CCEAR-QT), which have been renegotiated, contracts with physical guarantee quotas and a contract with Itaipu, where the buyer assumes the hydrological risk.
In this context, the Summary costs (SUM001) were lower in the 1st half of 2022, given the continuous recovery in the level of the SIN reservoirs, which led the operating bodies of the Brazilian Electric System to reduce the higher-cost thermal dispatch.

22. LOANS AND FINANCING

Loans and Financing have five distinct classifications: (i) Bank Loans, (ii) Eletrobras Loans, (iii) Finame Loans and (iv) Loans – BID, and some of these are guaranteed by receivables and the Company's guarantee, in accordance with the provisions contractual.

			Consolidated
Description		**June 30, 2022**	**December 31, 2021**
Total Domestic Currency		**674,699**	**103,222**
Banking Loans (i)	CDI + 1.65% p.a.	574,724	-
Banking Loans (i)	CDI + 0.8% p.a.	93,055	93,772
Eletrobras Loans (ii)	5% p.a.	2,547	2,983
Finame Loans (iii)	2.5% to 9.5% p.a.	4,373	6,467
Total Foreign Currency		**1,162,942**	**1,150,078**
Loans - BID (iv)	CDI + 0.87% to 1.98% p.a	1,162,942	1,150,078
Total		**1,837,641**	**1,253,300**
Current		**152,835**	**23,559**
Noncurrent		**1,684,806**	**1,229,741**

i) Bank Loans

Bank Loan balances refer to contracts, whose funds were used exclusively to reinforce the company's cash position.

In April 2019, through a Bank Credit Note – CCB, R$335.0 million were contracted with Banco Safra, with remuneration equivalent to CDI + 0.80% p.a. and monthly charge. The term was 36 months, with an 18-month grace period for the start of amortization of the principal amount. The amortization began in November 2020 and the end would be for April 2022, however, on December 2, 2021, the contract was amended and the term for settlement of the principal became May 2023. In addition, its settlement is now scheduled in a single installment at the end of the contract (bullet). The interest rate was maintained at the same percentage of the original contract.

In February 2022, also through a Bank Credit Note – CCB, an additional R$550.0 million was contracted with Banco Safra, with remuneration at the rate equivalent to CDI + 1.65% p.a. and semiannual payment. The term was 36 months, with a grace period of 18 months for the start of amortization of the principal amount, which will be settled in 4 semiannual installments, starting in August 2023 and ending in February 2025.

ii) Eletrobras

The funds from this contracting were destined, among other applications, to rural electrification programs and come from the Global Reversion Reserve – RGR and from the Eletrobrás Financing Fund. The current agreement has a grace period of 24 months, amortization in 120 monthly installments, interest rate of 5% p.a. and administration fee of 1% p.a. It has the consent of ANEEL and the end is scheduled for May 30, 2025.

iii) Final

The funds from these contracts were used to make up for part of Celesc D's lack of funds and were used to purchase machinery and equipment. Each acquisition constitutes a contract, which are negotiated at interest rates ranging from 2.5% to 9.5% p.a. 96 monthly amortizations are foreseen for Finames of Banco do Brasil and 72 monthly amortizations for Finames of Caixa Econômica Federal. All contracts have the consent of ANEEL.

iv) Inter-American Development Bank – IDB

On October 31, 2018, Celesc D and the Inter-American Development Bank – IDB signed an external credit operation called Loan 4404/OC-BR (BR-L1491).

The total amount of the transaction is US$276.1 million and the amortization period is 234 (two hundred and thirty-four) months, with a grace period of up to 66 (sixty-six) months, reaching a total term of 300 (three hundred) months.

Amortization is semi-annual using the constant system and the interest rate is 3-month LIBOR (USD-LIBOR 3m), plus a spread, with monetary restatement calculated by the exchange variation. In addition, there is a requirement for a commitment fee of up to 0.5% per annum on the undisbursed US dollar balance and an oversight fee of up to 1% of the loan amount, divided by the number of semesters within the term. original of 5 (five) years of disbursements.

The loan is guaranteed by the Federative Republic of Brazil and the State of Santa Catarina and is intended to partially finance the Energy Infrastructure Investment Program in Celesc D.
The first releases took place on December 10, 2018 and January 28, 2019, in the amount of US$80.1 million. After that, on May 2, 2019, it was decided to convert the released amounts into national currency and to change the interest rate applied to the contract, already considering the costs of the IDB, therefore, there is no longer the incidence of exchange variation .

Releases continued and the option to convert into local currency and the aforementioned change in the contract's interest rate were maintained.
Below are all releases that occurred until June 30, 2022, with dates, amounts and interest rates currently applied:

Dates	Amounts in US$	Interest Rate
December 10, 2018	70,374,302.95	CDI + 0.99 p.a.
January 28, 2018	9,704,328.10	CDI + 0.99 p.a.
October 7, 2019	26,210,755.00	CDI + 1.04 p.a.
December 10, 2019	9,767,891.73	CDI + 0.87 p.a.
June 9, 2020	7,273,169.76	CDI + 1.24 p.a.
October 13, 2020	35,000,000.00	CDI + 1.90 p.a.
March 19, 2021	25,000,000.00	CDI + 1.98 p.a.
December 14, 2021	50,000,000.00	CDI + 1.26 p.a.

All interest rates already consider the IDB's costs and may suffer some variation due to the fact that one of the components of the spread is variable and defined by the IDB itself on a quarterly basis.

It should be noted that disbursements of the contracted financing are processed in accordance with the provisions of Loan Agreement No. 4404/OC-BR (BR-L1491), pursuant to Chapter IV of the General Rules.

The Program's financial statements are subject to an independent audit performed by the Court of Auditors of the State of Santa Catarina - TCE/SC, pursuant to Clause 5.02, of the Special Provisions of said Agreement.

22.1. Composition of Maturities

The amounts classified in non-current liabilities have the following composition, by year of maturity:

						Consolidated
Description	Domestic		Foreign		Total	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
2023	138,881	96,315	-	-	138,881	96,315
2024	276,139	1,139	56,596	56,596	332,735	57,735
2025	137,863	364	56,596	56,596	194,459	56,960
2026+	-	-	1,018,731	1,018,731	1,018,731	1,018,731
Total	**552,883**	**97,818**	**1,131,923**	**1,131,923**	**1,684,806**	**1,229,741**

22.2. Movement of Loans and Financing - National

Description	Current	Noncurrent	Total
Balance on December 31, 2021	**5,404**	**97,818**	**103,222**
Inflows	60,000	550,000	610,000
Accrued Fees	41,914	-	41,914
transfers	94,935	(94,935)	-
Principal Amortization	(63,779)	-	(63,779)
Charge Payments	(16,658)	-	(16,658)
Balance on June 30, 2022	**121,816**	**552,883**	**674,699**

22.3. Movement of Loans and Financing – Foreign – IDB

BID	Current	Noncurrent	Total
Balance on December 31, 2021	**18,155**	**1,131,923**	**1,150,078**
Inflows	-	-	-
Restatement	-	-	-
Accrued Fees	67,560	-	67,560
transfers	-	-	-
Payment of Charges	(54,696)	-	(54,696)
Balance on June 30, 2022	**31,019**	**1,131,923**	**1,162,942**

23. DEBENTURES

23.1. 2018 Debentures – Celesc D

On July 13, 2018, Celesc D issued two hundred and fifty thousand (250,000) debentures, not convertible into shares, at a face value of R$1.0 thousand, totaling R$250.0 million and maturing on July 13, 2023. The proceeds from this issue were used to strengthen the issuer’s cash for the management of its business.

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

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

The amortization was expected to be paid in 15 consecutive quarterly installments, on January 13, April 13, July 13, and October 13, starting on January 13, 2020 and ending on the maturity date. The remuneration will occur in quarterly and consecutive installments, with no grace period, as of October 13, 2018. Until June 30, 2022, R$49.2 million in remuneration, and R$166.6 million in principal were paid.

As a guarantor, the Company is annually committed to a covenant linked to the Debenture issue to present a Net Debt/EBITDA ratio lower than 2.5. The failure to comply with this financial indicator may imply the early maturity of the total debt. In the year ended December 31, 2021, the calculation result of this ratio was 1.21, thus meeting this obligation.

23.2. 2021 Debentures – Celesc D

On April 15, 2021, Celesc D issued five hundred and fifty thousand (550,000) simple debentures, not convertible into shares, at a face value of R$1,000, totaling R$550.0 million and maturing on April 15, 2026. The proceeds from this issue were used to reinforce cash.

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

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

The remuneration is expected to be paid as follows: quarterly and as of the issue date, maturing on January 15, April 15, July 15, and October 15, and ending on October 15, 2022; and monthly as from November 15, 2022, with the other maturities on the 15th of the subsequent months until the end of the validity. Up to June 30, 2022, R$49.3 million in compensation had been paid.

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

From the fiscal year to be ended on December 31, 2021, to the maturity date, the Company, as a guarantor, is annually committed to the covenant linked to the debenture issue to present a Net Debt/EBITDA ration lower than 3. The failure to comply with this financial indicator may imply the early maturity of the total debt. In the year ended December 31, 2021, the calculation result of this ratio was 1.21, thus meeting this obligation.

23.3. 2018 Debentures – Celesc G

On June 1, 2018, Celesc G issued 15,000 debentures at a face value of R$10.0 thousand, not monetarily restated, totaling R$150.0 million. The simple debentures were issued in a single series, not convertible into shares.

The issue has personal guarantee of present and/or future receivables arising from the gross supply of electricity to Celesc G's customers. The personal guarantee, in turn, was provided as a suretyship in favor of the debenture holders, as a guarantor and main responsible for the payment of all due amounts under the Indenture. They have a term of five years, counted from the date of their issuance, and the remunerative interest corresponds to 100% of the accumulated variation of the average daily rates of Interbank Deposits - DI for one day, plus a surcharge or spread of 2.5% p.a., until the date of actual payment.

Interest has been paid since September 2018, and the amortization has been made since June 2019, both quarterly and consecutively. Until June 30, 2022, R$32.4 million in remuneration, and R$114.7 million in principal were paid.

Every six months, the Company, as guarantor, and Celesc G, as issuer, have a contractual commitment (Covenants) linked to the issuance of debentures not to present a Net Debt/EBITDA ratio greater than 2. The failure to comply with this financial indicator may lead to the early maturity of the total debt. On June 30, 2022, the result of the calculation of these ratios were 1.17 and 0.00, respectively, thus meeting these obligations.

23.4. 2020 Debentures – Celesc G

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

Interest started to be paid in June 2021, and the amortization will start in December 2023, both half-yearly and consecutively. Up to June 30, 2022, R$2.6 million in compensation had already been paid.

As an issuer, Celesc G is annually committed to a covenant linked to the Debenture issue to present a Net Debt/EBITDA ratio higher than 3.50. The failure to comply with this financial indicator may lead to the early maturity of the total debt. In the year ended December 31, 2021, the calculation result of this ratio was 0.13, thus meeting this obligation.

23.5. Movement of Debentures

	Consolidated
Description	**Total**
Balance on December 31, 2021	**768,665**
Accrued Fees	48,494
Payments Charges	(41,908)
Principal Payments	(50,981)
Debenture Issue Costs - Celesc D	764
Debenture Issue Costs - Celesc G	311
Balance on June 30, 2022	**725,345**
Current	**234,063**
Noncurrent	**491,282**

23.6. Costs in the Funding of Debentures to be Appropriated

		Consolidated
Description	**June 30, 2022**	**December 31, 2021**
2022	1,091	1,542
2023	1,580	1,876
2024	1,057	1,252
2025	1,054	1,054
2026+	927	1,061
Total	**5,709**	**6,785**

23.7 Reconciliation of Liabilities Resulting from Financing Activities

						Parent Company
Description	**December 31, 2021**	**Payments**	**Total Financing Flow Variations**	**Interest Payment (i)**	**Variations not affecting Cash (ii)**	**June 30, 2022**
Dividends and Interest on Equity Payable	134,356	(69,622)	(69,622)	-	72,837	137,571
Lease Liabilities – CPC 06 (Note 19.4)	341	(113)	(113)	(12)	61	277
Total	**134,697**	**(69,735)**	**(69,735)**	**(12)**	**72,898**	**137,848**

							Consolidated
Description	**December 31, 2021**	**Resource Tickets**	**Principal Payments**	**Total Financing Flow Variations**	**Interest Payment (i)**	**Variations not Affecting Cash (ii)**	**June 30, 2022**
Loans and Financing	1,253,300	610,000	(63,779)	546,221	(71,354)	109,474	1,837,641
Debentures	768,665	-	(50,981)	(50,981)	(41,908)	49,569	725,345
Dividends and Interest on Equity	134,356	-	(69,622)	(69,622)	-	72,837	137,571
Lease Liabilities – CPC 06 (Note 19.4)	14,836	-	(3,989)	(3,989)	(519)	650	10,978
Total	**2,171,157**	**610,000**	**(188,371)**	**421,629**	**(113,781)**	**232,530**	**2,711,535**

(i) Interest paid is classified under Operating Activities in the Statement of Cash Flow.

(ii) Accrued interest and monetary variations of Loans and Financing totaled R$109.5 million. Debentures totaled R$49.6 million, R$1.075,0 thousand of the total refers to debenture costs in 2022.

24. LABOR AND SOCIAL SECURITY OBLIGATIONS

	Parent Company		Consolidated	
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Provisions and Payroll Social Charges	1,558	1,030	120,058	104,110
Separation Incentive Plan - PDI	-	-	76,346	111,926
Consignment in Favor of Third Parties	-	-	4,258	9,034
Provision for Profit Sharing and Profit Sharing - PLR	-	-	19,460	24,665
Net Payroll	760	282	14,355	15,005
Total	**2,318**	**1,312**	**234,477**	**264,740**
Current	**2,318**	**1,312**	**204,494**	**214,708**
Noncurrent	**-**	**-**	**29,983**	**50,032**

24.1. Separation Incentive Plan - PDI

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

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

Plans	Minimum Time at the Company	Number of Installments	Number of Installments by Joining the CD Plan
2016 PDI	25 years	From 24 to 60	None
2017 PDI	25 years	From 24 to 60	None
2018 PDI	25 years	From 24 to 60	None
2019 PDI	25 years	From 24 to 60	None
2020 PDI	24 years	From 24 to 60	None
2021 PDI	15 years (i)	From 24 to 60	None

(i) Provided that the employee is at least 50 years of age.

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

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

In September 2021, the PDI 2021 (current edition) was approved. PDI 2021 shutdowns started in November and have a total of 73 exits so far.

From the implementation of the program until June 30, 2022, there were 1,101 dismissals, totaling expenses in the amount of R$428.4 thousand.

The table below shows the number of employees terminated and the amount of the expense, classified by year.

Year	Number of Employees Dismissed	PDI Expenses (R$/thousand)
2016	61	16,183
2017	125	79,531
2018	181	68,737
2019	273	87,250
2020	303	112,847
2021	93	63,896
2022	65	-
totals	**1,101**	**428,444**

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

25. TAXES

25.1. Income Tax and Social Contribution on Net Income and IRRF on JSCP

	Parent Company		Consolidated	
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
IRPJ	-	-	16,462	934
CSLL	-	-	7,092	1,301
Withholding Income Tax on Interest on Equity (IoE)	3,762	10,064	10,698	10,064
Total Payable	**3,762**	**10,064**	**34,252**	**12,299**
(-) Taxes Recoverable	(37,318)	(37,879)	(83,901)	(46,543)
Net Taxes	**(33,556)**	**(27,815)**	**(49,649)**	**(34,244)**

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25.2. Other Taxes

Description	Parent Company June 30, 2022	Parent Company December 31, 2021	Consolidated June 30, 2022	Consolidated December 31, 2021
ICMS(i)	-	-	238,495	850,543
PIS and COFINS	4,506	12,902	43,182	43,608
Other	377	338	5,384	4,246
Total Payable	4,883	**13,240**	**287,061**	**898,397**
(-) Taxes to be Offset	-	-	(1,184,691)	(1,546,340)
Net Taxes	**4,883**	**13,240**	**(897,630)**	**(647,943)**

26. REGULATORY FEES

Description	Consolidated June 30, 2022	Consolidated December 31, 2021
Energy Efficiency Program – PEE (i)	60,667	61,937
Research and Development – R&D (i)	51,463	47,187
Electricity Development Account – CDE	19,473	19,472
Emergency Capacity Charge - ECE (ii)	20	19,406
ECE Installment	33,172	39,637
Charge Account Flags	-	177,424
ANEEL Inspection Fee	738	734
Emergency Power Purchase Charge - EAEEE	-	416
Other	422	163
Total	**165,955**	**366,376**
Current	**48,919**	**295,631**
Noncurrent	**117,036**	**70,745**

i) R&D and PEE – Pursuant to Law No. 9,991, of July 24, 2000, concessionaires of public electric energy distribution services, generation concessionaires and companies authorized to independently produce electric energy, with the exception of some modalities,must apply, annually, a minimum percentage of their net operating revenues – NOR in Research and Technological Development projects in the Electric Energy Sector – R&D. Distributors must also apply in Energy Efficiency Programs - PEE, according to regulations established by ANEEL.

On March 30, 2021, ANEEL published Normative Resolution No. 229 and Order No. 904, defining the form and amounts to be transferred to the Energy Development Account - CDE. Payments to the CDE correspond to the balances not committed to the liabilities of the R&D and PEE programs on the base date of August 31, 2020 and 30% of the current values for the period from September 1, 2020 to December 31, 2025. Until December 2025, the calculated amounts will be transferred monthly, on the 10th of the second subsequent month.

ii) Emergency Capacity Charge - ECE - It was established by Law No. 10,438, of April 26, 2002, with the purpose of covering the cost of contracting emergency thermoelectric plants installed in the country, available to generate energy in the event of a risk of shortages .http://www.aneel.gov.br/cedoc/lei200210438.pdf This cost was paid by all consumers of the National Interconnected System, with the exception of those classified as low-income.

27. PROVISION FOR CONTINGENCIES AND COURT DEPOSITS

As of June 30, 2022, the Company had the following liabilities and their corresponding escrow deposits related to contingencies:

27.1. Likely Contingencies

Contingencies	Parent Company Court Deposits June 30, 2022	Court Deposits December 31, 2021	Provisions June 30, 2022	Provisions December 31, 2021
Tax	45,301	17,276	20,485	16,813
Labor	4,697	4,686	-	-
Civil	3,100	6,589	722	181
Regulatory	8,182	8,182	3,483	3,483
Total	**61,280**	**36,733**	**24,690**	**20,477**

Contingencies	Consolidated Court Deposits June 30, 2022	Court Deposits December 31, 2021	Provisions June 30, 2022	Provisions December 31, 2021
Tax (i)	46,592	18,878	30,150	26,461
Labor (ii)	27,402	27,696	48,217	43,601
Civil (iii)	104,802	127,334	178,217	171,919
Regulatory (iv)	165,822	155,198	192,156	184,280
Environmental (v)	-	-	18,590	18,649
Total	**344,618**	**329,106**	**467,330**	**444,910**

Changes in provisions and deposits are as follows:

	Parent Company		Consolidated	
Description	**Court Deposits**	**Provisions**	**Court Deposits**	**Provisions**
Balance on December 31, 2021	**36,733**	**20,477**	**329,106**	**444,910**
Creation	28,977	4,296	102,535	101,767
Financial Adjustment	-	-	-	7,875
Write-offs	(4,430)	(83)	(87,023)	(87,222)
Balance on June 30, 2022	**61,280**	**24,690**	**344,618**	**467,330**

The most relevant judicial deposit refers to Tax Enforcement No. 5000685-32.2022.404.7200, in which Centrais Elétricas de Santa Catarina is a party, in the amount of R$28.0 million, as a form of guarantee of the tax credit. The Company filed a motion to lodge a motion against the Tax Enforcement, arguing that the debt cannot be enforced due to the existence of a credit capable of offsetting. The case is in the preliminary investigation phase.

Another more relevant judicial deposit refers to the Declaratory Action of Unenforceability of Tax Credit No. 5012891-49.2020.4.04.7200, in the amount of R$15.1 million, proposed by Celesc to declare CDA's No. 91.2.18.003117-26 unenforceable; 91.2.18.003118-07; 91.6.18. 017006-01; 91.6.18.017009-46 and 91.7.18.002962-43 from the remaining balance of the REFIS and PAES programs, which remained included in the installment payment of Law No. 11,941/2009. The proceeding was dismissed in the lower court, awaiting analysis of the appeal in the Higher Court.

The most relevant write-offs due to losses in judicial deposits are: (i) 2012 Process: R$1.6 million from a lawsuit that deals with a collection action arising from the unilateral termination of a contract with a construction and electrical engineering company in 2011; (ii) 2013 Process: R$2.6 million referring to a lawsuit that questions the levy of ISS on COSIP in the Municipality of Biguaçu in the period from 2005 to 2010; (iii) 1996 Process: R$5.1 million in proceedings referring to unpaid payments and/or disallowance on invoices referring to contracts for the years 1993 and 1994 with the contractor; (iv) 2004 Process: R$2.3 million referring to a moral damage lawsuit resulting from an accident in the electrical network of a contractor for repair services at the Joinville Branch in 1986.

The movement in the constitution of judicial deposits in the period is due to payments made for new shares and also for existing shares.

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

These proceedings, when applicable, are supported by judicial deposits. Provisions for possible losses arising from these proceedings are estimated and updated by management, supported by the opinion of its internal and external legal advisors.
The nature of likely contingencies can be summarized as follows:

i) Tax Contingencies

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

The most relevant lawsuit, at the federal level, has an estimated loss of R$15.1 million and refers to debts registered in active debt and object of tax execution No. 50290494820214047200, originating from PIS, IRPJ, IRRF, COFINS and CSLL, which were excluded from the extraordinary installment program. Celesc opposed the Embargoes to the Tax Enforcement, sustaining the unenforceability of the tax credit. The process is in progress.

ii) Labor Contingencies

They are related to complaints filed by employees and former employees of the Group and service providers (outsourced) related to overtime payment issues, mainly those resulting from violation of the intra-day and inter-day breaks, as well as revision of the calculation basis of salary, additional, severance pay, among other labor rights.

iii) Civil Contingencies

They are related to civil actions in general, having as their object, in summary, compensation for damages (material and/or moral) arising from: undue suspension of electricity supply, registration of consumers' names with credit protection agencies, damages electrical, damages involving loss of production (tobacco, chickens), accidents involving third parties.

There are, in the same way, other types of demands that generate the payment of amounts by Celesc D, such as: review of billings, tariff reclassification, review of bidding contracts (economic-financial rebalancing), among others.

iv) Regulatory Contingencies

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or CCEE in punitive administrative proceedings arising from events that have already occurred, the settlement of which may result in the delivery of funds for contractual or regulatory transgressions in the electricity sector. Legal contingencies also constitute regulatory contingencies in which Celesc D discusses with other sector agents (electricity generation, commercialization, transmission or distribution concessionaires, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE and MME) matters relating to the application of sectoral regulation. The most significant regulatory contingency refers to the contractual exposure in 2014 (Note 2.1.1.1).

v) Environmental Contingencies

These are lawsuits related to lawsuits regarding the payment of material and moral damages due to an environmental accident that occurred in Celesc D's concession area. The most relevant lawsuit has an estimated loss of R$16.7 million and refers to occupation of the right-of-way of Highway BR-101, with electrical energy distribution infrastructure equipment.

27.2. Possible Contingencies

The Company also has tax, labor, civil, regulatory and environmental lawsuits, involving risks of loss classified by Management as possible, based on the assessment of its legal advisors, for which there is no provision constituted, according to the composition and estimate below. :

		Consolidated
Contingencies	**June 30, 2022**	**December 31, 2021**
Tax (i)	370,253	118,542
Labor (ii)	16,396	24,167
Civil (iii)	396,604	374,429
Regulatory (iv)	186,337	188,328
Environmental (v)	29,110	22,988
Total	**998,700**	**728,454**

The nature of possible contingencies can be summarized as follows:

i) Tax Contingencies

They are related to tax contingencies at the federal level, related to the payment of PIS/COFINS, and IRPJ/CSLL on revenues recognized in sectoral financial assets (CVA), offered for taxation in the calculation period in which the positive differences were verified and recorded in the bookkeeping (Note 17.6.1).

The increase that occurred in the balance of possible tax contingencies was due, among other factors, to the initiation of a Popular Action that questions the reduction of the PIS and COFINS calculation basis, by the Concessionaire, through the use of credit from the repetition of undue payment in the tariff review, pursuant to ANEEL's Ratifying Resolution, whose value attributed in the case is R$223.6 million.

ii) Labor Contingencies

They are mostly related to complaints filed by employees and former employees of the Group and service providers (outsourced) related to issues of subsidiary/joint liability, overtime, severance pay, among other labor rights.

iii) Civil Contingencies

They are related to several civil lawsuits filed by individuals and legal entities, relating to issues of indemnity caused by material damages, pain and suffering and loss of profits, accidents, bidding processes and others.

iv) Regulatory Contingencies

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or CCEE in punitive administrative proceedings that imply fines for violating contractual or regulatory provisions in the electricity sector, which the Company appealed at the administrative and judicial levels. At the same time, legal contingencies in which the Company discusses with sectorial agents (other electric energy generation, commercialization, transmission or distribution concessionaires, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE and MME) to the application of regulation in the electricity sector.

v) Environmental Contingencies

They are related to administrative and judicial environmental contingencies filed by individuals and legal entities, mostly constituted by matters of indemnity for material damages, moral damages and loss of profits.

28. ACTUARIAL LIABILITIES

		Consolidated
Registered Obligations	**June 30, 2022**	**December 31, 2021**
Pension Plans	**840,056**	**880,682**
Mixed Plan and Transitional Plan (a)	840,056	880,682
Assistance Plans	**1,141,062**	**1,137,581**
Celos Health Plan (b)	1,081,971	1,078,690
Other Benefits (c)	59,091	58,891
Total	**1,981,118**	**2,018,263**
Current	**222,153**	**219,527**
Noncurrent	**1,758,965**	**1,798,736**

Celesc D is a sponsor of Fundação Celesc de Seguridade Social – CELOS, a non-profit closed supplementary pension entity whose main objective is to manage pension benefit plans for its participants, basically represented by Celesc D's employees.

a) Mixed Plan and Transitional Plan

The Mixed Plan has defined benefit characteristics for the portion of the mathematical reserve already existing on the transition date and for the benefits granted, and defined contribution characteristics for contributions after the transition, related to the scheduled retirement benefits to be granted. The previous defined benefit plan, called the "Transitional Plan" continues to exist, exclusively covering retired participants and their beneficiaries.

Of this total, R$376.8 million refers to the balance of the debt agreed with CELOS on November 30, 2001, for the payment of 277 additional monthly contributions, bearing interest of 6% p.a. and updated by the IPCA, to cover the actuarial liability of the Mixed and Transitional Plan.

As this debt must be paid even in the event of a Foundation surplus, as of 2015, Celesc D recorded the monetary restatement and interest as a financial result, in accordance with CPC 33 (R1) - Employee Benefits.

b) CELOS Health Plan

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

c) Other Benefits

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

28.1. Results of the Actuarial Valuation

28.1.1. Actuarial Obligations

						Consolidated
Description	**Plan Mixed**	**Transition Plan**	**Celos Health Plan**	**Plan savings**	**C) Other Benefits**	**Total**
Balance on December 31, 2020	**2,722,988**	**766,510**	**1,257,122**	**1,933**	**64,087**	**4,812,640**
Net Current Service Cost	4,605	-	(36,439)	127	-	(31,707)
Contribution of Participant Held in the Period	26,928	15,837	52,941	-	-	95,706
Interest without Actuarial Obligation	183,423	46,446	88,080	120	4,164	322,233
Benefits Paid in the Period	(197,900)	(85,046)	(81,668)	(588)	(4,840)	(370,042)
(Gains) Losses on Actuarial Obligations	(231,016)	(60,934)	(151,249)	63	(4,520)	(447,656)
Balance on December 31, 2021	**2,509,028**	**682,813**	**1,128,787**	**1,655**	**58,891**	**4,381,174**

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28.1.2. Determination of Net Liabilities (Assets)

Description	Mixed Plan	Transitional Plan	Celos Health Plan	Savings Plan	C) Other Benefits	Total
						Consolidated
Liabilities (Assets) on December 31, 2020	**835,712**	**403,566**	**1,213,968**	**-**	**64,087**	**2,517,333**
Fair Value of Assets at the End of the Period	(1,941,920)	(369,239)	(50,097)	(12,800)	-	(2,374,056)
Actuarial Obligations at the End of the Period	2,509,028	682,813	1,128,787	1,655	58,891	4,381,174
Effect of Additional Assets and Liabilities Ceiling End of Period	-	-	-	11,145	-	11,145
Liabilities (Assets) on 12/31/2021	**567,108**	**313,574**	**1,078,690**	**-**	**58,891**	**2,018,263**

28.1.3. Reconciliation of the Fair Value of Assets

Description	Mixed Plan	Transition Plan	Celos Health Plan	Savings Plan	Total
					Consolidated
Balance on December 31, 2020	**1,887,276**	**362,944**	**43,154**	**12,490**	**2,305,864**
Benefits Paid in the Period Using Plan Assets	(197,900)	(85,046)	(81,668)	(588)	(365,202)
Contributions from Participants Made in the Period	26,928	15,837	52,941	-	95,706
Employer Contributions Made in the Period	82,693	72,763	55,135	-	210,591
Expected Income from Assets	128,194	23,019	3,766	835	155,814
Gain (Loss) in the Fair Value of Plan Assets	14,729	(20,278)	(23,231)	63	(28,717)
Balance on December 31, 2021	**1,941,920**	**369,239**	**50,097**	**12,800**	**2,374,056**

28.1.4. Costs Recognized in the Income Statement for the Period

Description	June 30, 2022	June 30, 2021
		Consolidated
Transition Plan	14,549	4,083
Mixed Plan	28,855	16,360
Medical Plan	35,172	2,166
Other Benefits	3,056	2,145
Total	**81,632**	**24,754**
Personal Expense	55,731	(2,849)
Financial Expenses	25,901	27,603
Total	**81,632**	**24,754**

28.1.5. Estimated Expense for the 2022 Financial Year

The estimated expense for the year 2022 is shown below:

Plans	Consolidated Expense to be recognized in 2022
Transitional Plan	29,097
Mixed Plan	57,710
Savings Plan	136
Medical Plan	70,344
Other	5,975
Total	**163,262**

28.1.6. Movement of Actuarial Liabilities

Description	Mixed/Transitional Plan	Celos Health Plan	C) Other Benefits	Total
Balance on December 31, 2021	**880,682**	**1,078,690**	**58,891**	**2,018,263**
Payment	(84,030)	(31,891)	(2,856)	(118,777)
Provision	43,404	35,172	3,056	81,632
Balance on June 30, 2022	**840,056**	**1,081,971**	**59,091**	**1,981,118**

29. PIS/COFINS REFUND TO CONSUMERS

On April 1, 2019, according to the narrative already described in Note 11 of Recoverable Taxes, Celesc D obtained the final and unappealable decision in a judicial proceeding assessed under nº 5006834-93.2012.4.04.7200, in which the right to recover amounts overpaid as PIS/COFINS due to the inclusion of ICMS in the calculation basis of taxes paid. The decision limited the effects to the period from April 13, 2007 until December 31, 2014.

The Company has adopted the understanding that all amounts recovered in the lawsuit will be reimbursed to consumers through mechanisms to be defined by ANEEL. Due to the adopted system, the accounting records were made between Assets (Recoverable Taxes) and Liabilities (PIS/COFINS Refundable to Consumers).

Regarding Liabilities and the respective form of return, the topic is still the subject of administrative discussion by the ANEEL collegiate via the opening of Public Consultation No. 005/2021, published on February 10, 2021. The contribution period was defined until March 29, 2021, with a view to obtaining subsidies for the improvement of the proposal for the return of tax credits arising from the exclusion of ICMS from the aforementioned PIS/COFINS calculation basis.

As for the return proposal, the main points addressed by the regulatory agency are the following: i) how the values should be returned; ii) how long the return must take place; iii) measures of incentives for the action of the distributors in the judicial sphere in the resolution of the matter and iv) what are the alternatives for the operationalization of the return of credits and possible implications.

Taking into account the preamble of the discussion, Celesc D considered in its contribution that there is a need, among others, for an evaluation also regarding the prescription as a limitation mark for the return to consumers, fundamental to not incurring a repetition of undue payment. In this sense, the assessment of the regulatory body is considered relevant, with regard to the statute of limitations of the respective credits, considering the discussion of the form of return due to the long time span covered in the processes and the clear definition of the statute of limitations, which may fact be relegated to the judiciary, eventually, depending on the recommendation of the regulatory agency.

Public Consultation No. 005/2021, despite having its deadline for contributions ended on March 29, 2021, remains under consideration by the Regulatory Agency.

It should be noted that within the scope of Public Consultation No. 26/2021 - Tariff Review of Celesc D, the distributor forwarded a provisional advance proposal to consumers in the area of its concession, in the amount of R$795.0 million, as an extraordinary negative financial component based on part of the authorized amount and in the process of approval with the Federal Revenue Service of Brazil. Celesc D highlighted the prerogative of claiming future adjustments that equalize any financial differences between the aforementioned amount and the regulation to be edited by ANEEL, as well as financial adjustments in subsequent tariff processes, in the case of actions proposed by individual consumers that may not benefit from the return of PIS/COFINS.

On June 28, 2022, Law No. 14,385/2022 was published in the Federal Official Gazette, referring to the return of credits for reducing ICMS from the PIS/Cofins base to Distributor customers.

This enactment amended Law No. 9,427, of December 26, 1996, which was then in force with item II, of article 3B, where it was defined that the entirety of the amounts of credits required from the
of the Federal Revenue Service of Brazil to be offset until the subsequent tariff process. Furthermore, in paragraph 8 of article 3, it was also established that ANEEL will formulate equitable criteria, considering the tariff procedures and applicable contractual provisions.

So. Celesc D will comply with the provisions of article 3B in its next tariff adjustment, and awaits the establishment of equitable criteria by ANEEL, which are currently under discussion with process no. 48500.001747/2020-22.

30. SHAREHOLDERS' EQUITY

30.1. Share Capital

The Authorized Capital Stock in the Company's Bylaws is R$2.6 billion, represented by registered shares, with no par value, divided into common and preferred shares.

Of the Authorized Capital, R$2.48 billion are subscribed and paid in, represented by 38,571,591 registered shares without par value, of which 15,527,137 are common shares with voting rights and 23,044,454 are preferred shares without voting rights.

30.2. Legal Reserve and Profit Retention

The legal reserve is constituted annually as an allocation of 5% of the net income for the year and cannot exceed 20% of the capital stock. The purpose of the legal reserve is to ensure the integrity of the capital stock and can only be used to offset losses and increase capital.

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

30.3. Basic and Diluted Earnings per Share

The calculation of basic and diluted earnings per share as of June 30, 2022 and 2021 was based on net income for the period and the weighted average number of common and preferred shares outstanding during the periods presented.

As of June 30, 2022 and 2021, the amounts of the Company's shares did not change. During this period, there were no transactions involving common shares or potential common shares between the balance sheet date and the date of completion of the Interim Financial Information.

In the periods ended June 30, 2022 and 2021, the Company did not have instruments convertible into shares that would generate a dilutive impact on earnings per share.

30.4. Breakdown of Basic and Diluted Income

Description	June 30, 2022	June 30, 2021
Weighted Average Shares (thousands)		
Nominative Common Shares - ON	15,527	15,527
Nominative Preferred Shares - PN	23,044	23,044
Basic and Diluted Earnings per Share a Attributed to the Company's Shareholders (R$)		
Nominative Common Shares - ON	8.8322	7.3223
Nominative Preferred Shares - PN	9.7154	8.0545
Basic and Diluted Income Attributed to the Company's Shareholders		
Nominative Common Shares - ON	137,139	113,694
Nominative Preferred Shares - PN	223,886	185,612
Total Basic and Diluted Income Attributed to the Company's Shareholders	**361,025**	**299,306**

30.5. Interest on Equity

On March 24, 2022, the Company's Board of Directors approved the credit of Intermediate Interest on Equity - JSCP, related to the first quarter of 2022, in the gross amount of R$34.7 million, at the rate of R$0.84894080949 per common share and R$0.93383489043 per preferred share. Holders of shares issued by the Company on March 30, 2022 will be entitled to JSCP, with shares being traded “ex-interest on equity” as of March 31, 2022.

Additionally, on June 15, 2022, the Company's Board of Directors approved the credit of Intermediate Interest on Equity - JSCP, related to the second quarter of 2022, in the gross amount of R$41.9 million, at the rate of R$1 .02498794722 per common share and R$1.12748674194 per preferred share. Holders of shares issued by the Company on June 30, 2022 will be entitled to JSCP, with the shares being traded “ex-interest on equity” as of July 1, 2022.

The JSCP resolved herein will be attributed to the minimum mandatory dividend for the year 2022.

JSCP will not be adjusted for inflation and income tax will be levied, according to applicable legislation, and must be paid in two installments. Furthermore, the Board of Directors approved that the payment date of said JSCP will be decided in due course.

30.6. Equity Valuation Adjustments

The following table shows the net effect of R$1.057 billion as of June 30, 2022 and R$1.050 billion as of December 31, 2021 on Shareholders' Equity:

		Consolidated
Equity Valuation Adjustments	**June 30, 2022**	**December 31, 2021**
Assigned Cost - Celesc G (a)	13,780	14,099
Actuarial Liability Adjustment - Celesc D (b)	(1,064,375)	(1,064,375)
Adjustment Fair Value Other Comprehensive Income (c)	(6,614)	-
Total	**(1,057,209)**	**(1,050,276)**

a) The deemed cost, measured at fair value on the date of initial adoption of the CPCs in 2009, was recognized in the equity valuation adjustment, in equity, net of deferred income tax and social contribution, as a contra entry to property, plant and equipment. Its realization is recorded as a contra entry to the retained earnings account to the extent that the depreciation of the fair value of property, plant and equipment is recognized in profit or loss.

b) Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are recorded directly in shareholders' equity, as other comprehensive income – equity valuation adjustment.

c) Adjustment to fair value of the temporary investment in Companhia Catarinense de Águas e Saneamento – Casan assessed through other comprehensive income (Note 15).

31. INSURANCE

Insurance coverage, as of June 30, 2022, was contracted for the following amounts, according to insurance policies:

Company	Branch	Covered Assets	Validity	Consolidated Insured Amount (i)
Celesc D	Named Risks	substations	From May 14, 2022 to November 10, 2022	25,000
Celesc G	Fire/Lightning/Explosion	Plants and Substations	From August 8, 2021 to August 8, 2022	24,272
Celesc G	Aircraft crash	Plants and Substations	From August 8, 2021 to August 8, 2022	12,136
Celesc G	Gale	Plants and Substations	From August 8, 2021 to August 8, 2022	12,136
Celesc G	electrical damage	Plants and Substations	From August 8, 2021 to August 8, 2022	24,272
Celesc G	Warranty Insurance	US Hydroelectric Utilization Guarantee	From November 25, 2020 to November 25, 2022	307

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

32. INFORMATION BY BUSINESS SEGMENT

The information by business segment, reviewed by Management and corresponding to the periods ended June 30, 2022 and 2021, is as follows:

					June 30, 2022
Description	**Parent Company**	**Celesc D**	**Celesc G**	**settings of Consolidation**	**Total**
Net Operating Income – NOI	**-**	**4,943,644**	**103,928**	**(4,744)**	**5,042,828**
Cost of Sales	-	(4,174,127)	(17,984)	4,744 (i)	(4,187,367)
Gross Operating Income	**-**	**769,517**	**85,944**	**-**	**855,461**
Selling Expenses	-	(121,447)	(75)	-	(121,522)
General and Administrative Expenses	(14,662)	(224,875)	(10,109)	-	(249,646)
Other Net Income/Expenses	3,699	21,288	1	-	24,988
Equity Pickup	374,227	-	665	(341,623) (ii)	33,269
Result of Activities	**363,264**	**444,483**	**76,426**	**(341,623)**	**542,550**
Financial Income	(2,000)	227,459	8,413	(4,774) (iii)	229,098
Financial Expenses	(239)	(255,840)	(6,561)	4,774 (iii)	(257,866)
Financial Result, Net	**(2,239)**	**(28,381)**	**1,852**	**-**	**(28,768)**
Profit Before IRPJ and CSLL	**361,025**	**416,102**	**78,278**	**(341,623)**	**513,782**
IRPJ and CSLL	-	(126,381)	(26,376)	-	(152,757)
Net Income for the Period	**361,025**	**289,721**	**51,902**	**(341,623)**	**361,025**
Total Assets	**3,074,526**	**10,304,572**	**961,442**		
Total Liabilities	**175,345**	**8,632,866**	**225,993**		

					June 30, 2021
Description	**Parent Company**	**Celesc D**	**Celesc G**	**settings of Consolidation**	**Total**
Net Operating Income – NOI	**-**	**4,854,691**	**83,234**	**(3,114)**	**4,934,811**
Cost of Sales	-	(4,289,635)	(16,336)	3,114 (i)	(4,302,857)
Gross Operating Income	**-**	**565,056**	**66,898**	**-**	**631,954**
Selling Expenses	-	(129,799)	23,831	-	(105,968)
General and Administrative Expenses	(10,924)	(138,791)	(8,269)	-	(157,984)
Other Net Income/Expenses	(1,558)	24,474	323	-	23,239
Equity Pickup	303,268	-	1,927	(273,315) (ii)	31,880
Result of Activities	**290,786**	**320,940**	**84,710**	**(273,315)**	**423,121**
Financial Income	5,004	123,853	1,831	246 (iii)	130,934
Financial Expenses	(47)	(94,446)	(2,289)	(246) (iii)	(97,028)
Financial Result, Net	**4,957**	**29,407**	**(458)**	**-**	**33,906**
Profit Before IRPJ and CSLL	**295,743**	**350,347**	**84,252**	**(273,315)**	**457,027**
IRPJ and CSLL	3,563	(133,306)	(27,978)	-	(157,721)
Net Income for the Period	**299,306**	**217,041**	**56,274**	**(273,315)**	**299,306**
Total Assets	**2,353,501**	**3,729,526**	**808,745**		
Total Liabilities	**69,553**	**9,408,239**	**183,484**		

(i) Energy purchase and sale transactions between Celesc D and Celesc G.
(ii) Equity in the equity of wholly-owned subsidiaries Celesc D and Celesc G.
(iii) Interest related to the loan agreement entered into between Celesc D and Celesc G.

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32.1. Consolidated Operating Revenue

Description	June 30, 2022	June 30, 2021
Gross Operating Revenue - ROB	**8,379,066**	**7,659,026**
Electricity Supply (a)	4,491,818	3,525,080
Supply not invoiced (a)	33,975	(32,310)
Electricity Supply (a)	268,217	304,426
Supply not billed (a)	(979)	(738)
Availability of the Electricity Grid (i)	2,705,573	2,493,259
Update of Indemnifiable Financial Asset - Concession	14,296	7,825
Financial income	53,929	28,613
Income from the Provision of Services	729	513
Short-Term Electricity	172,436	435,002
Income from Financial Assets/(Liability) (Portion A - CVA)	(234,984)	310,429
Other Operating Income	5,068	3,747
Donations and Grants (ii)	309,834	305,853
Construction Revenue - CPC 47	559,154	277,327
Deductions from Gross Operating Revenue	**(3,336,238)**	**(2,724,215)**
ICMS	(1,566,191)	(1,309,904)
PIS	(102,697)	(121,387)
COFINS	(473,031)	(559,117)
Electricity Development Account – CDE	(1,073,491)	(663,719)
Research and Development - R&D	(22,646)	(23,456)
Energy Efficiency Program - PEE	(21,908)	(22,931)
Inspection Fee - ANEEL	(4,426)	(4,613)
Financial Compensation for the Use of Water Resources - CFURH	(930)	(843)
Other Charges	(70,918)	(18,245)
Net Operating Income – NOI	**5,042,828**	**4,934,811**

(i) In compliance with the Electricity Sector Accounting Manual - MCSE, approved by Normative Resolution No. 933, of May 18, 2021, Celesc D performed the segregation of TUSD's revenue from Captive Consumers of Electricity Supply for Availability of the Electrical network.

(ii) Amount transferred by Eletrobras, referring to the reimbursement of discounts levied on tariffs applicable to users of the public electricity distribution service. The amount of revenue recorded as CDE Subsidy (Decree 7,891/2013), in the first half of 2022, was R$295.4 million. The other amounts refer to the Low Income Program, in the amount of R$13.4 million, the supply of CCRBT Brands, in the amount of R$32.8 million and the difference in CDE reimbursement, in the amount of R$31.7 million (reducing effect).

a) Power Supply

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Residential	2,579,997	2,504,932	3,563,920	3,398,234	2,869,336	2,323,210
Industrial	129,880	121,896	5,482,628	5,520,256	953,654	811,163
Commercial	304,156	292,677	2,465,782	2,276,956	1,554,220	1,218,604
Rural	229,264	231,794	552,973	623,343	416,158	350,243
Government	24,459	23,943	232,228	189,876	188,775	133,646
Public Lighting	1,031	920	317,994	311,747	164,171	134,325
Public Service	4,096	3,845	198,918	190,928	143,111	119,657
reclassified Rec. available Electric Network Cat. Cons.	-	-	-	-	(1,763,632)	(1,598,078)
Total Supply	**3,272,883**	**3,180,007**	**12,814,443**	**12,511,340**	**4,525,793**	**3,492,770**
Power Supply	134	106	1,485,581	1,476,060	267,238	303,688
Total	**3,273,017**	**3,180,113**	**14,300,024**	**13,987,400**	**4,793,031**	**3,796,458**

(i) Unrevised information

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32.2. Consolidated Operating Costs and Expenses

June 30, 2022

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Others Net Expenses/Revenues	Total
Electricity Purchased for Resale (a)	2,347,279	-	-	-	2,347,279
Charges for Use of the Electricity Grid (b)	876,128	-	-	-	876,128
personnel (c)	177,502	114,471	31,108	435	323,516
administrators	-	6,117	-	-	6,117
Actuarial Expense	-	55,731	-	-	55,731
Private Pension Entity (c)	8,253	4,412	1,072	-	13,737
Supplies	14,660	4,264	-	8,765	27,689
Construction Costs	559,154	-	-	-	559,154
Outsourced Costs and Services	75,512	49,225	24,405	717	149,859
Depreciation and Amortization	121,126	13,465	199	985	135,775
Net Provisions	-	-	47,405	92,278	139,683
Lease and Rents	367	4,854	126	(219)	5,128
Infrastructure Sharing (d)	-	-	-	(105,745)	(105,745)
Other Income/Expenses	7,386	(2,893)	17,207	(22,204)	(504)
Total	**4,187,367**	**249,646**	**121,522**	**(24,988)**	**4,533,547**

June 30, 2021

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Others Net Expenses/Revenues	Total
Electricity Purchased for Resale (a)	2,822,339	-	-	-	2,822,339
Charges for Use of the Electricity Grid (b)	858,599	-	-	-	858,599
personnel (c)	146,403	92,617	28,454	11,106	278,580
administrators	-	4,786	-	-	4,786
Actuarial Expense	-	(2,849)	-	-	(2,849)
Private Pension Entity (c)	7,049	3,598	1,047	-	11,694
Supplies	9,221	3,368	-	-	12,589
Construction Costs	277,327	-	-	-	277,327
Outsourced Costs and Services	62,391	40,426	31,939	698	135,454
Depreciation and Amortization	113,038	11,297	-	985	125,320
Net Provisions	-	-	28,485	29,365	57,850
Lease and Rents	1,076	7,797	250	(124)	8,999
Infrastructure Sharing (d)	-	-	-	(87,559)	(87,559)
Other Income/Expenses	5,414	(3,056)	15,793	22,290	40,441
Total	**4,302,857**	**157,984**	**105,968**	**(23,239)**	**4,543,570**

a) Electricity Purchased for Resale

		Consolidated
Description	**June 30, 2022**	**June 30, 2021**
Purchase of Energy in the Regulated Environment - CCEAR	1,510,561	1,529,330
Energy Trading Chamber - CCEE	5,107	509,864
Itaipu Binacional	500,538	639,007
Bilateral Contracts	27,117	9,982
Nuclear Energy Quotas	111,465	81,118
Physical Guarantee Quotas	260,313	233,152
Proinfa	171,548	105,056
PIS/COFINS	(239,370)	(285,170)
Total	**2,347,279**	**2,822,339**

b) Charges for Use of the Electricity Grid

		Consolidated
Description	**June 30, 2022**	**June 30, 2021**
System Use Charge	583,434	601,545
System Services Charges - ESS	219,813	235,210
Itaipu Transport Charges	44,673	60,221
Reserve Energy Charge - EER	117,510	49,139
PIS/COFINS	(89,302)	(87,516)
Total	**876,128**	**858,599**

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c) Personal and Private Pension

	Parent Company		Consolidated	
Description	**June 30, 2022**	**June 30, 2021**	**June 30, 2022**	**June 30, 2021**
Guys	**4,776**	**3,830**	**323,516**	**278,580**
Remuneration	4,620	3,702	170,560	138,628
Social Charges	111	98	64,513	52,401
Participation in profits and results	-	-	26,360	19,297
Assistance Benefits	-	-	44,472	35,524
Provisions and Indemnities	-	-	17,523	32,680
Other	45	30	88	50
Private Pension - Celos	**4**	**5**	**13,737**	**11,694**
Total	**4,780**	**3,835**	**337,253**	**290,274**

d) Infrastructure Sharing

It refers to the use of attachment points on Celesc D poles, carried out by third parties, for the provision of telecommunications services of collective interest, such as telephony, internet, cable TV and others.

32.3. Financial Result

	Parent Company		Consolidated	
	June 30, 2022	**June 30, 2021**	**June 30, 2022**	**June 30, 2021**
Financial Income	**(2,000)**	**5,004**	**229,098**	**130,934**
Income from Financial Applications	725	545	58,048	10,997
Moratorium Additions w/o Electricity Invoices	-	-	62,561	55,515
Monetary Variations	158	-	28,506	47,194
Monetary Update without Financial Assets - CVA	-	-	74,851	14,713
Dividend Income	4,000	4,324	4,000	4,324
Interest on Equity	85,410	3	971	3
Reversal of Interest on Equity	(85,410)	-	(971)	-
Other Financial Income	1,110	165	20,583	4,348
(-) PIS/COFINS w/o Financial Revenue	(7,993)	(33)	(19,451)	(6,160)
Financial Expenses	**(239)**	**(47)**	**(257,866)**	**(97,028)**
Debt Charges	-	-	(103,730)	(37,319)
Update Mathematical Reserve to Amortize	-	-	(25,901)	(27,603)
Tax on Financial Transactions - IOF	-	-	(3,981)	(1,412)
Monetary Variations	-	-	(42,521)	(8,526)
Update R&D and Energy Efficiency	-	-	(5,634)	(3,493)
Monetary Update without Financial Liabilities - CVA	-	-	(55,182)	(11,739)
Interest on Equity	(76,599)	-	(76,599)	-
Reversal of Interest on Equity	76,599	-	76,599	-
Interest and Costs on Debentures	-	-	(7,257)	(2,679)
Interest on Rent Payable (CPC 06)	(12)	-	(519)	-
Other Financial Expenses	(227)	(47)	(13,141)	(4,257)
Financial Result	**(2,239)**	**4,957**	**(28,768)**	**33,906**

33. COMPLEMENTARY INFORMATION ON CELESC D

33.1. Statement of Financial Position – Assets

Assets	**June 30, 2022**	**December 31, 2021**
Current	**3,320,257**	**3,551,198**
Cash and Cash Equivalents	1,160,578	753,816
Trade Receivables	1,767,280	1,912,314
Inventory	19,526	13,479
Taxes Recoverable	157,013	552,179
CDE - Subsidy Decree 7,891/2013	49,231	49,231
Water Shortage Bonus	1,138	102,861
Other	165,491	167,318
Noncurrent	**6,984,315**	**7,095,883**
Achievable in the Long Term	**3,017,106**	**3,275,516**
Trade Receivables	21,124	27,212
Deferred Taxes	712,958	708,001
Taxes Recoverable	1,064,605	1,019,951
Court Deposits	283,226	292,261
Indemnifiable Financial Assets - Concession	919,926	754,772
Financial Asset - CVA	13,111	470,286
Other	2,156	3,033
Property, Plant and Equipment	**10,177**	**14,013**
Intangible Assets	**3,957,032**	**3,806,354**
Total Assets	**10,304,572**	**10,647,081**

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33.2. Statement of Financial Position – Liabilities

Liabilities	June 30, 2022	December 31, 2021
Current	**2,988,108**	**3,270,411**
Suppliers	871,057	1,078,658
National Currency Loans	121,816	5,404
Foreign Currency Loans	31,019	18,155
Debentures	198,869	117,739
Labor and Social Security Obligations	202,176	213,396
Taxes Payable	289,033	901,233
Dividends and Interest on Equity - Declared Interest on Equity	126,665	92,687
Regulatory Fees	48,246	295,233
Loans - Affiliates, Subsidiaries or Parent Companies (i) (ii)	75,789	86,425
Lease Liabilities	3,280	5,993
Actuarial Liabilities (CPC 33)	222,153	219,527
Financial Liabilities - CVA	6,477	39,826
Water Shortage Bonus	1,368	102,861
PIS/COFINS to be Refunded to Consumers	658,867	-
Other	131,293	93,274
Noncurrent	**5,644,758**	**5,893,149**
National Currency Loans	552,883	97,818
Foreign Currency Loans	1,131,923	1,131,923
Debentures	448,956	558,269
Labor and Social Security Obligations	29,983	50,032
Regulatory Fees	115,740	69,714
Lease Liabilities	7,421	8,502
Actuarial Liabilities (CPC 33)	1,758,965	1,798,736
Provision for Contingencies	442,640	424,433
PIS/COFINS to be Refunded to Consumers	1,155,497	1,748,472
Other	750	5,250
Shareholders' Equity	**1,671,706**	**1,483,521**
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	205,282	-
Total Liabilities	**10,304,572**	**10,647,081**

(i) Mutual payments between Celesc D and Celesc G

On October 28, 2021, Celesc G's Board of Directors approved the transfer of R$70.0 million to Celesc D in the form of a Loan Agreement. ANEEL's consent was given through Order No. 3,316, of October 19, 2021, and the contract was signed between the parties on November 1, 2021.

Interest of CDI +2.1% p.a. will be added to the principal, which will be paid at the end of the contract, effective for 12 months.

The funds are intended to mitigate cash dislocations, especially given the challenges of complying with the Concession Agreement and all regulatory requirements to achieve quality indicators.

The total amount was transferred on the date of execution of the agreement and, until June 30, 2022, R$4.6 million of compensatory interest was recognized.

(ii) Mutual between Celesc D and Celesc H

On October 28, 2021, the company's Board of Directors approved the transfer of R$15.0 million to Celesc D in the form of a Loan Agreement, signed on November 1, 2021, the date on which the amount was transferred.

ANEEL's consent was given through Order No. 3,317, of October 19, 2021, and the contracted amount will be remunerated by interest of CDI +2.1% p.a., which will be paid at the end of the 12-month contract.

The funds are intended to mitigate cash dislocations, especially given the challenges to comply with the Concession Agreement and all regulatory requirements for compliance with quality indicators.

On February 3, 2022, the Loan agreement between the Company (Lender) and Celesc D (Borrower) ended. On this date, Celesc D paid R$15.3 million. During the term of the agreement, R$409.0 thousand of remuneratory interest was recognized.

33.3. Results report

Description	June 30, 2022	June 30, 2021
Net Operating Income – NOI	**4,943,644**	**4,854,691**
Net Revenue from Electric Energy Sales and Service	4,605,178	4,259,110
Revenue from Financial Assets (Liabilities) - CVA	(234,984)	310,429
Construction Revenue - CPC 47	559,154	277,327
Update of Indemnifiable Financial Asset - Concession	14,296	7,825
Costs of Sales/Services Provided	**(4,174,127)**	**(4,289,635)**
Cost of Goods Sold	(3,216,720)	(3,673,715)
Cost of Services	(398,253)	(338,593)
Construction Cost - CPC 47	(559,154)	(277,327)
Gross Operating Income	**769,517**	**565,056**
Operational expenses	**(325,034)**	**(244,116)**
Selling Expenses	(121,447)	(129,799)
General and Administrative Expenses	(224,875)	(138,791)
Other Operating Income and Expenses	21,288	24,474
Operating Result before Financial Result	**444,483**	**320,940**
Financial Result	**(28,381)**	**29,407**
Financial Income	227,459	123,853
Financial Expenses	(255,840)	(94,446)
Profit Before IRPJ and CSLL	**416,102**	**350,347**
Income Tax and Social Contribution	**(126,381)**	**(133,306)**
Current	(131,337)	(122,827)
Deferred	4,956	(10,479)
Net Income for the Period	**289,721**	**217,041**

33.3.1. Operating income

Description	June 30, 2022	June 30, 2021
Gross Operating Revenue - ROB	**8,267,904**	**7,569,698**
Electricity Supply (a)	4,475,458	3,512,659
Unbilled Supply	33,145	(33,258)
Electricity Supply (a)	228,196	255,092
Financial Assets and (Liabilities) - CVA	(234,984)	310,429
Availability of the Electricity Grid	2,707,080	2,494,509
Short Term Energy	169,928	435,002
Income from the Provision of Services	729	-
Donations and Grants	309,834	305,853
Construction Revenue	559,154	277,327
Update of Indemnifiable Financial Asset - Concession	14,296	7,825
Other Operating Income	5,068	4,260
Deductions from Gross Operating Revenue	**(3,324,260)**	**(2,715,007)**
ICMS	(1,566,191)	(1,309,904)
PIS	(100,937)	(120,105)
COFINS	(464,923)	(553,210)
Energy Development Account - CDE	(1,073,491)	(663,719)
Research and Development - R&D	(21,908)	(22,931)
Energy Efficiency Program - PEE	(21,908)	(22,931)
Inspection Fee - ANEEL	(3,984)	(3,962)
Other Charges	(70,918)	(18,245)
Net Operating Income – NOI	**4,943,644**	**4,854,691**

a) Power Supply

The breakdown of Gross Revenue from electricity supply and supply by class of consumers is as follows:

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Residential	2,579,997	2,504,932	3,563,920	3,398,234	2,869,336	2,323,210
Industrial	129,870	121,887	5,422,889	5,476,600	939,051	801,627
Commercial	304,155	292,676	2,453,657	2,254,653	1,551,633	1,214,771
Rural	229,264	231,794	552,973	623,343	416,158	350,243
Government	24,459	23,943	232,228	189,876	188,775	133,646
Public Lighting	1,031	920	317,994	311,747	164,171	134,325
Public Service	4,096	3,845	198,918	190,928	143,111	119,657
reclassified Available Revenue Electricity Network – Captive Cons.	-	-	-	-	(1,763,632)	(1,598,078)
Total Supply	**3,272,872**	**3,179,997**	**12,742,579**	**12,445,381**	**4,508,603**	**3,479,401**
Power Supply	54	51	1,212,378	1,205,191	228,196	255,092
Total	**3,272,926**	**3,180,048**	**13,954,957**	**13,650,572**	**4,736,799**	**3,734,493**

(i) Unaudited information

33.3.2. Operating Costs and Expenses

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
					June 30, 2022
Electricity Purchased for Resale	3,216,720	-	-	-	3,216,720
Personnel	176,179	102,322	30,739	435	309,675
Actuarial Expense	-	55,731	-	-	55,731
Private Pension Entity	8,253	4,408	1,072	-	13,733
Supplies	14,299	4,180	-	8,765	27,244
Construction Costs	559,154	-	-	-	559,154
Outsourced Costs and Services	72,247	44,410	24,256	717	141,630
Depreciation and Amortization	119,634	13,185	199	-	133,018
Net Provisions	-	-	47,878	88,065	135,943
Other	7,641	639	17,303	(119,270)	(93,687)
Total	**4,174,127**	**224,875**	**121,447**	**(21,288)**	**4,499,161**

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
					June 30, 2021
Electricity Purchased for Resale	3,673,715	-	-	-	3,673,715
Personnel	145,228	82,732	28,180	11,106	267,246
Actuarial Expense	-	(2,849)	-	-	(2,849)
Private Pension Entity	7,049	3,593	1,047	-	11,689
Supplies	9,061	3,152	-	-	12,213
Construction Costs	277,327	-	-	-	277,327
Outsourced Costs and Services	60,315	36,787	31,836	698	129,636
Depreciation and Amortization	110,374	11,111	-	-	121,485
Net Provisions	-	-	52,723	29,669	82,392
Other	6,566	4,265	16,013	(65,947)	(39,103)
Total	**4,289,635**	**138,791**	**129,799**	**(24,474)**	**4,533,751**

ANEEL made available the SFF Technical Note No. 154, of August 18, 2021, which deals with the revision of the Electric Sector Accounting Manual - MCSE, effective as of January 1, 2022.

With the update of the MCSE, Celesc D, prospectively, made adjustments in the accounting of some accounts in the corporate accounting in order to reflect the same accounting performed in the regulatory accounting. The adjustments made in the accounting are in line with the accounting practices adopted in Brazil and in accordance with IFRS.

In the Balance Sheet, the billing of the Tariff Flags, previously accounted for in the Regulatory Rates group, is now recorded in the Sectorial Financial Liabilities group, both in Current Liabilities.

In the Income Statement, adjustments were made to Gross Revenue and Revenue Deductions, due to the accounting of the billing of the Tariff Flags previously recorded in the group of Other Charges, being transferred to Revenue from Financial Assets (Liabilities).

34. COMPLEMENTARY INFORMATION ABOUT CELESC G

34.1. Statement of Financial Position – Assets

Assets	June 30, 2022	December 31, 2021
Current	**166,174**	**158,629**
Cash and Cash Equivalents	77,858	63,400
Trade Receivables	18,403	18,980
Inventory	75	77
Taxes Recoverable	8,405	2,297
Advance to Suppliers	1,805	1,805
Prepaid expenses	18	125
Dividends and Interest on Equity Receivable	2,132	1,054
Financial Assets – Concession Bonus	39,965	36,771
Financial Asset - Indemnification of the Pery Plant Basic Project	17,512	34,115
Other	1	5
Noncurrent	**795,268**	**765,735**
Achievable in the Long Term	**544,004**	**515,008**
Loans (Note 33.2)	75,789	71,174
Court Deposits	112	112
Taxes Recoverable	1,251	925
Indemnifiable Financial Assets - Concession	2,421	2,421
Financial Assets – Concession Bonus	307,317	292,578
Financial Asset - Indemnification of the Pery Plant Basic Project	139,514	132,798
Advance for Future Capital Increase	17,600	15,000
Investments	**85,922**	**88,423**
Property, Plant and Equipment	**118,330**	**114,462**
Intangible Assets	**47,012**	**47,842**
Total Assets	**961,442**	**924,364**

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34.2. Statement of Financial Position – Liabilities

Liabilities	June 30, 2022	December 31, 2021
Current	**94,565**	**91,917**
Suppliers	9,616	8,864
Debentures	35,194	35,256
Taxes Payable	23,635	6,507
Regulatory Fees	673	398
Dividends and Interest on Equity	23,628	39,379
Other	1,819	1,513
Noncurrent	**131,428**	**141,024**
Debentures	42,326	57,401
Deferred Taxes	87,806	82,592
Regulatory Fees	1,296	1,031
Shareholders' Equity	**735,449**	**691,423**
Share Capital	450,000	450,000
Profit Reserves	219,448	227,324
Equity Valuation Adjustments	13,780	14,099
Retained Earnings	52,221	-
Total Liabilities	**961,442**	**924,364**

34.3. Results report

Description	June 30, 2022	June 30, 2021
Net Operating Income – NOI	**103,928**	**83,234**
Net Revenue from Electricity Sales	103,928	83,234
Sales Costs	**(17,984)**	**(16,336)**
Cost of operation	(17,984)	(16,336)
Gross profit	**85,944**	**66,898**
Operational expenses	**(9,518)**	**17,812**
With sales	(75)	23,831
General and Administrative	(10,109)	(8,269)
Other Operating Income and Expenses	1	323
Equity Pickup	665	1,927
Operating Result before Financial Result	**76,426**	**84,710**
Financial Result	**1,852**	**(458)**
Financial Income	8,413	1,831
Financial Expenses	(6,561)	(2,289)
Profit Before IRPJ and CSLL	**78,278**	**84,252**
Income Tax and Social Contribution	**(26,376)**	**(27,978)**
Current	(21,163)	(15,032)
Deferred	(5,213)	(12,946)
Net Income for the Period	**51,902**	**56,274**

34.3.1. Operating income

Description	June 30, 2022	June 30, 2021
Gross Operating Revenue - ROB (a)	**115,906**	**92,442**
Electricity Supply - Industrial	13,820	8,611
Electricity Supply - Industrial - Unbilled	830	948
Electricity Supply - Commercial	2,587	3,833
Electricity Supply	43,211	42,802
Electricity Supply - Not Billed	(979)	(738)
Short-Term Electricity	2,508	8,373
Financial Income Grant Bonus	36,925	28,613
Financial Revenue Usina Pery	17,004	-
Deductions from Operating Revenue	**(11,978)**	**(9,208)**
PIS	(1,760)	(1,282)
COFINS	(8,108)	(5,907)
Inspection Fee	(442)	(651)
Research and development - R&D	(738)	(525)
Financial Compensation for the Use of Water Resources	(930)	(843)
Net Operating Income – NOI	**103,928**	**83,234**

a) Power Supply

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Industrial	10	9	59,739	43,656	14,650	9,559
Commercial, Services and Other	1	1	12,125	22,303	2,587	3,833
Power Supply	80	55	273,203	257,193	42,232	42,064
Total	**91**	**65**	**345,067**	**323,152**	**59,469**	**55,456**

(i) Unrevised information

34.3.2. Operating Costs and Expenses

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
					June 30, 2022
Electricity Purchased for Resale	8,680	-	-	-	8,680
Electricity Purchased for Resale CP	1,197	-	-	-	1,197
Charges from the Use of the Power Grid	1,507	-	-	-	1,507
Personnel	1,323	7,373	369	-	9,065
Supplies	361	84	-	-	445
Outsourced Costs and Services	3,312	1,840	149	-	5,301
Depreciation and Amortization	1,492	165	-	-	1,657
Insurance	107	220	-	-	327
Net Provisions	-	-	(473)	-	(473)
Taxes	10	67	30	-	107
Rental	-	69	-	(1)	68
Other	(5)	291	-	-	286
Total	**17,984**	**10,109**	**75**	**(1)**	**28,167**

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other Expenses/Revenues, Net	Total
					June 30, 2021
Electricity Purchased for Resale	9,064	-	-	-	9,064
Charges from the Use of the Power Grid	1,250	-	-	-	1,250
Personnel	1,175	6,055	274	-	7,504
Supplies	160	216	-	-	376
Outsourced Costs and Services	2,099	1,688	103	-	3,890
Depreciation and Amortization	2,664	184	-	-	2,848
Insurance	107	-	-	-	107
Net Provisions	-	-	(24,238)	(323)	(24,561)
Taxes	(183)	57	30	-	(96)
Rental	-	67	-	-	67
Other	-	2	-	-	2
Total	**16,336**	**8,269**	**(23,831)**	**(323)**	**451**

35. SUBSEQUENT EVENT

35.1. Approval of the Annual Generation Revenue - RAG Cycle 2022/2023

ANEEL, through Ratifying Resolution No. 3,068, of July 12, 2022, approved the Annual Generation Revenues - RAGs of hydroelectric plants under quota regime for the 2022/2023 cycle, pursuant to Federal Law No. 12,783/2013. The validity period of the new RAG is from July 1, 2022 to June 30, 2023.

In the RAG to be received by HPP Pery, R$18,580 thousand refer to the indemnification of the portion of investments in non-depreciated reversible assets (Note 2.1.2.6).

The RAG established for the plants owned by Celesc G, which must be billed monthly, are:

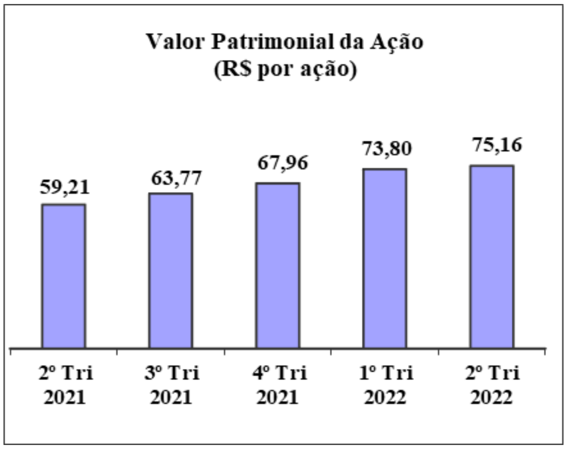
Plants	Annual Revenue (R$/thousand) 2022/2023 Cycle	Monthly Revenue (R$/thousand) 2022/2023 Cycle
Pery HPP	26,615	2,218
Garcia HPP	12,417	1,035
Bracinho HPP	15,547	1,296
Cedros HPP	11,386	949
Palmeiras HPP	24,186	2,016
SALTO HPP	8,073	673

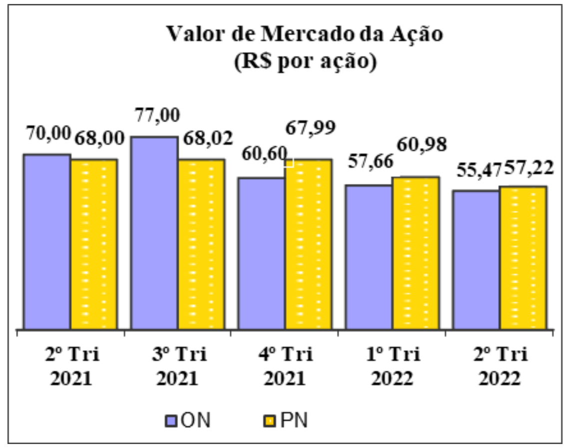
35.1. Reduction of the ICMS rate on electricity operations

On June 29, 2022, the Government of the State of Santa Catarina published Provisional Measure no. 255, amending articles 7 and 19 of Law no. of Interstate and Intermunicipal Transport and Communication Services (ICMS), dealing with the non-levy of ICMS on transmission and distribution services and sectoral charges linked to operations with electric energy, and also reducing the ICMS rate to 17% for operations with electricity from July 1, 2022. In this sense, Celesc D applied the new ICMS rate as of July 1, 2022.

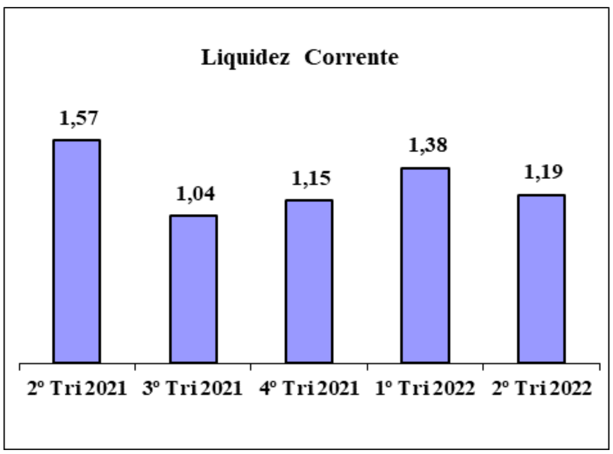
1. QUARTERLY FINANCIAL INDICATORS (Unrevised information)

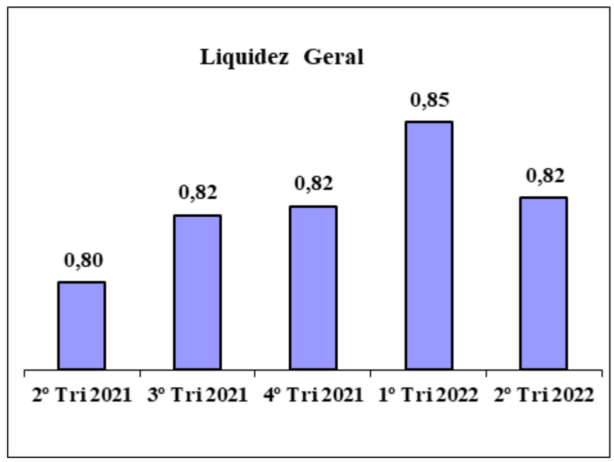
1.1. Equity



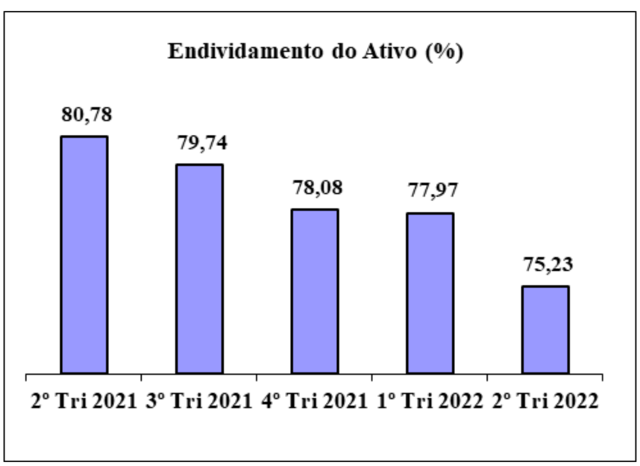


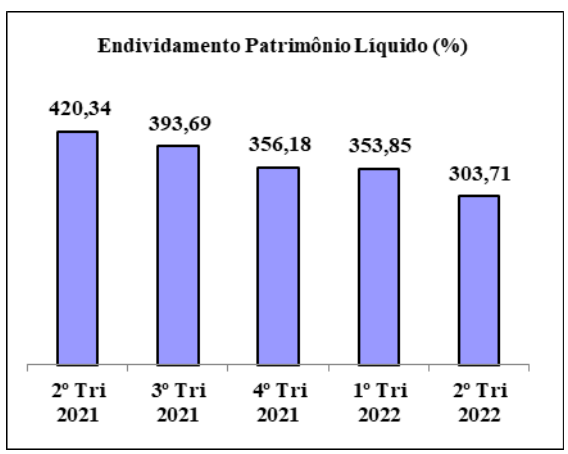
1.2. Liquidity



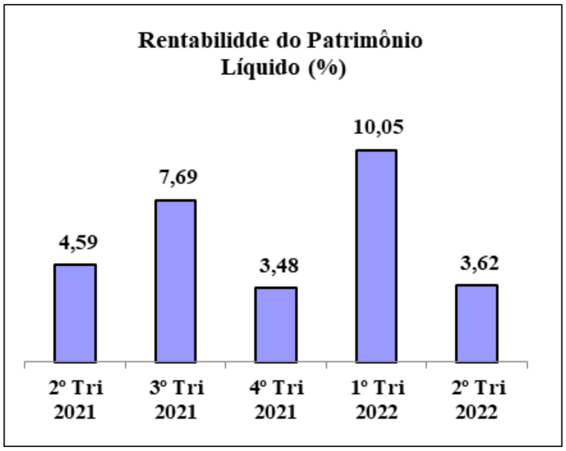


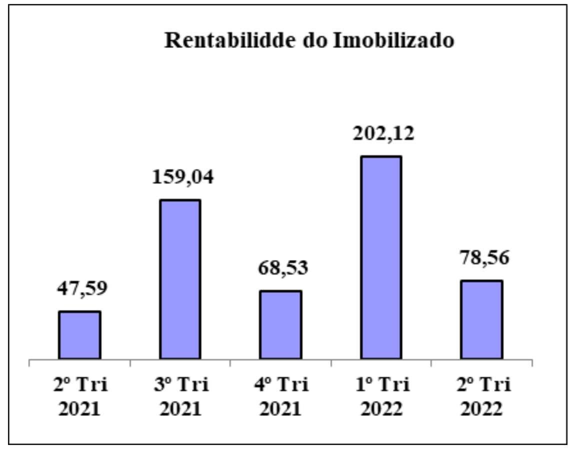
1.3. Indebtedness

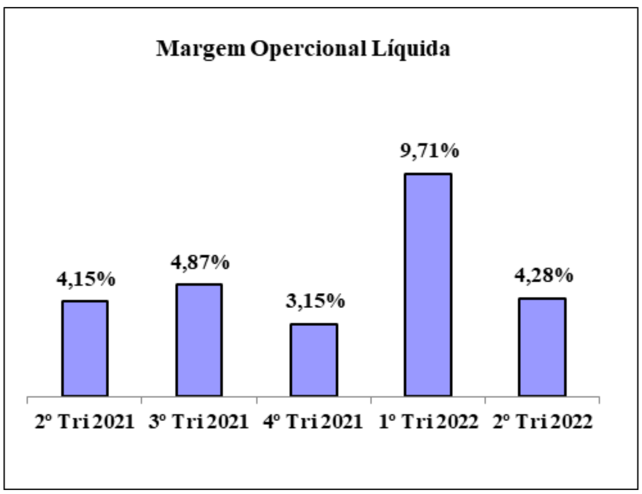


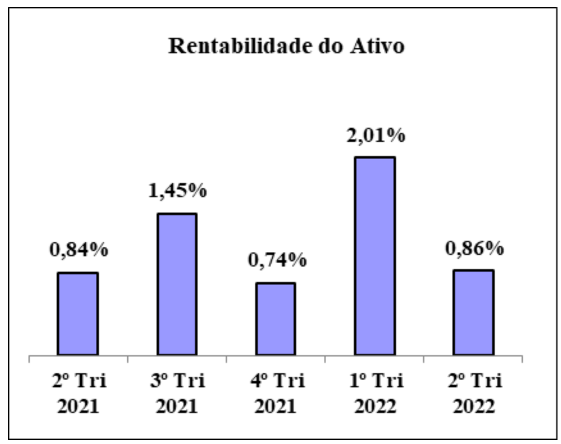


1.4. Profitability

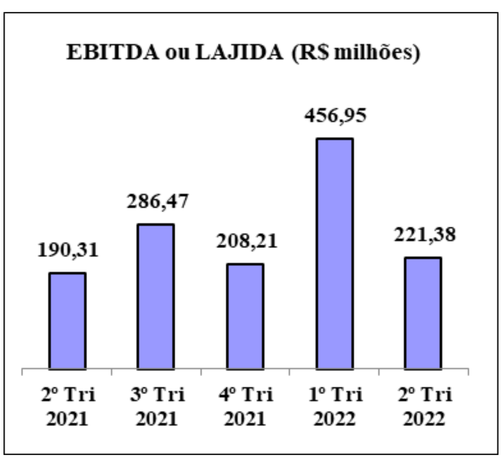


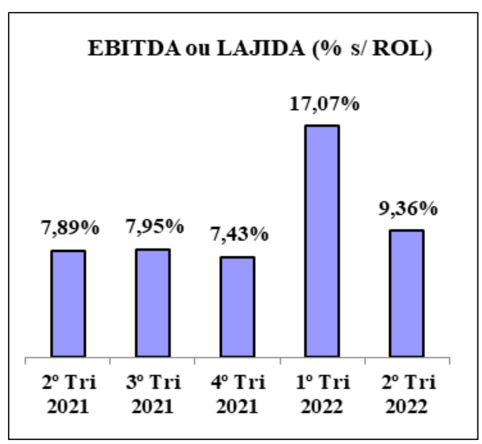




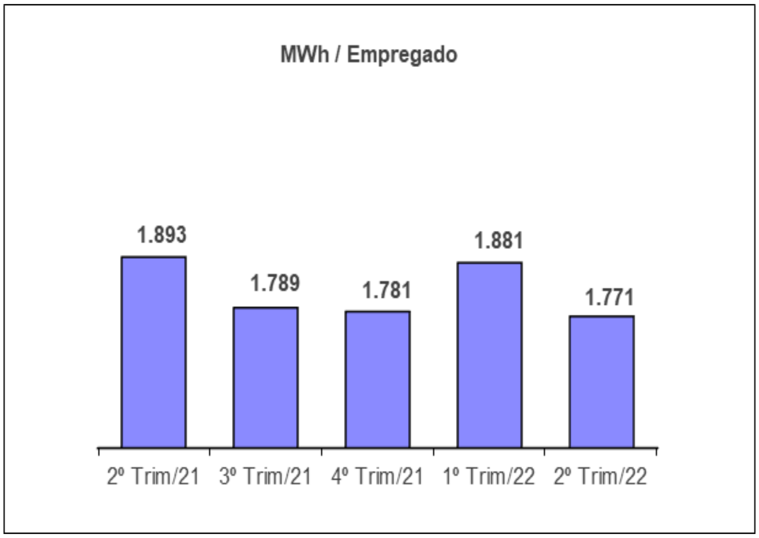


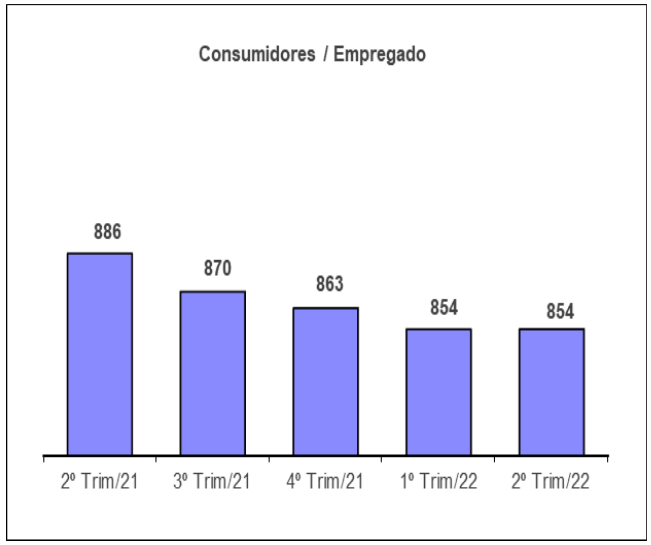
1.5. EBITDA

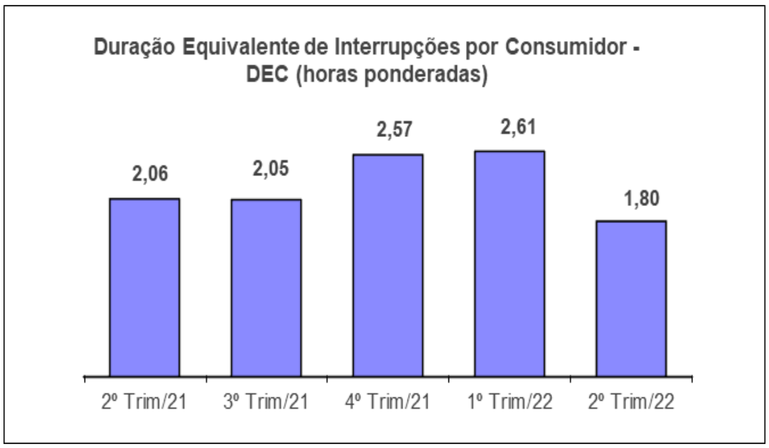


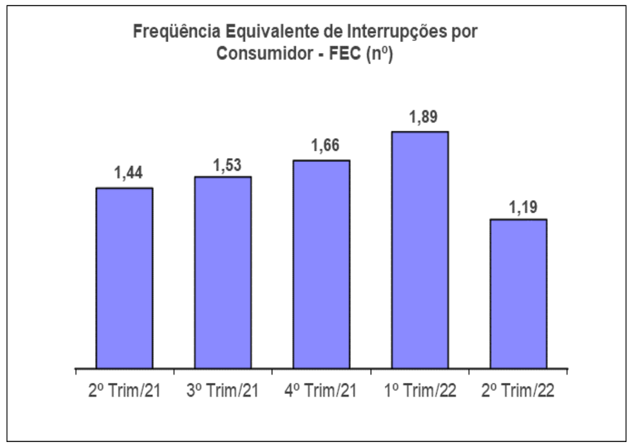


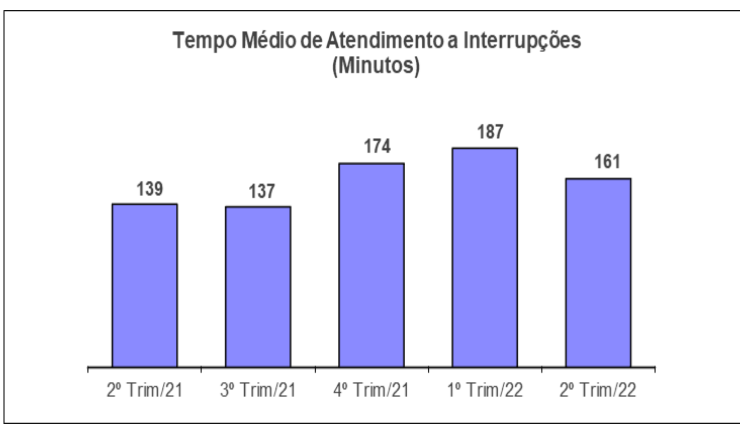
1.6. Efficiency

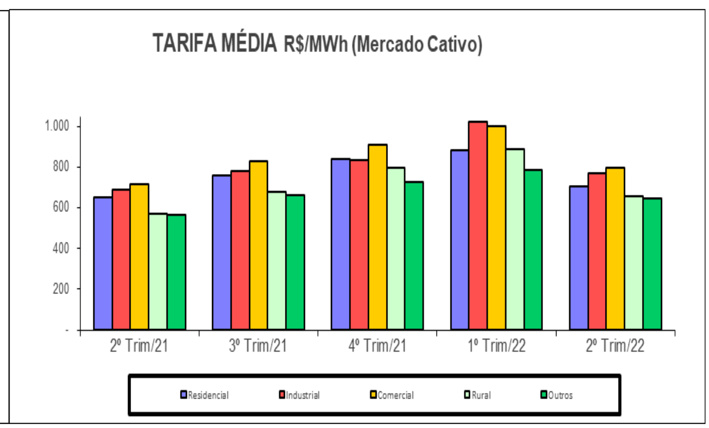












EXECUTIVE OFFICERS' STATEMENT ON THE FINANCIAL STATEMENTS

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc have examined, reviewed, and agreed with all information in the Company's Interim Financial Statements for the second quarter of 2022.

Cleicio Poleto Martins
Chief Executive Officer

Marcos Antônio Pacheco
Chief Financial and Investor Relations Officer

Fábio Valentim da Silva
Energy Regulation and Management Officer

Marcos Penna
Corporate Management Officer

Pablo Cupani Carena
Generation, Transmission and New Business Officer

Pilar Sabino da Silva
Planning, Control and Compliance Officer

Marco Aurélio Gianesini
Distribution Officer

Vitor Lopes Guimarães
Chief Commercial Officer

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

EXECUTIVE OFFICERS' STATEMENT ON THE INDEPENDENT AUDITOR'S REPORT

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc have examined, reviewed and agreed with all information included in the Independent Auditors' Report on the Company's Interim Financial Statements for the second quarter of 2022.

Cleicio Poleto Martins
Chief Executive Officer

Marcos Antônio Pacheco
Chief Financial and Investor Relations Officer

Fábio Valentim da Silva
Energy Regulation and Management Officer

Marcos Penna
Corporate Management Officer

Pablo Cupani Carena
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