

## EBITDA

R\$308.8 million in 4Q20  
R\$922.6 million in 12M20

## NET INCOME

R\$233.6 million in 4Q20  
R\$518.7 million in 12M20

## Earnings Release 4Q20/12M20

Capital Market	Marked cap on 12/31/20	Other Indicators on December 31, 2020
Preferred Shares Price December 31, 2020	BRL 2,231.0 million	Net Debt/Adj. EBITDA LTM (Group): 0.8x
CLSC4: R\$54.34/Share	USD 430.0 million	EPS 4Q20 (R\$ /share): 6.06
4Q20 Variation	Free Float: 75.5%	NAV (R\$/Share): 51.45
CLSC4: 6.84%		Price/NPS: 1.1x
Ibovespa: 25.81%		

## Financial Highlights

- **EBITDA in 4Q20** reached **R\$308.8 million (R\$922.6 million 12M20)**, while **Net Income** reached **R\$233.6 million (R\$518.7 million 12M20)**;
- **EBITDA margin** registered **11.3% in 4Q20 (10.4% in 12M20)**, a higher percentage than the same period last year (7.3% in 4Q19 and 9.0% in 12M19). **Net Margin** ended the **quarter at 8.6%** (compared to 3.1% in 4Q19) and **5.9% year-to-date** (compared to 3.5% in 2019).
- **Net Operating Revenue** totaled **R\$2.7 billion (R\$8.8 billion 12M20)**, reflecting the performance of the subsidiaries Celesc D, G and other Shareholdings;
- **PMSO** totaled **R\$325.7 million in 4Q20 (R\$1,056.1 million 12M20)**, in line with in 2019, when it totaled R\$321.1 million (R\$1,056.6 million 12M20);
- **Non-Manageable Expenses** totaled R\$1.96 billion in the quarter (R\$6.31 billion 12M20);
- **Consolidated Investment** reached R\$671.2 million in the year, with R\$629.8 million in the subsidiary Celesc D and R\$41.4 million in the subsidiary Celesc G;
- **Consolidated Net Debt** reached R\$795.2 million, equivalent to 0.8x of the Adjusted EBITDA 12M and 0.4x of the Shareholders' equity;
- The **Company's shares (CLSC4)** showed a positive variation of **6.84% in the quarter** and **14.2% in twelve months**.

## Operational Highlights

- The **2020 YTD DEC** reached **9.2 hours**, while the **FEC** totaled **6.7 interruptions**, staying within the limits set by ANEEL, (11.0 hours and 8.6 interruptions, respectively), evidencing the Company's commitment to the indicators in its Concession Agreement. The Company has been systematically improving the quality indicators, and in the year the decline was 15.6% in DEC and 10.7% in FEC compared to 2019.
- **Total Electricity Consumption** in Celesc's concession area reached **6,620 GWh in 4Q20**, up **by 4.3%** over 2019. In 2020, it showed a **reduction of 1.3%**, reaching **25,151 GWh**;
- **Total cargo losses** in 4Q20 totaled **8.06%**, lower than in 4Q19 when it reached **8.74%**, thus reducing the percentage without tariff coverage.

Main Results	4 <sup>th</sup> Quarter			YTD 12 Months		
	2019	2020	Δ	2019	2020	Δ
<b>Operating Indicators</b>						
Celesc Distribuição - Energy Sales (GWh)	6,348	6,620	4.3%	25,490	25,151	-1.3%
Celesc Geração - Energy Produced (GWh)	168	166	-1.1%	692	671	-3.2%
<b>Financial Indexes - Consolidated (R\$ Million)</b>						
Gross Operating Revenue	3,158	4,082.3	29.3%	12,883.0	13,629.2	5.8%
Net Operating Revenue (excluding Revenue from Construction)	1,910.7	2,535.2	32.7%	7,474.0	8,266.2	10.6%
Operating Costs and Expenses	(1,991.8)	(2,503.2)	25.7%	(7,562.4)	(8,233.6)	8.9%
<b>(IFRS) EBITDA</b>	<b>151.0</b>	<b>308.8</b>	<b>104.5%</b>	<b>724.8</b>	<b>922.6</b>	<b>27.3%</b>
<b>EBITDA Margin (IFRS)</b>	<b>7.9%</b>	<b>12.2%</b>		<b>9.7%</b>	<b>11.2%</b>	
Adjusted EBITDA (IFRS - Non-Recurring)	175.1	332.0	89.6%	788.4	1,034.0	31.1%
Adjusted EBITDA Margin	9.2%	13.1%		10.5%	12.5%	
<b>Net Income (IFRS)</b>	<b>65.3</b>	<b>233.6</b>	<b>257.7%</b>	<b>283.6</b>	<b>518.7</b>	<b>82.9%</b>
<b>Net Margin</b>	<b>3.4%</b>	<b>9.2%</b>		<b>3.8%</b>	<b>6.3%</b>	
Adjusted Net Income (IFRS - Non-Recurring)	81.2	248.9	206.5%	325.6	592.2	81.9%
Adjusted Net Margin	4.3%	9.8%		4.4%	7.2%	
Investments Made in Electricity Generation and Distribution	194.6	214.4	10.3%	600.0	671.2	11.9%





## DISCLAIMER

This document was prepared by Centrais Elétricas de Santa Catarina - Celesc S.A to indicate the general situation and the progress of the Company's business. The document belongs to CELESC and should not be used for any other purpose without CELESC's prior written authorization.

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

## Contents

1. 2020 SIGNIFICANT EVENTS .....	4
1.1. ALTO VALE: CELESC ALLOCATES R\$86 MILLION IN INVESTMENTS .....	4
1.2. CELESC INVESTS 90.6 MILLION IN THE SOUTH OF THE STATE. ....	4
1.3. CELESC INVESTS R\$73.4 MILLION IN THE EASTERN REGION OF THE STATE .....	4
1.4. CELESC GERAÇÃO - G WILL INSTALL A PHOTOVOLTAIC PLANT .....	4
1.5. ABRAÇONEE AWARD.....	4
1.6. CELESC RECEIVES 2020 EMPRESA CIDADÃ ADVB AWARD.....	4
1.7. CELESC REACHES 65 YEARS AND CELEBRATES ITS ACHIEVEMENTS. ....	4
1.8. CYCLONE BOMBA .....	4
2. CELESC GROUP .....	6
2.1 Corporate Profile .....	6
3. PERFORMANCE BY SEGMENT.....	7
3.1. CELESC DISTRIBUIÇÃO S.A. ....	7
3.1.1. Company's Profile.....	7
3.1.2. Regulatory Environment .....	7
3.1.3. Operating Performance .....	12
3.1.4. Economic and Financial Performance.....	13
3.2. CELESC GERAÇÃO .....	28
3.2.1. Company's Profile .....	208
3.2.2. Operating Performance .....	208
3.2.3. ECONOMIC-FINANCIAL PERFORMANCE. ....	30
3.3. CONSOLIDATED .....	36
3.3.1. Economic and Financial Performance. ....	36
4. CAPITAL MARKET PERFORMANCE .....	41
5. CORPORATE RATING.....	42
6. CELESC RECOGNITION .....	42
7. EXHIBITS.....	44



## **2020 SIGNIFICANT EVENTS**

### **1.1 ALTO VALE: CELESC ALLOCATES R\$86 MILLION IN INVESTMENTS**

On October 5, Celesc announced investments for improvements in the electrical system throughout its concession area. The investments in Alto Vale were destined for works that will benefit the 44 municipalities served in the region. It will be allocated R\$34.7 million to the network that serves the rural properties in that area, through the Celesc Rural Program - of this amount, R\$6.37 million have already been invested in improvements.

### **1.2. CELESC INVESTS 90.6 MILLION IN THE SOUTH OF THE STATE.**

On November 6, Celesc announced improvements in the electrical system throughout its concession area. In the Southern Center (Nusul), investments are being made in works that will benefit the 27 municipalities, with R\$1.6 million being invested in the network that serves the rural properties in the region, through the Celesc Rural Program.

### **1.3. CELESC INVESTS R\$73.4 MILLION IN THE EASTERN REGION OF THE STATE**

On November 13, Celesc announced investments in improvements to the electrical system throughout its concession area. In the eastern region of the state, the investments are allocated to works that will benefit the 13 municipalities served by the Eastern Center (Nules), with R\$908.3 thousand destined to the network that serves the rural properties in the region, through the Celesc Rural Program.

### **1.4. CELESC GERAÇÃO - G WILL INSTALL A PHOTOVOLTAIC PLANT**

On November 17, Celesc Geração signed a contract for the construction of its first photovoltaic plant, with an installed capacity of 28 kWp. With this plant, Celesc G will be self-sufficient in energy by producing credits in the distributed microgeneration category, which will offset the consumption of its own consumer units. The plant will be located in Faxinal dos Guedes, in the western region of Santa Catarina.

### **1.5. ABRACONEE AWARD**

On November 23, Celesc was awarded, once again, by the Brazilian Association of Electrical Energy Sector Accountants (ABRACONEE): the Company won 2<sup>nd</sup> place in the country in the Holding category for the quality of the presentation of the Company's financial statements in 2019.

### **1.6. CELESC RECEIVES 2020 EMPRESA CIDADÃ ADVB AWARD**

On November 27, Celesc was one of the winners of the 2020 Empresa Cidadã ADVB Award. The Photovoltaic Bonus Project- pioneer in the country, which promotes distributed generation through a bonus for participating customers for the acquisition of photovoltaic plates for capturing solar energy. The initiative, developed by the Energy Efficiency Program of Celesc/ANEEL, won 1<sup>st</sup> place in the Environmental Preservation category.

### **1.7. CELESC REACHES 65 YEARS AND CELEBRATES ITS ACHIEVEMENTS.**

On December 9, Celesc celebrated 65 years as the largest state-owned company in Santa Catarina and the best-rated distributor in the country by consumers, through Aneel's Quality Award 2019. During its existence, the Holding Company has worked to improve the quality of life of those who live and work in its concession area, by expanding and upgrading the electricity system and implementing innovative projects to promote social, economic, and environmental development. The company's entire workforce is intended to serve 3.2 million consumer units in 263 municipalities in the state of Santa Catarina, and also in the municipality of Rio Negro, in Paraná (according to the concession contract).

### **1.8. CYCLONE BOMBA**

The Company faced, on June 31 and July 1, 2020, the "Cyclone Bomba", considered the worst weather event in the history of Celesc, in addition to 3 other tornadoes in the West and Midwest of the state and a major disaster due to torrential rains



in the Alto Vale. The cyclone caused extensive destruction to the power grid in Santa Catarina, interrupting about 50% of the power distribution by Celesc throughout the state, and generated financial losses of R\$22.0 million. To restore the grid, Celesc's own employees and partners worked tirelessly, 24 hours a day, to provide energy to locations with difficult access and minimize the population's suffering. At the extreme of the climatic event, about 1.6 million consumer units suffered a power interruption in Celesc's concession area. On the same day, 300 company and outsourced teams were mobilized and started working to mitigate the damage, and by the next morning, they were able to reestablish the system for about 750,000 CUs, or half of the affected customers. Within 72 hours, almost the entire system was recomposed.



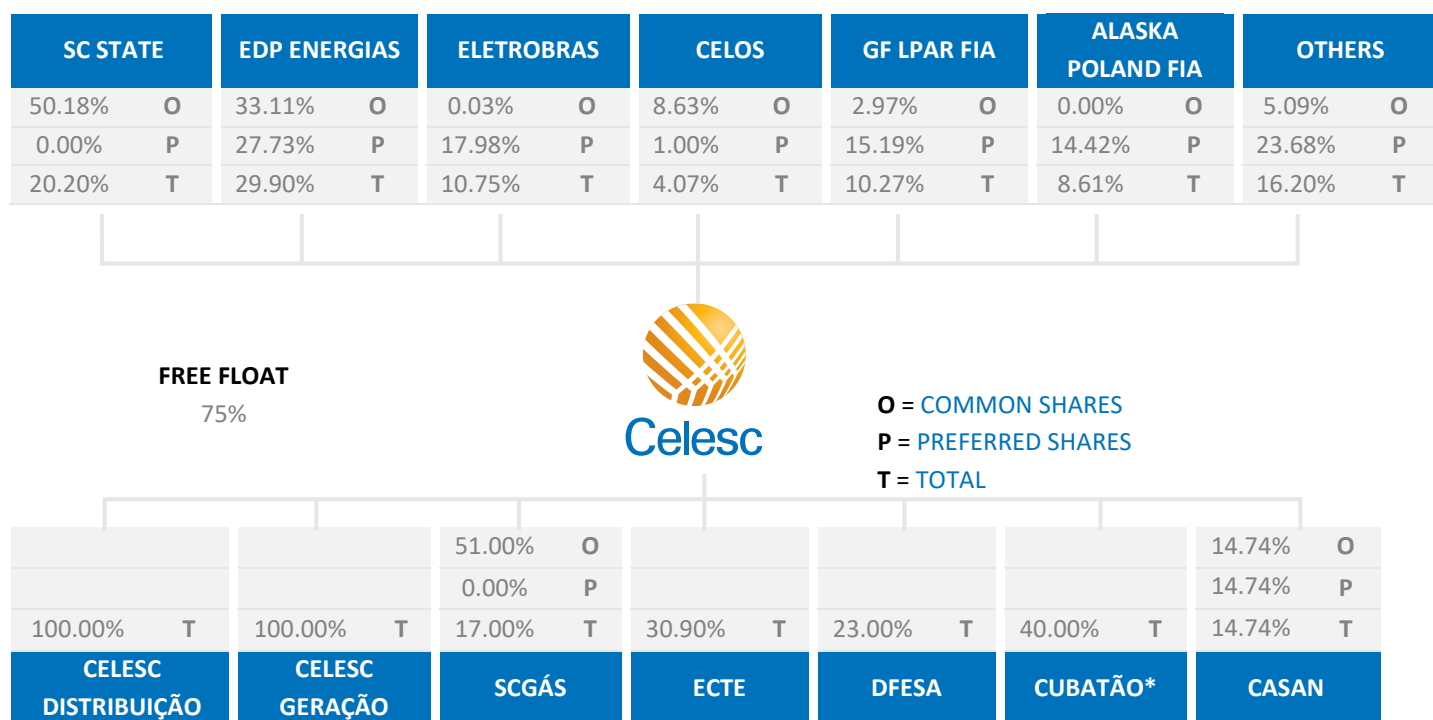
## 2 CELESC GROUP

### 2.1 Corporate Profile

Centrais Elétricas de Santa Catarina S.A. – CELESC is one of the largest companies in the Brazilian electric sector, with emphasis in the areas of distribution and generation of energy. **Structured as a Holding Company in 2006**, the Company has **two wholly owned subsidiaries** - Celesc Distribuição S.A. and Celesc Geração S.A. In addition, it holds the shareholding control of Companhia de Gás de Santa Catarina (SCGÁS) and is partner of Dona Francisca Energética S.A. (DFESA), Empresa Catarinense de Transmissão de Energia S.A. (ECTE), Companhia Catarinense de Água e Saneamento (CASAN) and the Usina Hidrelétrica Cubatão S.A. project.

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

Figure 01 - Shareholding Structure on December 31, 2020





### 3. PERFORMANCE BY SEGMENT

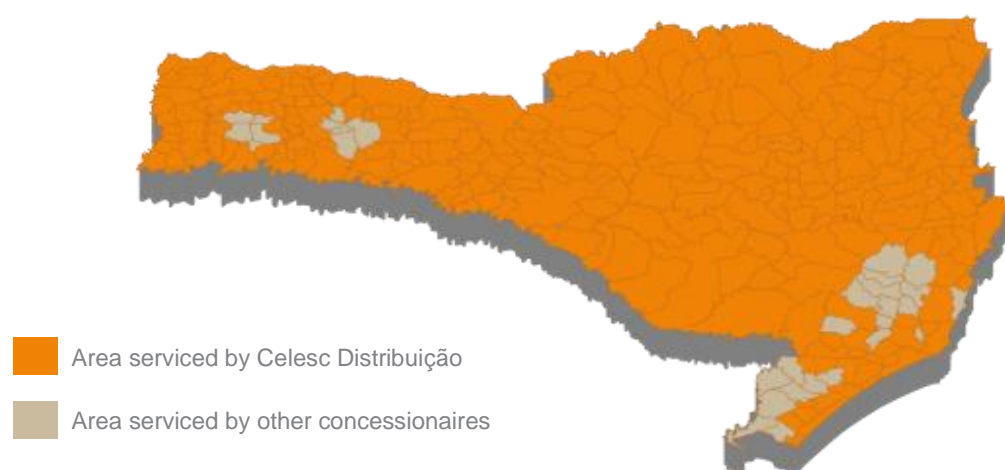
#### 3.1. CELESC DISTRIBUIÇÃO S.A.

##### 3.1.1. Company's Profile

###### Operating Area

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

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



##### 3.1.2. Regulatory Environment

###### 3.1.2.1. Contractual Level of the Distributor

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

Celesc ended 2020 with a contractual position of 105.55%, slightly above the regulatory range. It is worth noting, however, that over contracting is due to a market reduction recorded mainly in the second quarter, when the effects of the pandemic were more intense. Therefore, the Company has been participating in all regulated adjustment mechanisms, such as the Surplus and Deficit Compensation Mechanism (MCSD) and the Surplus Sale Mechanism (MVE), with the aim of declaring its contractual surpluses in the year, even if involuntary, thus demonstrating the distributor's effort to adjust its contracting level.



If the surplus of energy above the regulatory limit is classified as involuntary and the distributor complies with the principle of maximum effort defined in ANEEL Regulatory Resolution 453/2011, there will be a full transfer of the tariff for the entire cost with the acquisition of this surplus energy.

### 3.1.3. Operating Performance

#### 3.1.3.1. Number of Consumers

**Charts 01 and 02** below show the evolution in the number of Celesc's Consumers and the share by type of Consumer class, respectively.

In December 2020, Celesc reached the number of 3,133,843 captive consumers, up by 2.76%, an increase of **84,223 new clients**, compared to December 2019.

Gráfico 01 - Número de Consumidores

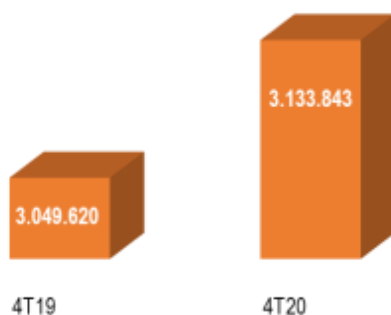


Gráfico 02 - Participação da Classe de Consumo 4T20 (consumidores cativos)

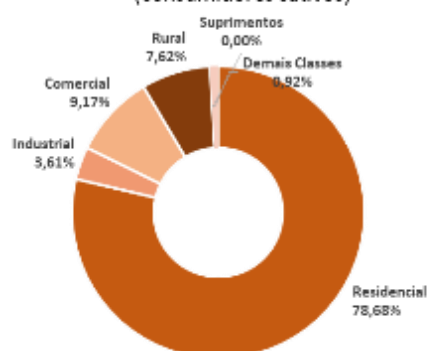


Table below shows the percentage of the Consumer Class regarding the total of 4Q19 and 4Q20.

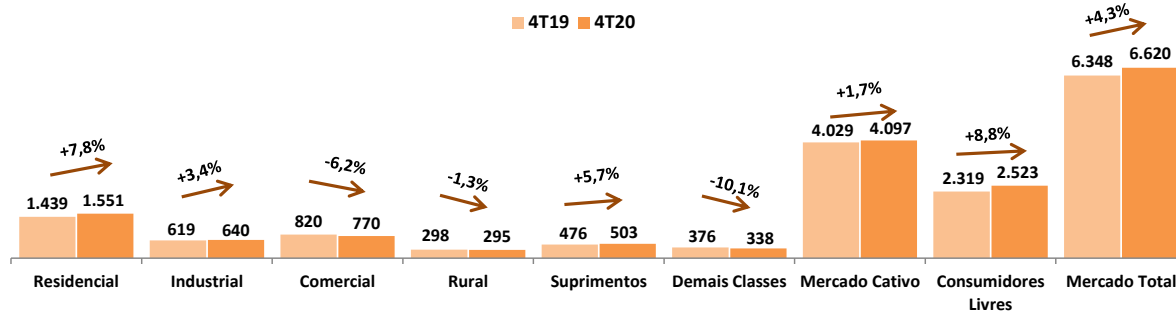
Number of Consumers			Change			
Description	Dec/2019	Dec/2020	Share in the Total %		2020/2019	
			12M19	12M20	△	△ %
Residencial	2,399,381	2,468,904	78.68%	78.78%	69,523	2.90%
Industrial	110,222	116,524	3.61%	3.72%	6,302	5.72%
Commercial	279,572	286,950	9.17%	9.16%	7,378	2.64%
Rural	232,386	232,636	7.62%	7.42%	250	0.11%
Supply	30	13	0.00%	0.00%	-	56.67%
Other Classes	28,029	28,816	0.92%	0.92%	787	2.81%
Government	23,272	23,735	0.76%	0.76%	463	1.99%
Lighting	855	910	0.03%	0.03%	55	6.43%
Public Service	3,500	3,749	0.11%	0.12%	249	7.11%
Own Consumption	402	422	0.01%	0.01%	20	4.98%
<b>Total</b>	<b>3,049,620</b>	<b>3,133,843</b>	<b>100.00%</b>	<b>100.00%</b>	<b>84,223</b>	<b>2.76%</b>

#### 3.1.3.2. Market

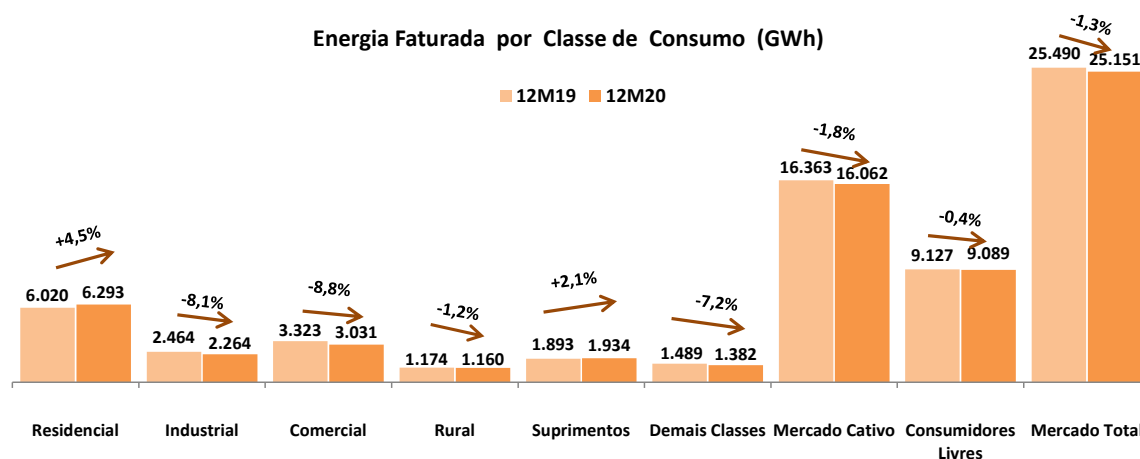
**Charts 03 and 04** below show the evolution of the Electricity Market by Consumer Class in **4Q20/12M20** and Chart 05 show the share of the consumer class in the Captive Market, Free Consumers and Total Market (Captive + Free).

### Charts 03 and 04: Billed Market (GWh)

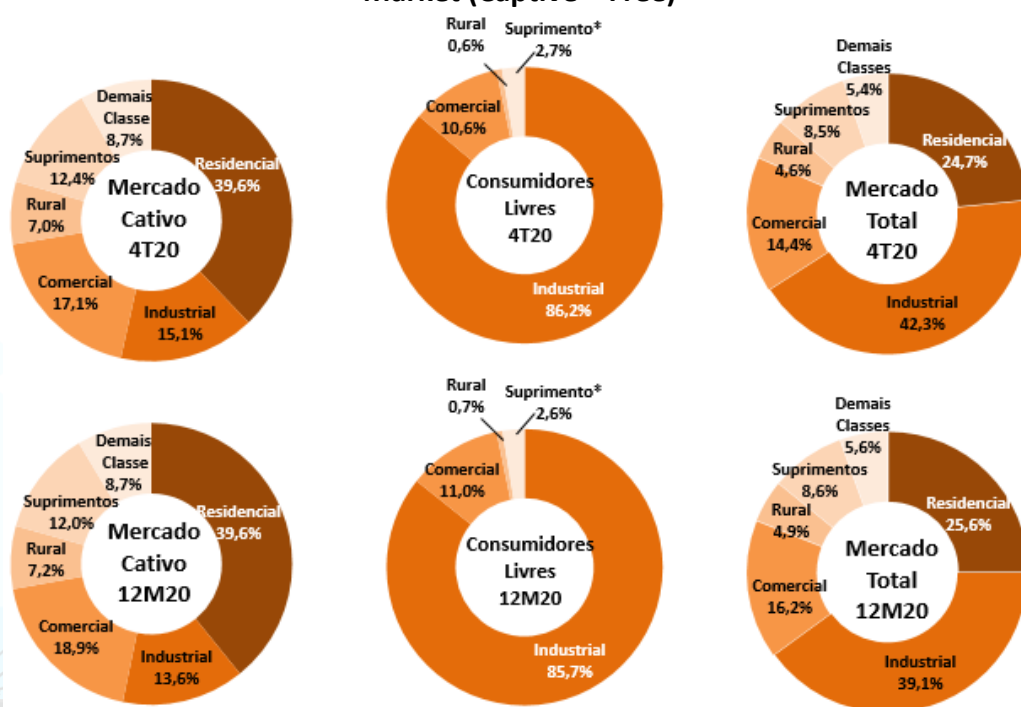
Energia Faturada por Classe de Consumo (GWh)



Energia Faturada por Classe de Consumo (GWh)



### Chart 05: Share of the Consumption Class in the Captive Market, among Free Consumers and in the Total Market (Captive + Free)



## Results Analysis

The **Total Energy Market in 4Q20** reached **6,620 GWh (25,151 GWh in 12M20)**, up by **4.3%** over **4Q19** (down by **1.3%** over **12M19**). It is also noted that the **Captive Market in 4Q20** reached **4,097 GWh (16,062 GWh in 12M20)**, up by **1.7%** over **4Q19** (down by **1.8%** over **12M19**).

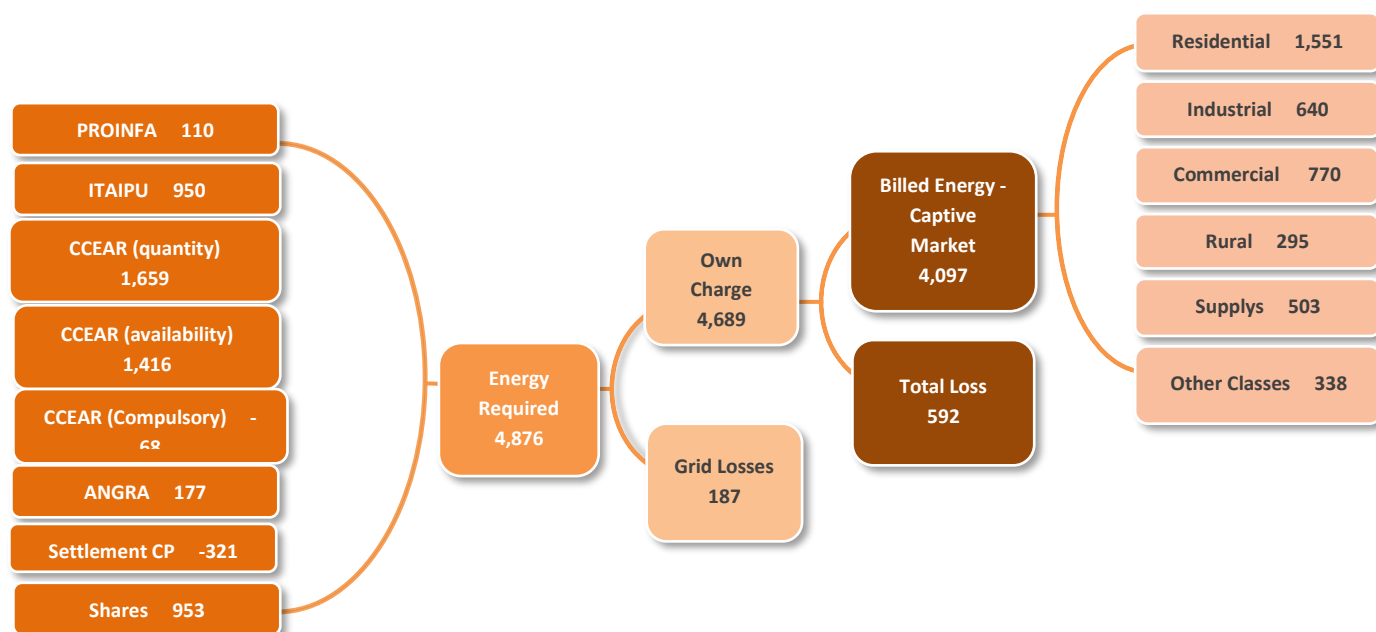
The negative changes in the several classes occurred, fundamentally, as a consequence of the measures aimed at preventing contamination from COVID-19, mainly in the first quarters of 2020, and that generated, as a reflex, the reduction of the economic activity in the concession area of Celesc D. However, it is noted that in the fourth quarter the several consumption classes presented positive variation indicating a reversal in the year's trend and the resumption of energy consumption in Santa Catarina.

The **Captive Market** ended **4Q20** representing **63.9%**, while the **Free Market** represented **36.1% of the total market**, in comparison to GWh consumption. The migration of captive customers to the market is a choice by the consumer and is considered neutral for Celesc, since the electricity continues to be transported by the concessionaire, paid by the Tariff for Use of the Distribution System (TUSD), which remains unchanged, once the consumer continues to pay the concessionaire for the service.

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

### 3.1.3.3. Energetic Balance

**Figure 02 - Energetic Balance of the Distribution (GWh) - 4Q20**



## Results Analysis

In **4Q20**, the energy required by Celesc D's Concession area **reached 4,876 GWh**, down by **1.4%** (69 GWh) over **4Q19**. In **4Q20**, **61.7%** of the CCEAR contracts (3,007 GWh) of CCEAR contracts (quantity and availability modalities, **19.5%** (950 GWh) from Itaipu and **19.5%** (953 GWh) from Quotas were accounted for by the Electricity Trading Chamber - CCEE.

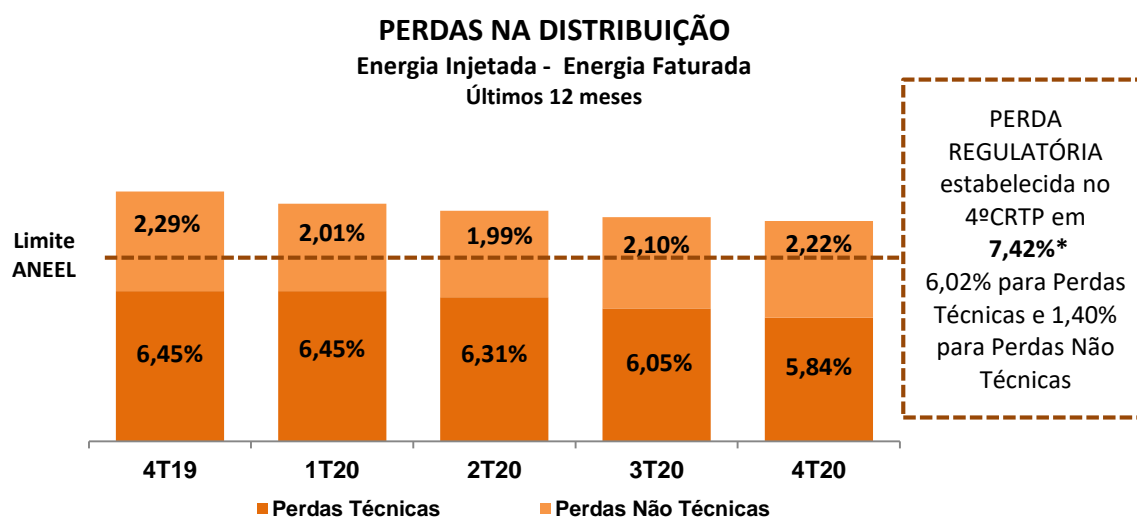


### 3.1.3.4. Electric Power Loss

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

According to the last Celesc D Tariff Review (4CRT), **the regulatory loss of distribution was estimated at 7.42%** of the energy injected into the distribution system of the concessionaire. Of this total, **6.02% refers to the volume of technical losses and 1.40% of non-technical losses**. Charts 6.1 and 6.2, shows Celesc D's Losses.

Chart 06.1: Losses in the Distribution



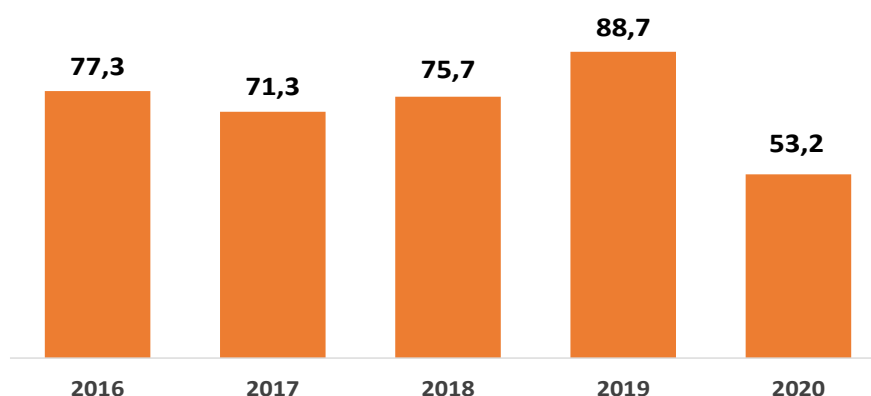
### Results Analysis

In 4Q20, global losses represented 8.06% of injected energy, 5.84% of which is related to technical losses and 2.22% to non-technical losses, respectively. The definition is established by PRODIST - Module 7, revised at the beginning of each year, thus adjusting the 12-month average.

Thus, **total losses recorded a percentage slightly above the regulatory limit, by 64 p.p.** The estimated value without accumulated tariff coverage for the period from January to December 2020 is **R\$53.2 million, of which R\$-2.2 million of technical losses (closed the year below the Regulatory), R\$47.3 million of non-technical losses and R\$8.1 million of losses in the basic network.**

The chart below describes the financial value without tariff coverage in the period from 2016 to 2020.

**Chart 06.2: Losses in the Distribution (Financial Amount in R\$ million)**



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

- i) Identifying suspected cases of irregularity through an algorithm (online verification);
- ii) Procedures to identify fraud and/or technical deficiency;
- iii) Reviewing the contractors' labor lawsuits (targets and inspection);
- iv) Integrating corporate systems;
- v) Implementing antitheft systems and regularizing clandestine connections; and
- vi) Reviewing the work process (inspection targets).

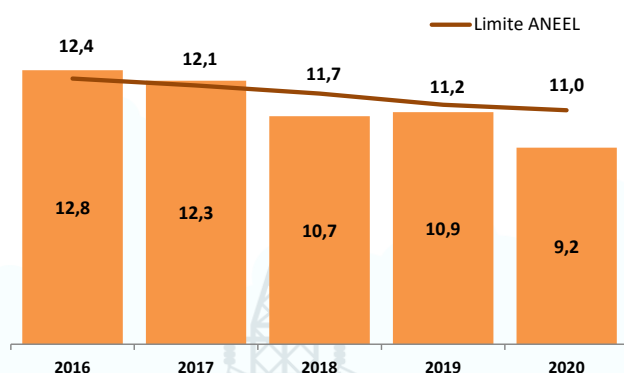
As a result of this Plan, distribution losses are expected to **decrease** from **8.74%** in 2019 to **8.06%** in 2020.

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

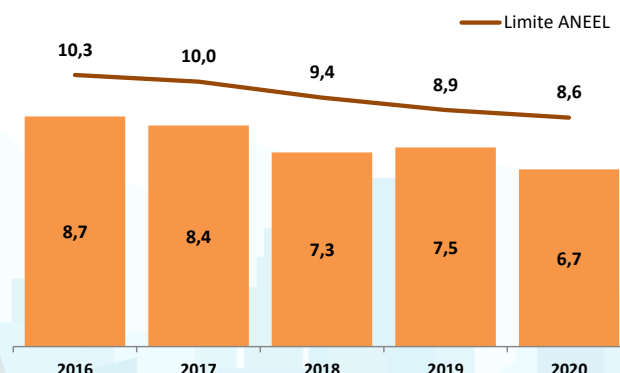
The quality of the electricity supply is mainly verified by **DEC** (Equivalent Duration of the Interruption per Consumer) and **FEC** (Equivalent Frequency of Interruption by Consumer) indicators, which measure, respectively, the average duration of interruptions and the average number of interruptions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

**Charts 7 and 8** below show the quality of the electricity provision, represented by DEC and FEC, as well as the performance in 2020.

**Gráfico 7**  
**DEC - DURAÇÃO EQUIVALENTE POR CONSUMIDOR**  
(horas ponderadas)



**Gráfico 8**  
**FEC - FREQUÊNCIA EQUIVALENTE POR CONSUMIDOR**  
(número de vezes)



## Results Analysis

In the 12 (twelve) months of 2020, CELESC recorded 9.2 hours in the **DEC indicator**, down by **15.6%** compared to the 12 (twelve) months of 2019, when a DEC of 10.9 hours was registered.

The **FEC indicator**, in the same period, reached 6.7 interruptions, down by **10.7%** over 12M19, when a FEC of 7.5 interruptions was recorded.

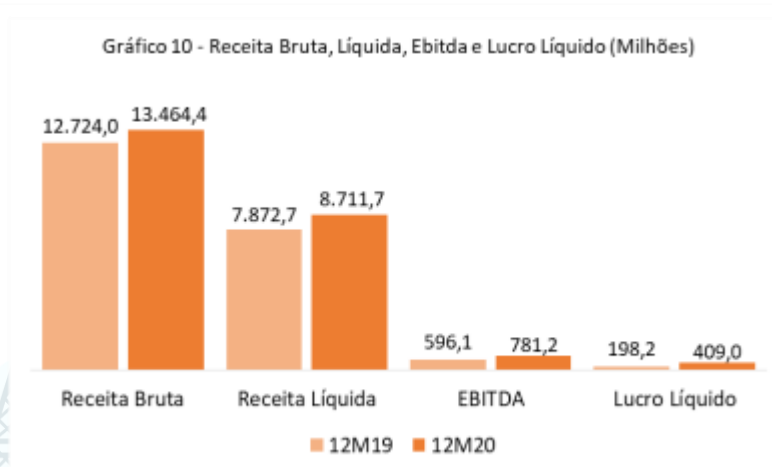
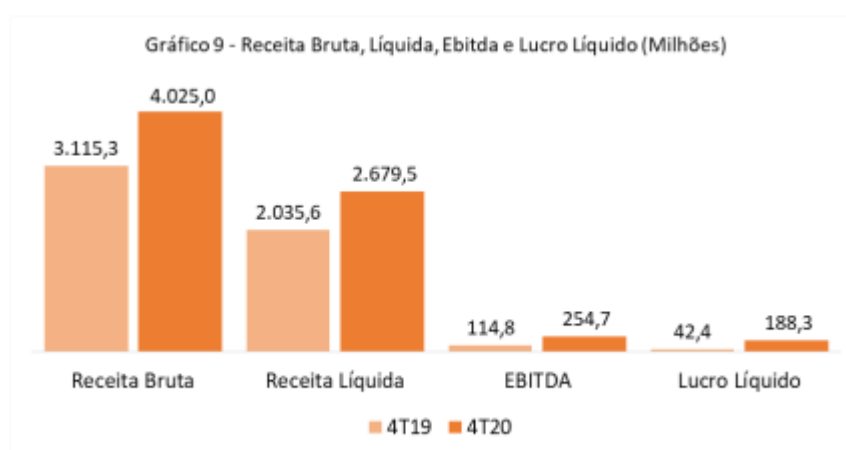
In 2020, the breach of quality indicators in their individual form generated consumer credits in the amount of **R\$12.3 million** for Celesc Distribuição, well below the amount YoY, which totaled **R\$18.0 million**.

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

### 3.1.4. Economic and Financial Performance

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

Charts 09 and 10 show the performance of **Gross Operating Revenue, Net Operating Revenue, EBITDA and Net Income**.





## Results Analysis

- In 4Q20, gross operating revenues reached **R\$4,025.0 million (R\$13,464.4 million in 12M20)**, representing an increase of 29.2% in relation to 4Q19 (**5.8% in 12M20**). An overall increase of R\$909.7 million compared to the same period of 2019 (**R\$740.4 million in 12M20**);
- In 4Q20, net operating revenue reached **R\$2,679.5 million (R\$2,483.1 million excluding the Construction Revenue)** an increase of 31.6% (+R\$643.9 million), compared to 4Q19 and in the accumulated registered R\$8,711.7 million (R\$8,119.2 million without the Construction Revenue) an increase of 10.7% (+R\$839 million);
- In 4Q20, EBITDA reached **R\$254.7 million (R\$781.2 million in 12M20)**, up by 121.8% (+R\$139.9 million) in the quarter compared to 4Q19 and up by 31.0% (+R\$185.1 million) compared to 12M20;
- Net income recorded **R\$188.3 million in 4Q20**, an increase of **344.6 %** compared to 4Q19 when it recorded a figure of **R\$42.4 million**. In YTD 2020, reached **R\$409.0 million**, up by **106.4% (+R\$210.9 million)**.

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

- Recovery in **Electricity Supply** in 4Q20 (+10.2% with respect to 4Q19), even though it reported a **10.6% drop in the 2020 and 2019 year-on-year comparison**.
- Regulatory Asset of **R\$389.1 million in the quarter (R\$869.3 million in the year)** resulting from the creation of CVA, reversing the 2019 result;
- Increase of **R\$132.7 million in the quarter (R\$8.3 million per year) in the settlement of Short-Term Electric Power**, due to the change in the Price for Settlement of Differences ("PLD");
- Increase of **13.9% (R\$149.6 million)** in the quarter and **8.9% (R\$370.1 million)** in the year in the **Revenue from Availability of Electricity Grid (TUSD)** compared to 4Q19 and 12M19, respectively.

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

Charts 11 and 12 below show the percentage impact of each item in the breakdown of Operating Revenue. In descending order, the account with the highest representation is the **Electricity Provision Account**, representing 43.04% in 4Q20 and 45.47% in 12M20, followed by the **Electricity Network Availability (TUSD)** with 32.05% in 4Q20 and 35.10% in 12M20.

Gráfico 11 - Composição da Receita Operacional Bruta  
(exclui receita de construção)

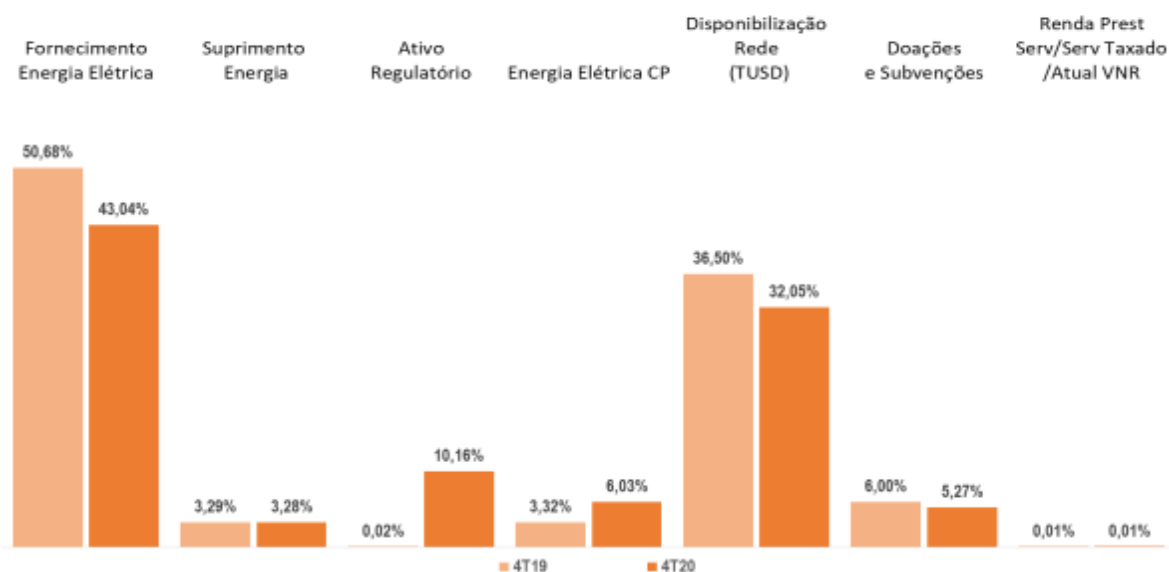
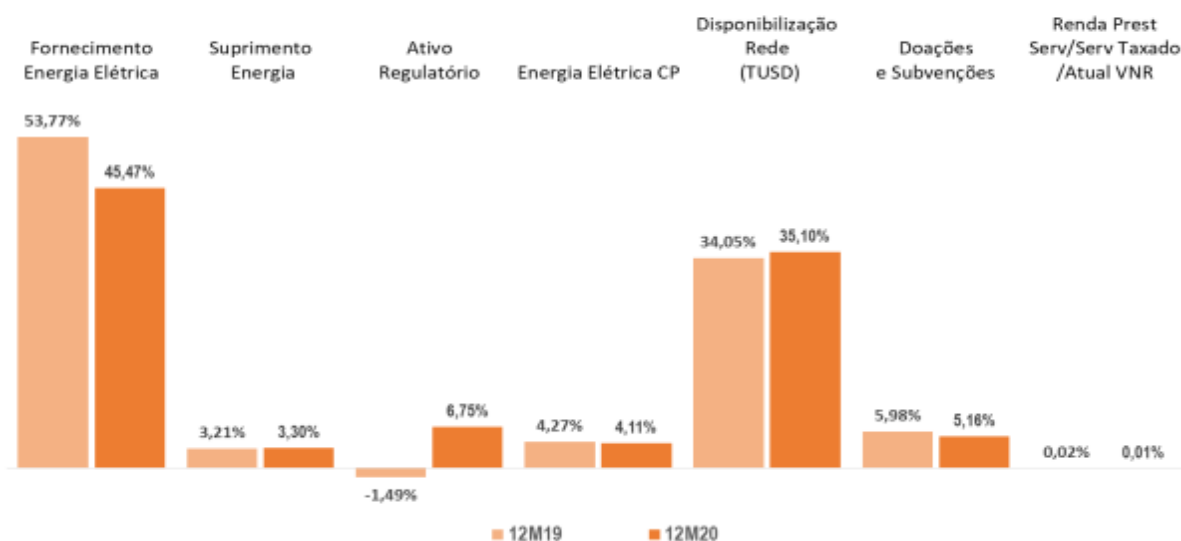


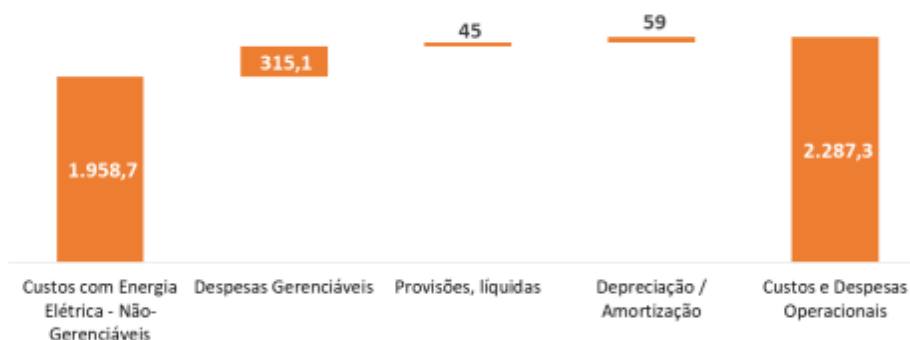
Gráfico 12 - Composição da Receita Operacional Bruta  
(exclui receita de construção)



### 3.1.4.3. Operating Costs and Expenses.

Charts 13 and 14 below show the composition and evolution of the Company's Operating Costs and Expenses excluding Construction Costs.

Gráfico 13 - Custos e Despesas Operacionais (Milhões)  
4T20



Custos e Despesas Operacionais (Milhões)  
4T19

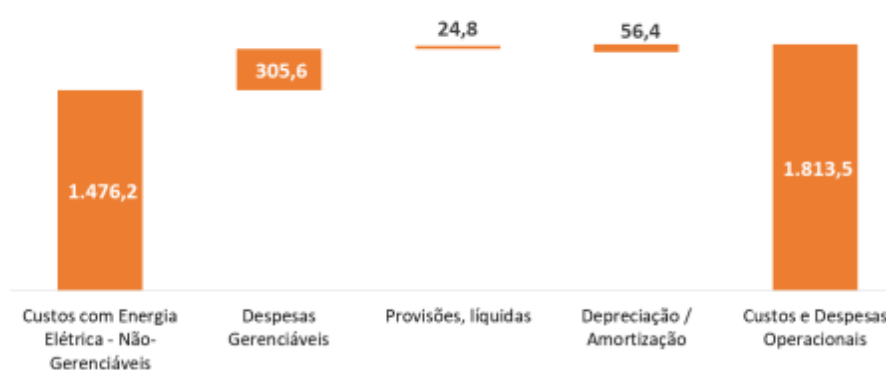
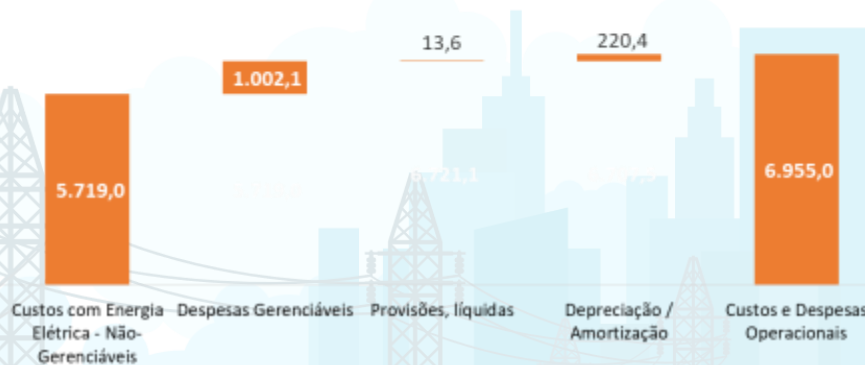


Gráfico 14 - Custos e Despesas Operacionais (Milhões)  
12M20



Custos e Despesas Operacionais (Milhões)  
12M19





## Results Analysis

**4Q20's YTD operating costs and expenses** reached **R\$2,287.3 million** (excluding Construction Costs), up by 26.1% (R\$474 million) over **4Q19**, when Celesc reached **R\$1,813.5 million**. The year-to-date figure was **R\$7,571.0 million**, 8.9% (+R\$616.0 million) higher than in 2019.

**Energy Costs (Non-Manageable)** increased **32.7% (+R\$482.5 million in 4Q20)** to **R\$1,958.7 million in the quarter** and **10.2% year-on-year (+R\$583.9 million)** to **R\$6,302.9 million**.

The increase in energy expenses was mainly due to: (1) Increase of 3.6% and 17.8%, respectively, in Thermal Energy and Bilateral Contracts; and (2) Increase of 29.8% in energy from ITAIPU due to the exchange rate variation in the period.

**Among Manageable Expenses, PMSO [Personnel (P), Material (M), Third Party Services (S) and Other Expenses (O)]** up by **3.1% (R\$9.5 million)** in **4Q20**, corresponding to **R\$315.1 million in 4Q20** compared to **R\$305.6 million in 4Q19**. In 2020, Celesc Distribuição's **PMSO** showed a slight increase of **1.1% (+R\$10.5 million)**, moving from **R\$1.00 billion (2019)** to **R\$1.01 billion (2020)**.

In the quarter, there was a significant drop of **11.9%** in Personnel Expenses YoY. This result is largely due to the Incentivized Dismissal Plan, which has had an effect on personnel expenses. In the accumulated, there is a slight increase of 0.5% in the P&T expenses, however, a provision of R\$112.6 million (102 dismissals in the year) was accounted for in the result for IDP expenses in 2020, which considerably expanded the P&T expenses in this period, compared to the previous year.

The table, below, shows the personnel expenses excluding the 2019 and 2020 IDP. We registered a drop of 8.1% in the quarter (4Q20) and 3.3% in 12M20.

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

R\$ million	4 <sup>th</sup> Quarter			YTD 12 Months		
	2019	2020	Δ	2019	2020	Δ
<b>Total Personnel</b>	<b>(218.7)</b>	<b>(192.6)</b>	<b>-11.9%</b>	<b>(747.1)</b>	<b>(750.9)</b>	<b>0.5%</b>
Personnel and Administrators	(203.7)	(183.3)	-10.0%	(692.5)	(695.7)	0.5%
Personnel and Charges	(194.8)	(175.6)	-9.9%	(663.3)	(668.8)	0.8%
Private Pension Plan	(8.9)	(7.7)	-13.2%	(29.3)	(26.9)	-8.3%
Actuarial Expense	(14.9)	(9.2)	-38.3%	(54.6)	(55.3)	1.2%
<b>IDP</b>	<b>(35.8)</b>	<b>(24.6)</b>	<b>-31.4%</b>	<b>(87.2)</b>	<b>(112.8)</b>	<b>29.3%</b>
<b>Total Personnel Expenses without IDP</b>	<b>(182.9)</b>	<b>(168.0)</b>	<b>-8.1%</b>	<b>(659.9)</b>	<b>(638.1)</b>	<b>-3.3%</b>

Since the incentive dismissal program - PDI - was implemented, 942 dismissals have already occurred, totaling R\$364.5 million (R\$112.8 million in 2020).

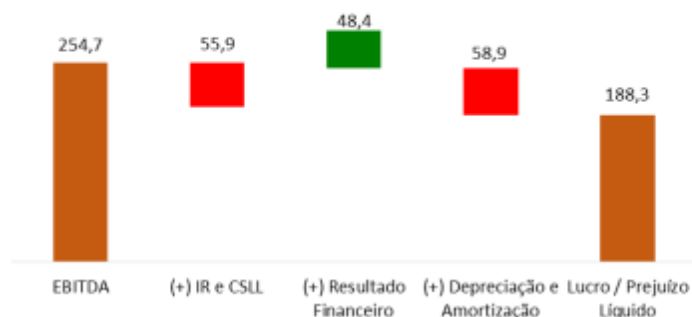
We highlight that the reduction in Manageable Costs in the quarter represents the company's initiatives to balance its costs, especially in a year of adverse effects from the Covid-19 crisis.

As a measure to protect Celesc D's cash flow, the Board of Directors approved in March 2020 a 26% MSO contingency. In June, 6.8% of the contingency amount was released, but the remaining 19.2% was held in reserve.

### 3.1.4.4. EBITDA.

**Charts 15 and 16** show the structure of the EBITDA conversion into Net Income:

Gráfico 15 - EBITDA e Lucro Líquido (em milhões)  
4T20



EBTIDA e Lucro Líquido (em milhões)  
4T19

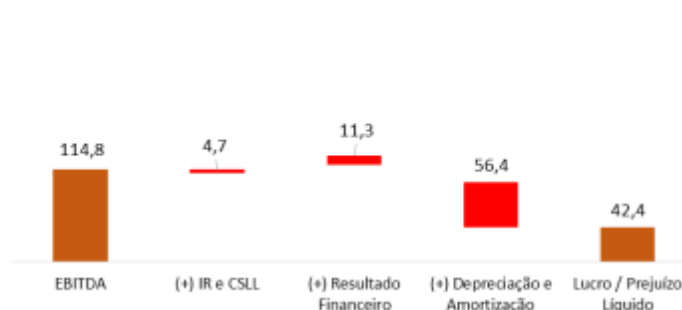
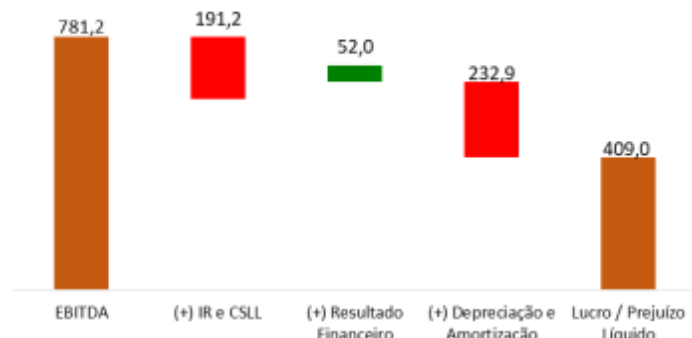
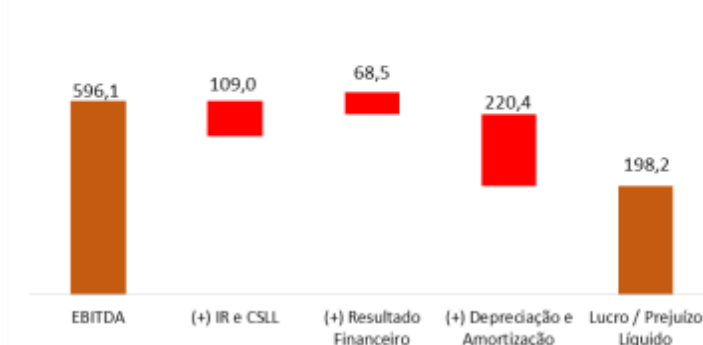


Gráfico 16 - EBITDA e Lucro Líquido (em milhões)  
12M20



EBTIDA e Lucro Líquido (em milhões)  
12M19



## Results Analysis

In 4Q20, EBITDA totaled **R\$254.7 million**, compared to 4Q19 (R\$114.8 million), **up by 121.8% (+R\$140 million)** in the quarter. In 2020, there was a **31.0% expansion (+R\$185.1 million)** to **R\$781.2 million** (compared to **R\$596.1 million** in 12M19). Among the factors that contributed to the EBITDA increase we highlight: i) Measures to fight the pandemic as Cost and Expense Contingency (MSO) (ii) Tariff Adjustment 8.14%, impacting the Company's revenue; (iii) Constitution of Financial Assets (CVA).

**Adjusted EBITDA** (excluding non-recurring effects) **increased 84.4% in the quarter and 33.2% in the year**, with non-recurring effects **amounting to R\$24.6 million in the quarter and R\$112.8 million in the year** as a result of the provision for the IDP in 2020. Thus, **Celesc Distribuição's adjusted EBITDA ended 2020 amounted to R\$894 million (R\$279.3 million in 4Q20)**, resulting from the provisioning of the Incentive Dismissal Plan - IDP.

In 4Q20, the Financial Revenue was **R\$90.3 million (R\$235.3 million/year)**, an increase of 108% (+R\$46.9 million) in the quarter and 1.1% (+R\$2.5 million/year) compared to the Financial Revenue of **R\$43.4 million (R\$232.8 million/year)**, recorded in 4Q19. This expansion was mainly due to: (i) the **Monetary Variations** item, showed an increase of **1440% (+R\$33.4 million)** in the quarter and **4.8% (+R\$2.8 million in the year)** and; (ii) **Interest and Monetary Increase** registered a growth of **109.9% (+R\$24.7 million)** in the quarter and **4.7% (+R\$5.1 million)** in the year, being **R\$15.9 million (R\$60.6 million per year)** referring to a moratory increase in the electric energy bills and **R\$31.7 million (R\$54.1 million per year)** referring to other revenues.

**Financial Expenses** fell by 23.4% in 4Q20, totaling **R\$41.9 million (R\$183.3 million year)**, compared to **R\$54.7 million in 4Q19 (R\$301.4 million in 12M19)**. The decrease in 4Q20 (12M20) was mainly due to: (i) **Reduction in debt and interest charges (- 8.4% quarter and - 16.9% year)** and **debenture costs (59.4% quarter and 55.4% year)**. This reduction is due to the fact that the Company's debt is mostly indexed to the CDI, which showed a decrease between the analyzed periods of 2019 and 2020, as will be shown below; (ii) **Reduction of 50.2% in 4Q20 (52.8% in 12M20)** related to financial expenses with Regulatory Liabilities influenced by the reduction in interest rates in the comparative periods.

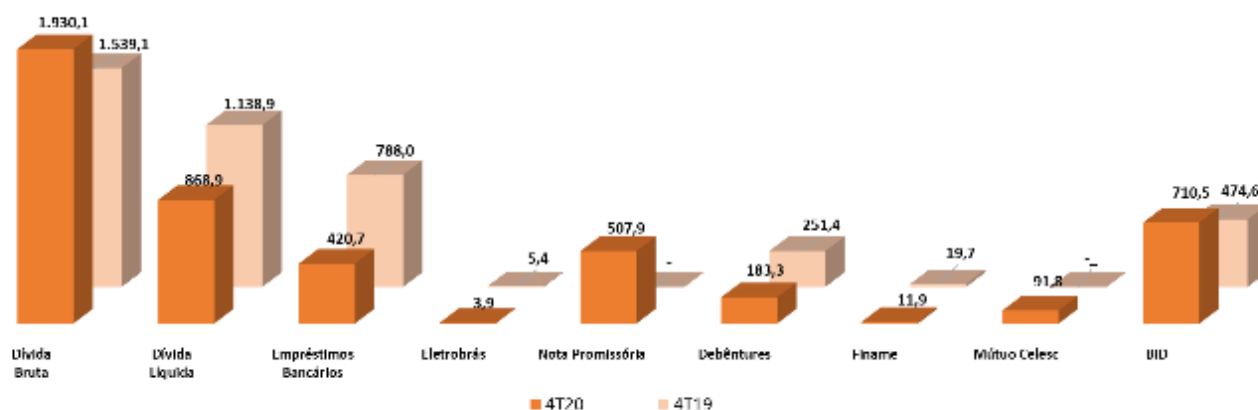
**Net Income was R\$188.3 million in 4Q20 and R\$409.0 million in the accumulated 2020**, increase of 344.6% (+R\$146 million) in the quarter and 106.4% (+R\$211 million) in the year. The factors that determined the increase in profit in the quarter were the same as in the EBITDA analysis, adding the good financial result in the analyzed periods.

**Adjusted Income** from non-recurring effects (R\$16.2 million for the quarter and R\$74.5 million for the year) **totalled R\$204.5 million for the quarter (up by 210.0%) and R\$483.5 million for the year (a 95.1% increase).**

### 3.1.4.5. Indebtedness.

**Chart 17** below shows the Company's **Gross Debt and Net Debt**, as well as the breakdown of this Debt from December 2019 to December 2020.

Gráfico 17 - Dívida Bruta, Dívida Líquida e Posição dos Empréstimos



## Results Analysis

In December 2020, Gross Financial Debt totaled R\$1,930.1 million, **up by 25.4% (R\$391 million)** over December 2019. This change is mainly explained by the issuance of the **1<sup>st</sup> Promissory Notes Issue by Celesc Distribuição**, in May 2020, in the amount of **R\$489.0 million** and by the **increase of internalized resources of the financing line with IDB**.

Net Financial Debt totaled **R\$868.9 million** in December 2020, down by **23.7% (R\$270 million)** compared to December 2019. This change was mainly due to the positive cash effect (effect by **R\$661 million** more compared to the 2019 period).



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

4Q20 Financial Debt			
R\$ million	On December 31, 2019	On December 31, 2020	Δ
Short-term debt	453.3	1,025.3	126.2%
Long-Term Debt	1,085.8	904.8	-16.7%
<b>Total Financial Debt</b>	<b>1,539.0</b>	<b>1,930.0</b>	<b>25.4%</b>
( - ) Cash and Cash Equivalents	<b>400.1</b>	<b>1,061.1</b>	165.2%
<b>Net Financial Debt</b>	<b>1,138.9</b>	<b>868.9</b>	<b>-23.7%</b>
EBITDA (LTM)	596.1	781.2	31.0%
<b>Debt Fin. Net / EBITDA 12M</b>	<b>1.9x</b>	<b>1.1x</b>	
ADJUSTED EBITDA (LTM)	673.3	894.0	32.8%
<b>Debt Fin. Net / Adjusted EBITDA LTM</b>	<b>1.7x</b>	<b>1.0x</b>	
Shareholders' Equity	513.7	990.0	92.7%
<b>Debt Fin. Total / Shareholders' equity.</b>	<b>3.0x</b>	<b>1.9x</b>	
<b>Debt Fin. Net / Shareholders' Equity.</b>	<b>2.2x</b>	<b>0.9x</b>	

In December 2020, there is a **10.8% decrease in the Actuarial Liability item**. When we include it in the Company's total debt and deduct the Cash and Cash Equivalents item we reached the **Adjusted Net Financial Debt** result that registered the amount of **R\$2,619.4 million**, a decrease of **15.6%** if compared to December 2019. The effects of the decrease in the Actuarial Liability associated to the improvement in the Company's cash position have contributed to this **15.6% decrease in Celesc D's total debt**.

**Celesc Distribuição S.A. | Indebtedness + Actuarial Liabilities**

Financial Debt + Post-Employment Benefits 4Q20			
R\$ million	On December 31, 2019	On December 31, 2020	Δ
Short-term debt	453.3	1,025.3	126.2%
Long-Term Debt	1,085.8	904.8	-16.7%
<b>Total Financial Debt</b>	<b>1,539.0</b>	<b>1,930.0</b>	<b>25.4%</b>
<b>(+) Net Actuarial Liabilities</b>	<b>1,963.3</b>	<b>1,750.4</b>	<b>-10.8%</b>
Obligations with Social Security	1,467.6	1,239.3	-15.6%
Other benefits to employees	1,370.9	1,278.1	-6.8%
( - ) Deferred IR/CSLL <sup>1</sup>	875.2	766.9	-12.4%
( - ) Cash and Cash Equivalents	<b>400.1</b>	<b>1,061.1</b>	165.2%
<b>Adjusted Net Debt</b>	<b>3,102.2</b>	<b>2,619.4</b>	<b>-15.6%</b>
EBITDA (LTM)	596.1	781.2	31.0%
<b>Adjusted Net Debt/Adjusted EBITDA LTM</b>	<b>5.2x</b>	<b>3.4x</b>	
ADJUSTED EBITDA (LTM)	673.3	894.0	32.8%
<b>Adjusted Net Debt/Adjusted EBITDA LTM</b>	<b>4.6x</b>	<b>2.9x</b>	
Shareholders' Equity	513.7	990.0	92.7%
<b>Total Adj. Debt / Shareholders' Equity</b>	<b>6.8x</b>	<b>3.7x</b>	
<b>Adjusted Net Debt/Shareholders' Equity</b>	<b>6.0x</b>	<b>2.6x</b>	

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

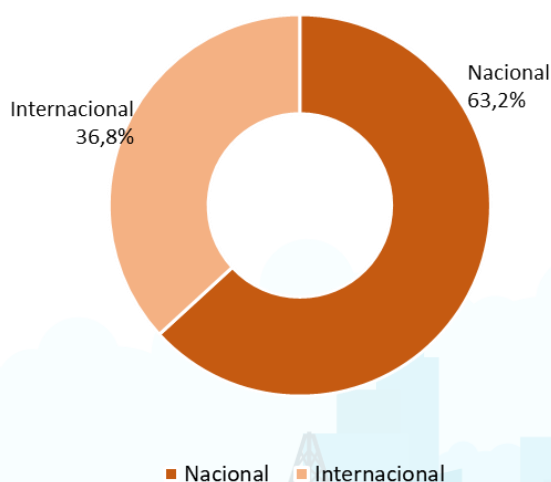
Regarding the profile and debt cost, it is reported that the **average term** of the Company's financial debt on December 31, 2020 is **8.82 years** and the average **cost** is approximately **4.10%** per year, considering the current level of interest rates in pre-fixed contracts.

#### Celesc Distribuição S.A. | Loans and Financing Status

R\$ million	Tx. Annual Interest	On December 31, 2019	On December 31, 2020	Δ
<b>Domestic Currency</b>				
Bank Loans	CDI + 0.8% p.a.	336.2	298.3	-11.3%
Bank Loans	7.40% to 7.67% p.a.	150.4	0.0	
	1.25% to 1.30% p.a. + CDI			
Bank Loans	rate	301.4	122.4	-59.4%
Eletrobrás	5.00%	5.4	3.9	-28.5%
Promissory Note	CDI rate + 4.50%	0.0	507.9	
Debentures	CDI rate + 1.90%	251.4	183.3	-27.1%
Finame	2.50% to 9.50%	19.7	11.9	-39.6%
Celesc D/G Loan	CDI rate + 2.50%	0.0	91.8	
<b>Foreign Currency</b>				
BID	CDI + 1.16% p.a.	474.6	710.5	49.7%
<b>Total</b>		<b>1,539.1</b>	<b>1,930.1</b>	<b>25.4%</b>
<i>Short-Term – Current</i>		451.7	1,025.3	
<i>Long-Term – One to Five years</i>		642.1	270.1	
<i>Long-Term – Over Five years</i>		445.3	634.7	

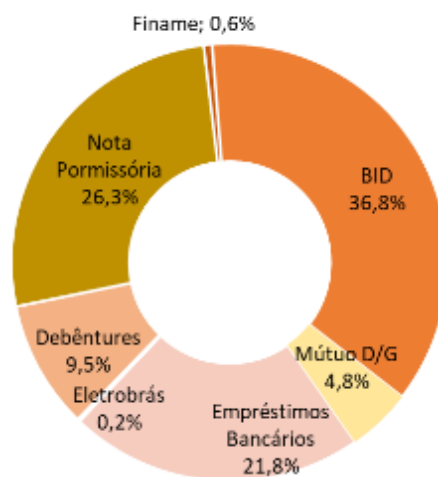
The **Chart 18.1** below represents the debt breakdown, with **63.2%** representing the **Debt with National Entities** and **36.8%** the **International Debt**.

Gráfico 18.1 - Composição da Dívida  
Dezembro/2020



The **Chart 18.2** below shows the Company's **debt breakdown**, which is the percentage share of the loans and financing in different types of funding with the financial and capital markets, which demonstrates the Company's ability to access different lines of credit in the national and international markets.

Gráfico 18.2 - Composição da Dívida (%)



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

#### 3.1.4.6. Investments

**Charts 19 and 20** below, exemplify the investments made in capital goods (CAPEX) by Celesc Distribuição, **in the period from 2015 to 2020**, as well as the CAPEX composition made during the year 2020.

**In 2020**, investments were made in expanding and improving the system, operating efficiency and modernizing the company's management, totaling **R\$629.8 million**, up by **7.0% (+R\$41.2 million)**, compared to 2019, which posted **R\$588.6 million**.

**We highlight the investments made in the Distribution segment aimed at composing the Regulatory Asset Base (RAB) of the Company, which totaled R\$592.4 million - 94.08% of Total CAPEX:**

- **Distribution and Telecom Networks** totaling **R\$411.7 million - 69.5% of Capex RAB;**
- **Distribution and Substations** totaling **R\$122 million - 20.6% of Capex RAB;**
- **Trading and Measurement** totaling **R\$52.3 million - 8.8% of Capex RAB; and**
- **Others Investments** totaling **R\$6.4 million – 1.1% of Capex RAB.**

**In 2020**, Celesc Distribuição performed mandatory investments of **R\$14.7 million in Research and Development (R&D)** and **R\$20.1 million in Energy Efficiency**.



Gráfico 19 - CAPEX Celesc Distribuição (R\$ MM)

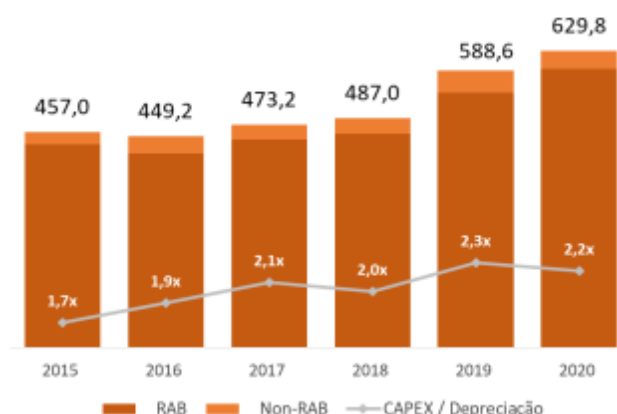
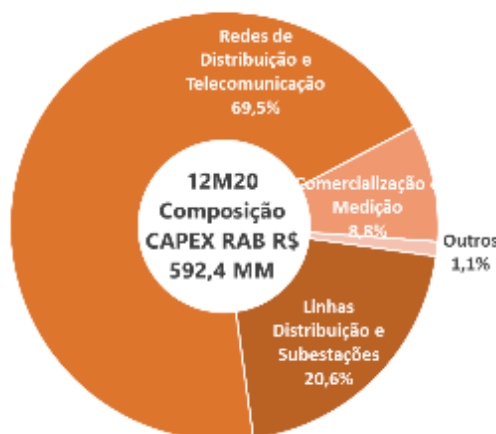


Gráfico 20  
Composição dos Investimentos  
CAPEX RAB



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

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

### Celesc + Electric Power Program

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

Celesc has so far accounted for US\$184,434,770.94 of the total to be invested in the Program.

Among the programs listed are substation expansion and investments in energy infrastructure at Celesc Distribuição. In addition to these, the Program includes the **Development of a Gender and Diversity Strategy**, through the development and implementation of a **Gender and Diversity Policy at the Company**. In addition to these projects, there is the continuity

of the Young Apprentice Program and the Expansion of **young women** Participation in the Electric Sector, with the training of these young people in the area where Celesc D operates.

We highlight that during 2020, we had extensive participation in these Gender and Diversity Projects, in which the main impacts generated by the implementation of diversity in companies of the sector were listed. This is part, besides the Celesc+Energia Program, of the Company's purpose with its engagement with causes similar to these. We have reinforced our commitment by closing 2020 with more than 160 young apprentices mobilized, a large number of employees attending training sessions, training courses, and awareness-raising regarding the Company's culture of diversity and inclusion.

### 3.1.4.7. Delinquency Management

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

In December 2020, short-term delinquency, up to 90 days (the period in which most collection actions are concentrated), had an increase of approximately 11.56% compared to the same period of the previous year. The total amount of delinquency also showed an increase, 12.75%). The following table shows the evolution of Celesc D's delinquency:

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

Figures in

R\$/ million

Delinquency by Consumption Class	Delinquency up to 90 days			Total Delinquency		
	Dec/2019	Dec/2020	Change	Dec/2019	Dec/2020	Change
Residential	119,029	134,185	12.73%	205,186	250,706	22%
Industrial	31,613	30,793	-2.59%	197,790	205,551	4%
Commercial	40,508	42,125	3.99%	136,624	156,972	15%
Rural	11,182	12,208	9.18%	18,912	21,682	15%
Government	582	512	-12.03%	6,211	6,080	-2%
Public Lighting	4	1,667	41575.00%	16,400	18,058	10%
Public Service	260	277	6.54%	1,615	1,640	2%
Supply	-	2,314		1,312	3,628	177%
Enc. Electric Network Use	4,204	4,525	7.64%	20,387	14,647	-28%
Other Credits	10,791	14,792	37.08%	31,743	38,331	21%
<b>Total</b>	<b>218,173</b>	<b>243,398</b>	<b>11.56%</b>	<b>636,180</b>	<b>717,295</b>	<b>12.75%</b>

## 3.2. CELESC GERAÇÃO

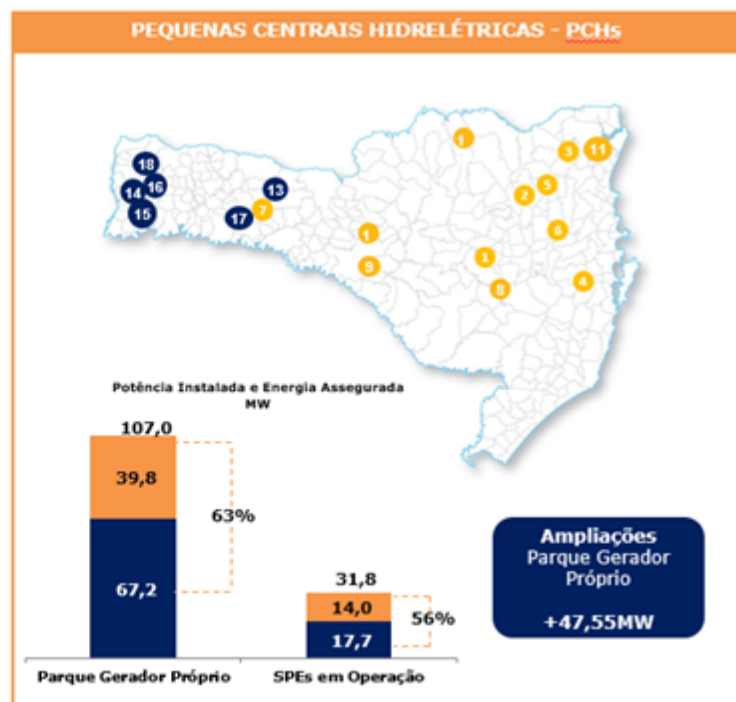
### 3.2.1. Company's Profile

#### Operating Area

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

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

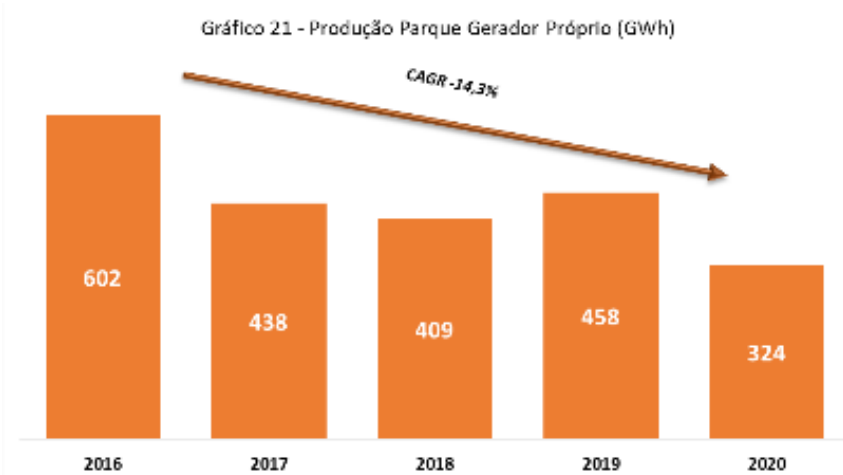
PARQUE GERADOR PRÓPRIO				
Usinas	Término da concessão	Potência instalada (MW)	Potência assegurada (MW)	Energia assegurada (MWh)
1 PCH Pery	09/07/2047	30,00	14,08	14,08
2 PCH Palmeiras	07/11/2046	24,60	16,70	16,70
3 PCH Bracinho	07/11/2046	15,00	8,80	8,80
4 PCH Garcia	05/01/2046	8,92	7,30	7,30
5 PCH Cedros	07/11/2046	8,40	6,75	6,75
6 PCH Salto Weisbach	07/11/2046	6,28	3,99	3,99
7 PCH Celso Ramos	17/03/2035	5,62	3,80	3,80
8 PCH Caveiras	*	3,83	2,77	2,77
9 CGH Ivo Silveira	*	2,60	2,03	2,03
10 CGH Rio do Peixe	*	0,52	0,50	0,50
11 CGH Pirai	*	0,78	0,45	0,45
12 CGH São Lourenço	*	0,42	0,22	0,22
<b>Total - MW</b>		<b>106,97</b>	<b>67,19</b>	
* Potência instalada inferior a 5MW dispondo ato de concessão.				
SPES EM OPERAÇÃO				
Usinas	Participação Celesc G	Término concessão	Potência instalada (MW)	Energia assegurada (MWh)
13 PCH Rondinha	32,50%	05/10/2040	9,60	5,48
14 CGH Prata	26,07%	*	3,00	1,68
15 CGH Belmonte	26,07%	*	3,60	1,84
16 CGH Bandeirante	26,07%	*	3,00	1,76
17 PCH Xavantina	40,00%	07/04/2040	6,08	3,54
18 PCH Garça Branca	49,00%	13/03/2043	6,50	3,44
<b>Total - MW</b>			<b>31,78</b>	<b>17,74</b>
<b>Total - MW equivalente</b>			<b>11,24</b>	<b>6,26</b>
* Potência instalada inferior a 5MW dispondo ato de concessão.				



### 3.2.2. Operating Performance

#### 3.2.2.1. Electric Power Production

In 4Q20, the Generation capacity of Celesc's plants was **94.4 GWh (324.4 GWh in the year)**, a decrease of **9.8% in the quarter and 29.2% in 2020** compared to the previous year's periods. **Chart 21** below shows the performance of the generated electricity production of the own site from 2016 to 2020.



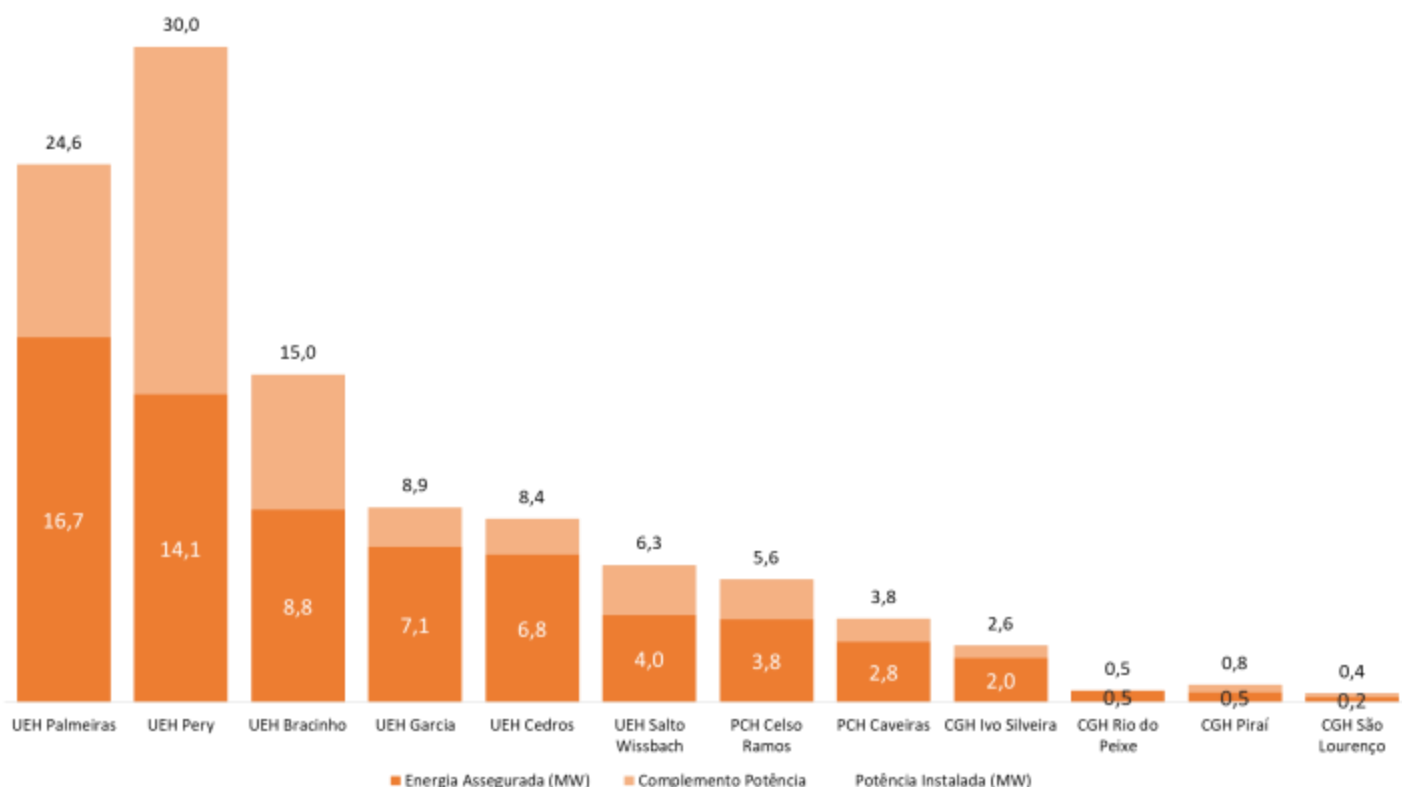
The main factors that affected this variation in the quarter (year) were:

- Low rainfall levels in the catchment basins;
- **Sudden decline in the production of the Plants: Pery (-35.2%), Palmeiras (-35.7%), Bracinho (-32.9%) and Garcia (-25.3%). These plants jointly represent almost 70% of total production;**
- One-off shutdowns for maintenance and investment.

**Chart 22** below shows the composition of the company's generation site with their respective generation capacities.

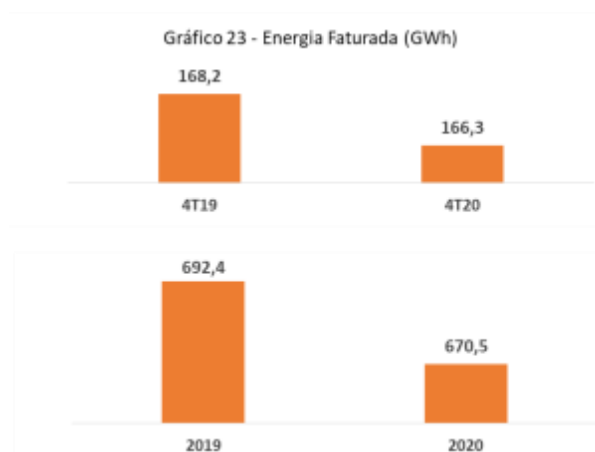


Gráfico 22 - Potência Instalada e Energia Assegurada Usinas Próprias



### 3.2.2.2. Billed Energy.

Chart 23, below, shows the performance of Billed Energy at Celesc Geração (Quarterly and annual).



### Data Analysis

In **4Q20**, the billed energy totaled **166.3 GWh (670.5 GWh year)**, down by **1.3%** compared to **168.2 GWh** in 4Q19. In 2020, it registered a decrease of 3.2%, totaling R\$670.5 million.

The impact on Billed Energy was due to a 4% reduction in the energy purchased volume, as well as a lower average GSF factor throughout 2020, compared to 2019. As a result, the Company billed less MWh, due to less energy available in 2020.

However, the average sale value increased 3.7% (excluding CCEE's revenues; considering them it increased 6.3%). This increase was due to higher contract prices, either due to readjustment or because they were signed in periods of more favorable prices.

As a result, despite the commercialization of a slightly smaller amount of energy, the billing (in R\$) was higher.

### 3.2.3. ECONOMIC-FINANCIAL PERFORMANCE.

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

Charts 24 and 25 below show a comparison of **Gross Operating Revenue and Net Operating Revenue, EBITDA and Net Income**.

Gráfico 24 - Receita Bruta, Líquida, Ebitda e Lucro Líquido (Milhões) - 4T20

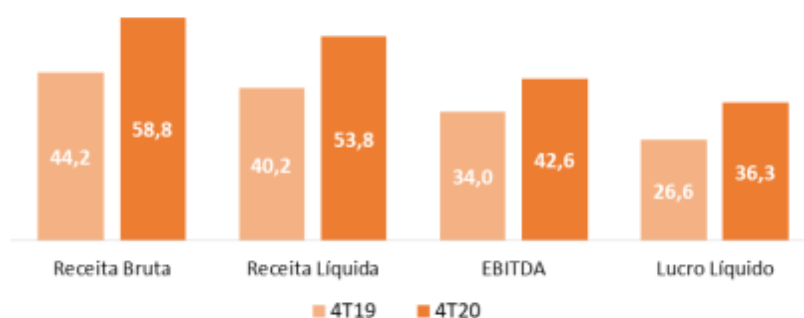
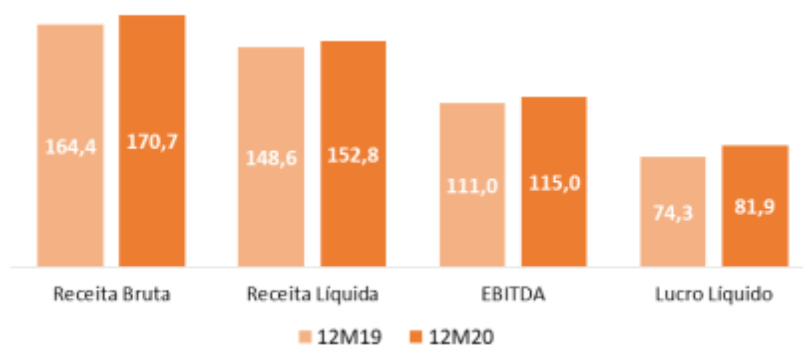


Gráfico 25 - Receita Bruta, Líquida, Ebitda e Lucro Líquido (Milhões) - 12M20



### Results Analysis

In **4Q20**, Celesc Geração's Gross Operating Revenue reached **R\$58.8 million**, up by **33.0% (+R\$14.6 million)** when compared to **R\$44.2 million** in 4Q19. In the YTD result for the year, registered **R\$170.7 million**, up by 3.8% (+R\$6.3 million) YoY.

In **4Q20**, Net Operating Revenue totaled **R\$53.8 million (R\$152.8 million in 12M20)**, up by **33.9%** over 4Q19 (2.8% in 12M20).

**Net Income** totaled **R\$36.3 million in 4Q20**, up by 36.8% (R\$9.7 million), compared to **R\$26.6 million** in 4Q19. In the YTD result for the year, shows an **income of R\$81.9 million**, up by **10.3%** YoY.

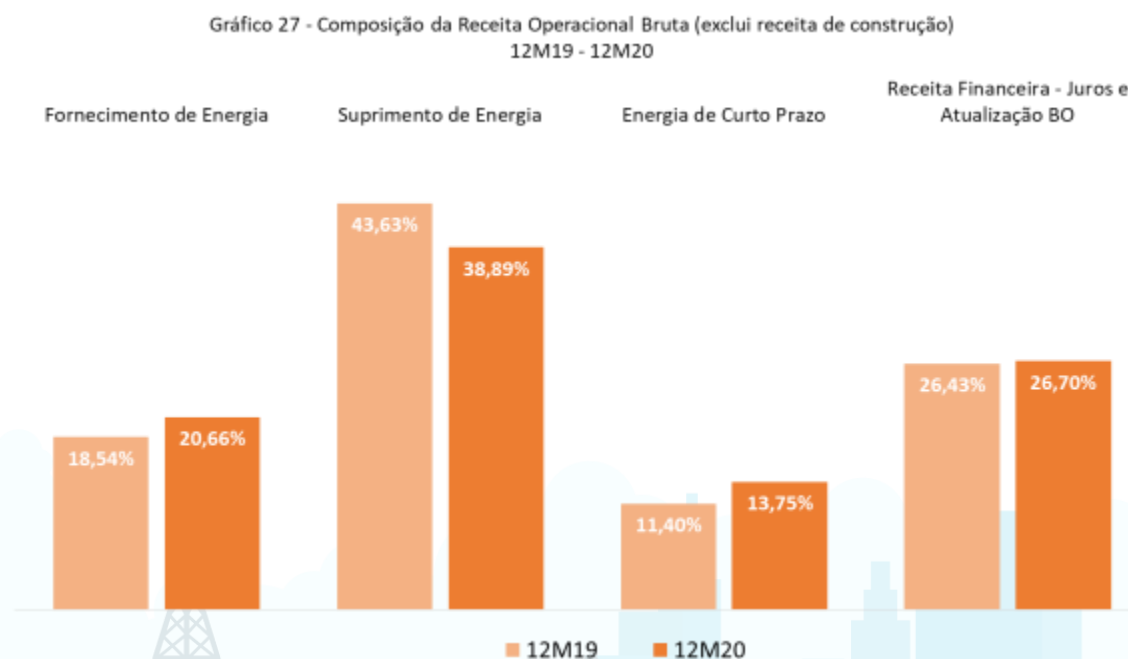
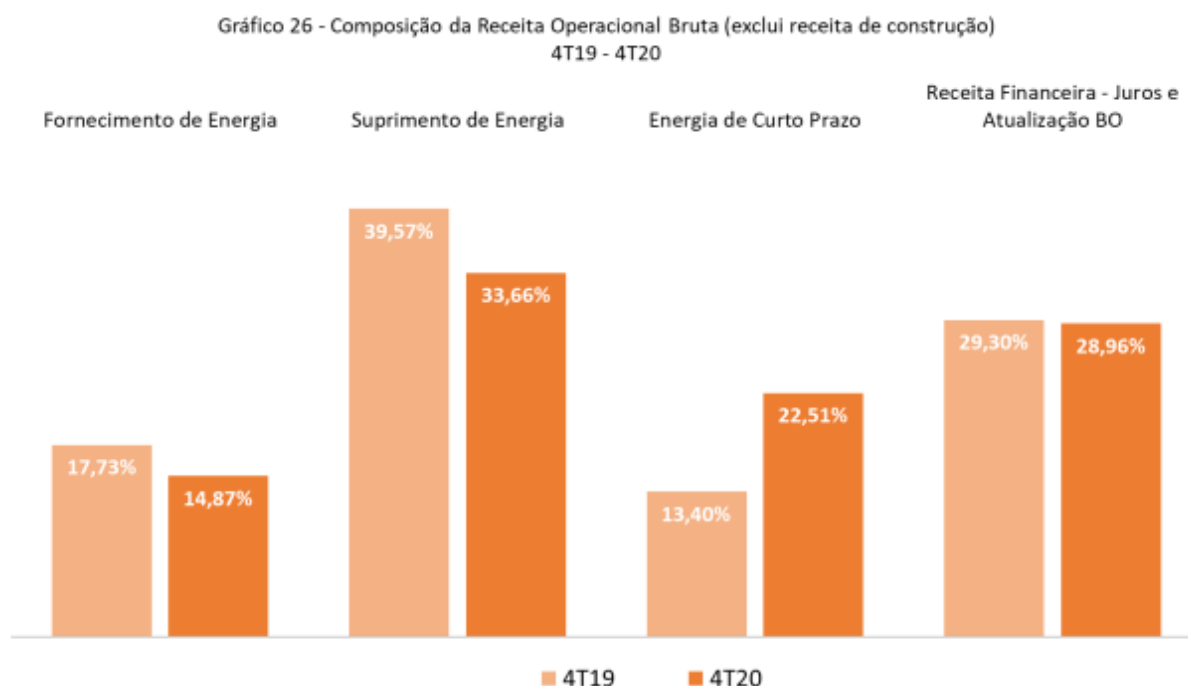
The main factors that positively affected the Income/EBITDA were:

- Increase in the **Short-term Energy** (123.6% quarterly and 25.3% year-on-year), **Energy Supply** (13.1% quarter-on-quarter) and **Energy Supply** (11.6% quarter-on-quarter and 15.7% year-on-year) items;
- **Increase of R\$17.0 million in 4Q20 (R\$45.6 million in 12M20)** compared to 4Q19 (12M19) in the Financial Income from the Concession Bonus;
- Equity Accounting for Celesc G;

- Increase of the average selling price in the energy sales contracts.

### 3.2.3.2. Gross Operating Revenue - Revenue Breakdown

Charts 26 and 27 below show the breakdown of Gross Operating Revenue.



### 3.2.3.3. Operating Costs and Expenses.

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



Gráfico 28 - Custos e Despesas Operacionais (Milhões)  
4T20



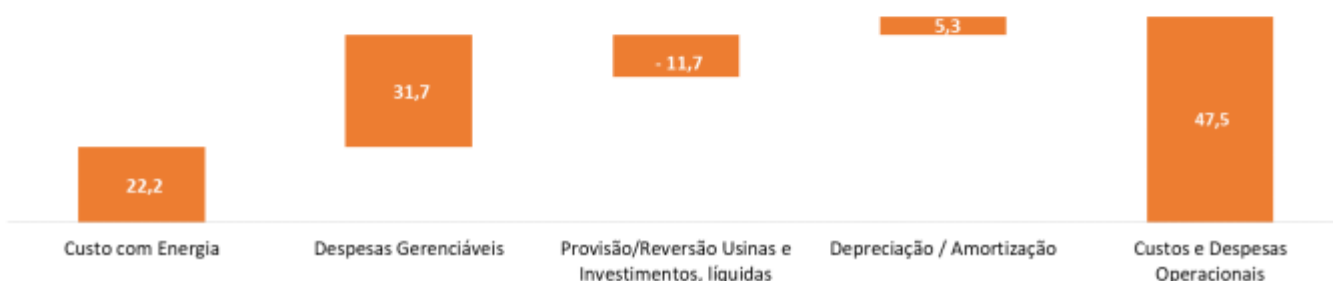
Gráfico 28 - Custos e Despesas Operacionais (Milhões)  
4T19



Gráfico 29- Custos e Despesas Operacionais (Milhões)  
12M20



Gráfico 29 - Custos e Despesas Operacionais (Milhões)  
12M19



## Results Analysis

In 4Q20, Celesc Geração's Operating Costs and Expenses increased **R\$6.1 million** (62.8%) YoY, totaling **R\$15.8 million**. In YTD, costs and expenses totaled **R\$53.9 million**, down by 13.6% YoY.

In 4Q20, Celesc Geração's **PMSO** reached **R\$10.3 million (R\$27.8 million in the year)**, compared to **R\$14.1 million in 4Q19 (R\$31.7 million in the previous year)**, a reduction of 26.7% (**R\$3.8 million**) in the quarterly comparison, due to the decrease in the items Personnel (-10.3% in the quarter and -0.9% in the year) and Outsourced Services (-42.7% in the quarter and -17.7% in the year).

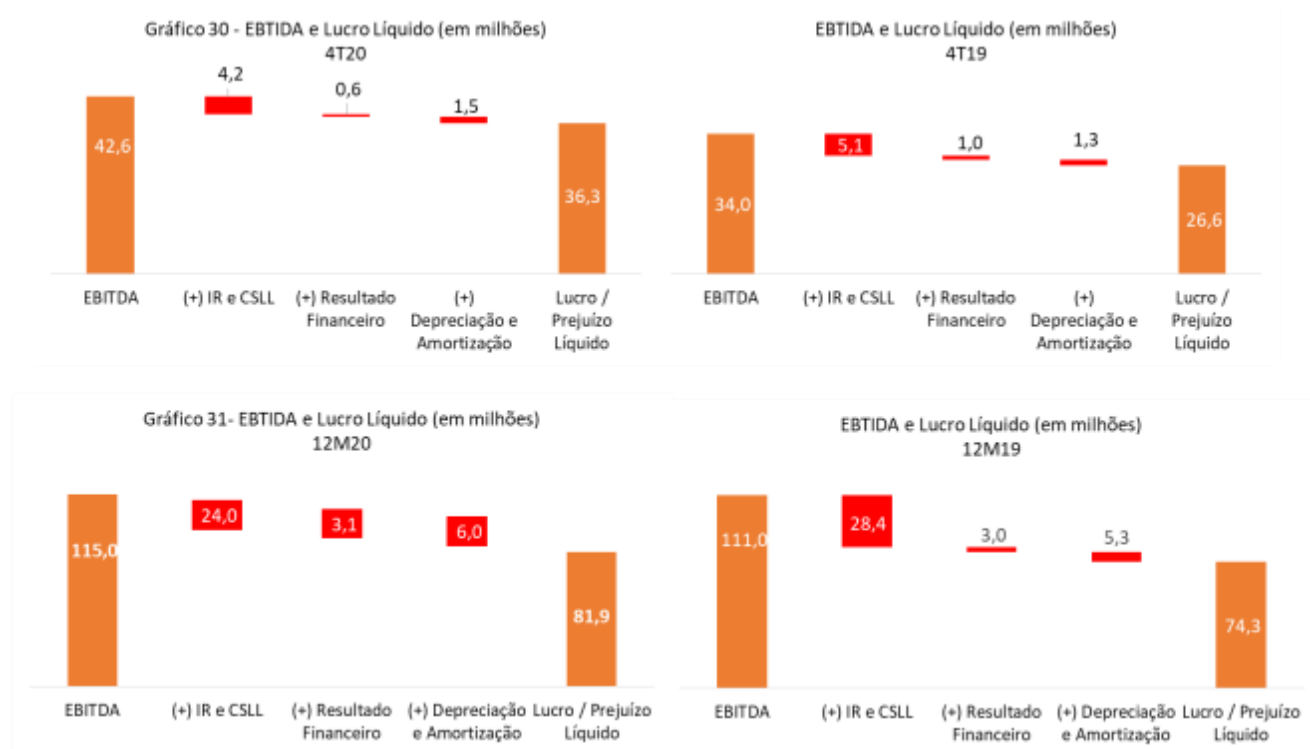
**Non-Manageable Costs (Electric energy cost)** in 4Q20 reached **R\$5.3 million (R\$21.5 million per year)** compared to **R\$6 million in 4Q19 (R\$22.2 million in 12M19)**, down by 11.3% (3.2% year).

The change in Operating Costs and Expenses was influenced by the accounting in 4Q20 of the net provision of R\$1.4 million related to the Impairment Test of the Celesc G power plants, being detailed in R\$5.3 million related to the provision and R\$6.7 million to the reversal, resulting in R\$1.4 million positive. Considering that in 2019 R\$11.7 million of net provision was recorded, this differential of R\$10.3 million more in 2019 impacted the Operating Costs and Expenses item in 2020.

**Disregarding the influence of the Impairment Test on the 2020 and 2019 Operating Costs and Expenses we have a 19.62% reduction for the quarter (R\$17.2 million in 4Q20 versus R\$21.4 million in 4Q19) and 6.5% for the year (R\$55.3 million in 12M20 versus R\$59.2 million in 12M19).**

### 3.2.3.4. EBITDA

Charts 30 and 31, below, show the breakdown of the transformation from EBITDA to Net Income:



### Data Analysis

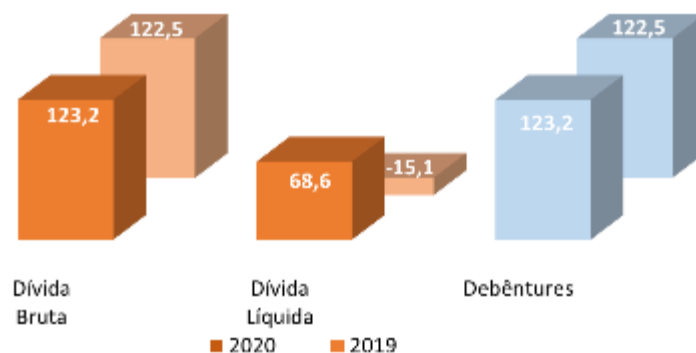
In 4Q20, EBITDA amounted to **R\$42.6 million**, up **25.5% (+R\$8.6 million)** compared to the **R\$34 million** recorded in 4Q19. For the year, EBITDA was **R\$115 million**, **3.7%** higher than in the same period of 2019.

**Net Income**, meanwhile, **grew 36.8%** in the quarter, compared to 4Q19, closing at **R\$36.3 million**. In relation to the accumulated 12M20, there was a considerable increase of **10.3%** compared to the previous year's result. In 2020, Net Income totaled **R\$81.9 million**.

### 3.2.3.5. Indebtedness

Chart 32 shows the Company's Gross Debt and Net Debt, as well as the breakdown of this Debt from 2019 to 2020.

Gráfico 32 - Dívida Bruta, Dívida Líquida e Posição dos Empréstimos



### Results Analysis

**Gross Financial Debt of Celesc Geração closed the year at R\$123.2 million, an increase of 0.6% in relation to the same period of the previous year, when the value was R\$122.5 million. In December 2020, Net Financial Debt reached R\$68.6 million.**

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

4Q20 Financial Debt			
R\$ million	On December 31, 2019	On December 31, 2020	Δ
Short-term debt	35.5	35.0	-1.28%
Long-Term Debt	87.1	88.2	1.32%
<b>Total Financial Debt</b>	<b>122.5</b>	<b>123.2</b>	<b>0.57%</b>
( - ) Cash and Cash Equivalents	<b>137.6</b>	<b>54.7</b>	<b>-60.28%</b>
<b>Net Financial Debt</b>	<b>(15.1)</b>	<b>68.6</b>	<b>554.1%</b>
EBITDA (LTM)	111.0	115.0	3.66%
<b>Debt Fin. Net / EBITDA 12M</b>	<b>-0.1x</b>	<b>0.6x</b>	
ADJUSTED EBITDA (LTM)	99.2	113.6	14.48%
<b>Debt Fin. Net / Adjusted EBITDA LTM</b>	<b>-0.2x</b>	<b>0.6x</b>	
Shareholders' Equity	514.8	569.0	10.53%
<b>Debt Fin. Total / Shareholders' equity.</b>	<b>0.2x</b>	<b>0.2x</b>	
<b>Debt Fin. Net / Shareholders' Equity.</b>	<b>0.0x</b>	<b>0.1x</b>	

### 3.2.3.6. Investments

The following table shows the Investments in Celesc Geração in 4Q20 and 12M20.

#### Celesc Geração S.A. | CAPEX

R\$ million	4 <sup>th</sup> Quarter			YTD 12 Months		
	2019	2020	Δ	2019	2020	Δ
<b>Celesc Geração Investments</b>	<b>8.8</b>	<b>10.2</b>	<b>16.0%</b>	<b>11.4</b>	<b>41.4</b>	<b>263%</b>
Investments in SPCs	0.4	0.1	-81%	1.5	10.4	602%
Own Generator Site Plants	8.4	10.1	21%	9.9	31.0	213%



## Results Analysis

In **4Q20**, investments in power generation totaled **R\$10.2 million**, an increase of 16.0% compared to **R\$8.8 million** in the same period of 2019. In the year's accumulated **investments totaled R\$41.4 million**, of which **R\$31.0 million in the company's own generating site** and **R\$10.4 million in SPEs** (Special Purpose Partnership). Such investments made it possible to continue the expansion and automation works of the Company's own plants, providing the maintenance of the operation process efficiency and the Company's participation in Special Purpose Entities (SPEs).

We highlight the continuation of the expansion works at the Celso Ramos SHP, located in Faxinal dos Guedes, which will increase by 8.3 MW of installed capacity (currently 5.62 MW) the plant's generating capacity, totaling 13.92 MW of installed capacity after the end of the project. Celesc Geração invested R\$27 million in 2020, from a total of R\$40 million estimated.

Other investments in the company's own plants, during the year, totaled R\$3.9 million, with Salto Weissbach Plant with R\$1.8 million, Cedros Plant with R\$0.4 million, and Pery Plant with R\$0.4 million during the year.

Investments in the generating site in partnership with private partners totaled R\$10.3 million in the year, with R\$10 million in SPE EDP Transmissão Aliança and R\$0.3 million in SPE Garça Branca.

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

## 3.3. CONSOLIDATED

### 3.3.1. Economic and Financial Performance.

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

Charts 33 and 34, below, show the comparison of the **Gross Operating Revenue and Net Operating Revenue, and the Consolidated Income of the Company** for the quarter and YTD.

Gráfico 33 - Receita Bruta, Líquida, Ebitda e Lucro Líquido (Milhões)

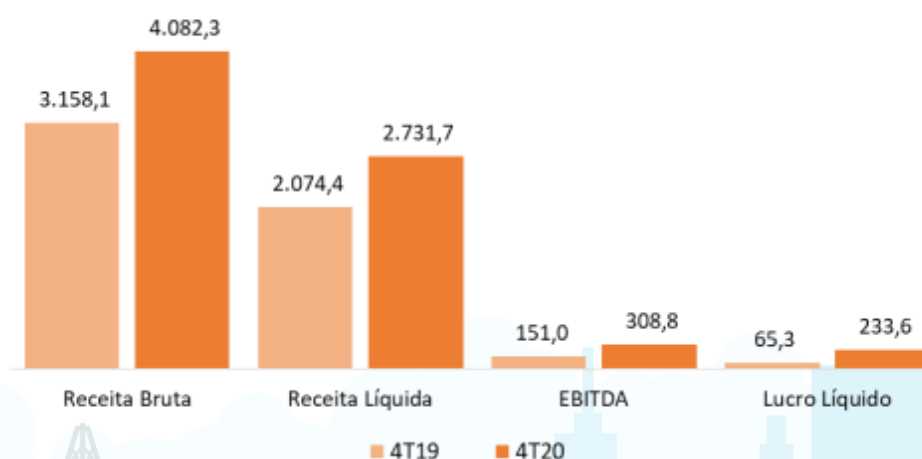
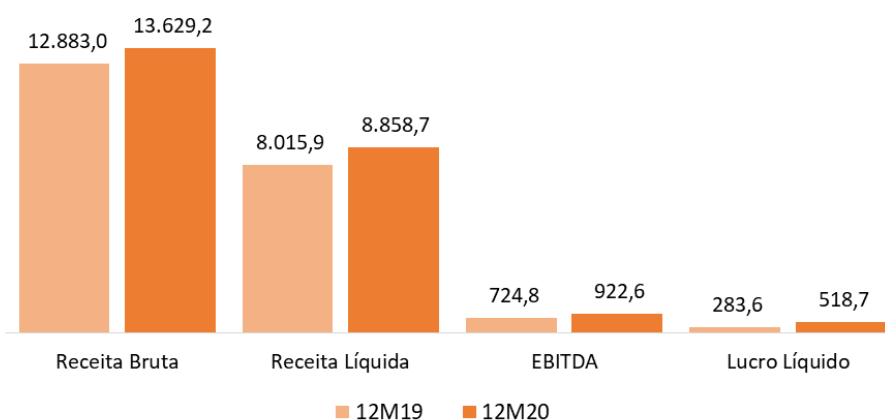


Gráfico 34 - Receita Bruta, Líquida, Ebitda e Lucro Líquido (Milhões)



## Results Analysis

In 4Q20, Gross Operating Revenue reached **R\$4,082.3 million (R\$13,629.2 million in the year)**, compared to **R\$3,158.1 in 4Q19 (R\$12,883.0 million in 12M19)**, up by 29.3% in the quarter and 5.8% YTD.

In 4Q20, Net Operating Revenue totaled **R\$2,731.7 million (R\$8,858.7 million in the year)**, compared to **R\$2,074.4 million in 4Q19 (R\$8,015.9 million 12M19)**, up by 31.7% in the quarter (+R\$657.3 million) and 10.5% YTD (+R\$842.8 million).

**EBITDA** reached **R\$308.8 million** in the quarter (**R\$922.6 million year**) compared to **R\$151.0 million in 4Q19 (R\$724.8 million)**, up by 104.5% in the quarter, 27.3% YTD 2020.

As a result, Net Income for 4Q20 was **R\$233.6 million**, compared to a Net Income of **R\$65.3 million in 4Q19**, an increase of 257.7% (+R\$168.3 million). In the annual comparison, it showed an **increase of 82.9%**, closing the year at **R\$518.7 million** against **R\$283.6 million in 12M19**.

### 3.3.1.3. Consolidated Operating Costs and Expenses.

**Charts 35 and 36, below**, present the performance of the Operating Costs and Expenses, including the Manageable and Non-Manageable Costs and Expenses (excluding Construction Costs), besides demonstrating the Amortization/Depreciation Expenses.

Gráfico 35 - Custos e Despesas Operacionais Consolidada (Milhões)  
4T20

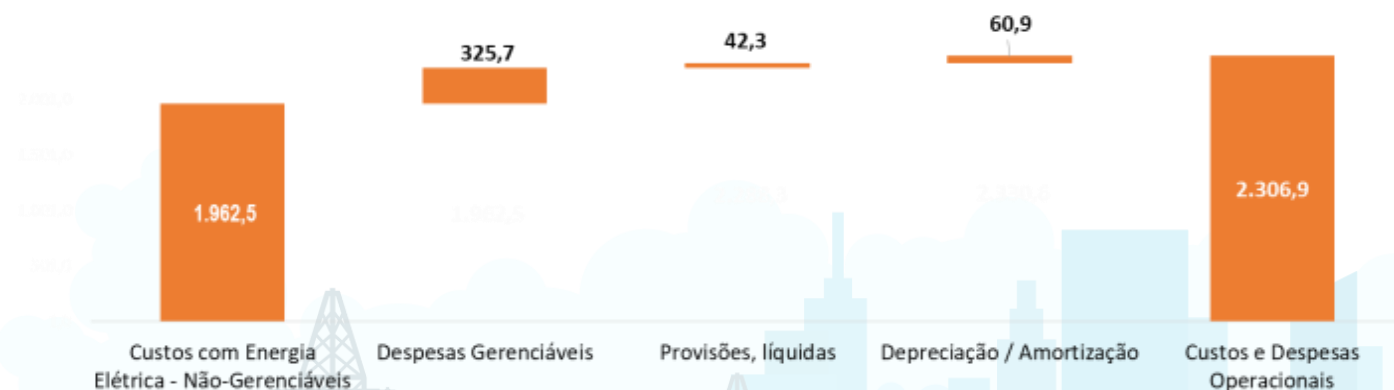


Gráfico 35 - Custos e Despesas Operacionais Consolidada (Milhões)  
4T19



Gráfico 36 - Custos e Despesas Operacionais Consolidada (Milhões)  
12M20



Gráfico 36 - Custos e Despesas Operacionais Consolidada (Milhões)  
12M19





In 4Q20, Operating Costs and Expenses (excluding construction costs) reached **R\$2,306.9 million (R\$7,641.1 million in 2020)**, compared to **R\$1,828.1 in 4Q19 (R\$7,020.5 million in 2019)**, up by 26.2% (+R\$478.8 million) in the quarter and 8.8% year (R\$620.7 million).

**Non-Manageable Costs** in the same period (Electric Energy costs), increased **32.5%** (+R\$481.6 million) in the quarter and **10.2%** year-on-year (+R\$582.7 million) amounting to R\$1,962.5 million in 4Q20 and R\$6,318.5 million in 2020.

In 4Q20, **Manageable Expenses**, specifically **PMSO** reached the amount of **R\$325.7 million (R\$1,056.1 million/year)**, compared to **R\$321.1 million in 4Q19 (R\$1,056.6 million in 2019)**, an increase of 1.4% (+R\$41.6 million) in the comparison between quarters.

We highlight the reduction of 11.8% (R\$26.7 million) in the quarter in the item Personnel due to cost reduction measures adopted by the subsidiary Celesc D. We noticed the accounting of R\$112.8 million in 2020 (R\$24.6 million in the quarter) referring to the increase of the Incentive Disconnection Program - IDP in the subsidiary Celesc Distribuição as described in section 3.1.4.3.

The table below shows Personnel expenses excluding 2019 and 2020 IDPs, indicating a decrease both in the quarter (-8.1% in 4Q20) and year-to-date (-3.7% in 12M20).

#### Consolidated | Personnel expenses

R\$ million	4 <sup>th</sup> Quarter			YTD 12 Months		
	2019	2020	Δ	2019	2020	Δ
<b>Personnel - Total</b>	<b>(226.3)</b>	<b>(199.6)</b>	<b>-11.8%</b>	<b>(778.9)</b>	<b>(778.9)</b>	<b>0.0%</b>
Personnel and Administrators	(211.3)	(190.4)	-9.9%	(724.3)	(723.7)	-0.1%
Personnel and Charges	(202.4)	(182.7)	-9.8%	(695.0)	(696.8)	0.3%
Private Pension Plan	(8.9)	(7.7)	-13.2%	(29.3)	(26.9)	-8.3%
Actuarial Expense	(14.9)	(9.2)	-38.3%	(54.6)	(55.3)	1.2%
IDP	(35.8)	(24.6)	-31%	(87.2)	(112.8)	29%
<b>Total Personnel Expenses without IDP</b>	<b>(190.5)</b>	<b>(175.1)</b>	<b>-8.1%</b>	<b>(691.7)</b>	<b>(666.1)</b>	<b>-3.7%</b>

#### 3.3.1.4. EBITDA Consolidated.

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

Gráfico 37 - EBITDA e Lucro Líquido (em milhões)  
4T20

EBITDA e Lucro Líquido (em milhões)  
4T19

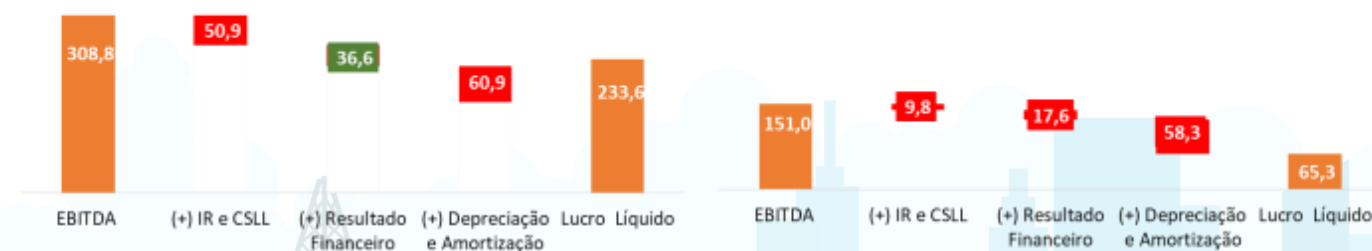
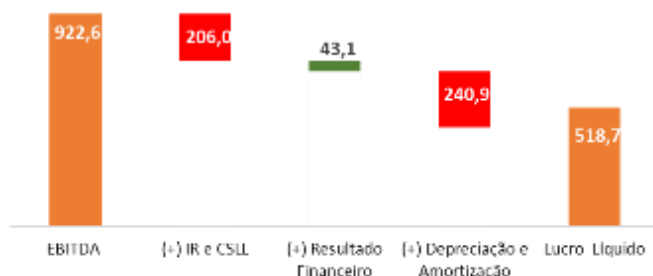
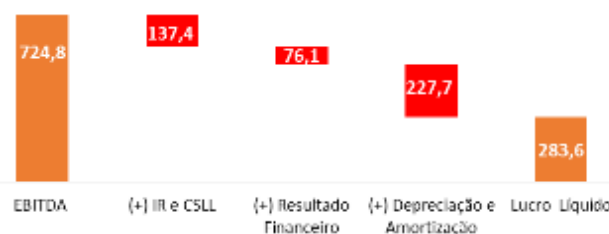


Gráfico 38 - EBITDA e Lucro Líquido (em milhões)  
12M20



EBTIDA e Lucro Líquido (em milhões)  
12M19



## Data Analysis

In 4Q20, Consolidated **EBITDA** was **R\$308.8 million** compared to **R\$151.0 million in 4Q19**, an increase of 104.5% (**+R\$157.8 million**). In the year, it showed an increase of 27.3% (+R\$197.8 million) totaling **R\$922.6 million** at the close of 2020 compared to **R\$724.8 million** in 2019. The EBITDA performance reflects the performance of the subsidiaries Celesc Distribuição and Celesc Geração and also the Celesc Group's Participações.

**Adjusted EBITDA** for non-recurring effects in **Celesc D (R\$112.8 million from the IDP) and Celesc G (R\$1.4 million from the Impairment Test)** ended 2020 with **R\$1,034 million (R\$332.0 million in 4Q20)**.

**Net Income** ended the year with **R\$518.7 million (R\$233.6 million in 4Q20)**, an amount 82.9% higher than in 2019 (R\$283.6 million).

### 3.3.1.5. Indebtedness

The Table below shows the Company's Gross Debt and Net Debt, as well as the breakdown of this Debt from 2019 to 2020.

#### Consolidated | Indebtedness

4Q19 Financial Debt			
R\$ million	On December 31, 2019	On December 31, 2020	Δ
Short-term debt	488.8	968.5	98.2%
Long-Term Debt	1,172.8	993.0	-15.3%
<b>Total Financial Debt</b>	<b>1,661.6</b>	<b>1,961.5</b>	<b>18.0%</b>
( - ) Cash and Cash Equivalents	566.2	1,166.2	106.0%
<b>Net Financial Debt</b>	<b>1,095.4</b>	<b>795.2</b>	<b>-27.4%</b>
EBITDA (LTM)	731.5	922.6	26.1%
<b>Debt Fin. Net / EBITDA 12M</b>	<b>1.5x</b>	<b>0.9x</b>	
ADJUSTED EBITDA (LTM)	797.0	1,034.0	29.7%
<b>Debt Fin. Net / Adjusted EBITDA LTM</b>	<b>1.4x</b>	<b>0.8x</b>	
Shareholders' Equity	1,407.1	1,984.6	41.0%
<b>Debt Fin. Total / Shareholders' Equity</b>	<b>1.2x</b>	<b>1.0x</b>	
<b>Debt Fin. Net / Shareholders' Equity</b>	<b>0.8x</b>	<b>0.4x</b>	

## Results Analysis

On December 31, 2020, **Celesc Group's total Financial Debt** reached **R\$1,961.5 million**, compared to **R\$1,661.6 million on December 31, 2019**, up by 18.0% (**R\$299.9 million**). **Short-Term Debt**, which represents **49.3% of the total Debt**, registered an increase of **98.2% in the annual comparison**, reflecting the issue of **Celesc D Promissory Note**, amounting to **R\$489 million with maturity of 1 year**. **Long-term debt** accounts for 50.7% of **total debt**, a reduction of 15.3% year-on-year.

The **Group's Consolidated Net Debt** totaled **R\$795.2 million** at the end of December 2020, down by 27.4% due to the "Cash Effect", compared to R\$1,095.4 million on December 31, 2019, representing **0.9x of the Adjusted EBITDA at the end of 2020**.

### 3.3.1.6. Investments

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

R\$ million	4 <sup>th</sup> Quarter			YTD 12 Months		
	2019	2020	Δ	2019	2020	Δ
Electricity Generation	8.8	10.2	16.0%	11.4	41.4	263.5%
Electricity Distribution	185.8	204.3	10.0%	588.6	629.8	7.0%
<b>Total</b>	<b>194.6</b>	<b>214.5</b>	<b>10.3%</b>	<b>600.0</b>	<b>671.2</b>	<b>11.9%</b>

## Results Analysis

In 2020, the Group's investments were **R\$671.2 million (R\$214.5 million in 4Q20)**, an expansion of 11.9% compared to R\$600.0 million, recorded in 2019. These amounts were distributed in **R\$41.4 million (R\$10.2 million in the quarter)** in Energy Generation and **R\$629.8 million (R\$204.3 million in the quarter)** for Energy Distribution.

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

## 4. CAPITAL MARKET PERFORMANCE

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

## Results Analysis

The Company's Preferred Shares (CLSC4) had a positive performance of 6.84% in the quarter and a positive variation of 14.2% in the YTD in the last 12 months. In the same period, the main index of the Brazilian Stock Exchange, Ibovespa, presented a positive return of 25.81% (2.92% in 12 months) and the Electricity Index (IEE), which measures the behavior of the main shares of the Electricity Sector, presented a positive evolution in the quarter of 20.82% and +8.12% in 12 months.

CLSC4 Follow-up	4Q19	1Q20	2Q20	3Q20	4Q20
Closing price adjusted to earnings (R\$/share)	50.10	46.30	53.50	52.81	54.34
Price / Earnings	6.6x	4.9x	5.6x	5.8x	4.8x
Price / Asset Value	1.0x	1.3x	1.3x	1.3x	1.3x
Average traded volume ('000 shares)	18	16	17	38	7
Average traded volume (R\$ '000)	757	885	773	2,080	380
Market Value (R\$ Million)	1,932	1,936	2,038	2,071	2,231
Market Value (US\$ Million)	478	399	379	368	430
Profitability (%)	19.48	-7.58	15.55	-1.28	6.84%
Profitability in the last 12 months (%)	5.65	-8.87	12.68	19.72	14.2
Ibovespa Profitability (%)	10.39	-36.86	30.17	-0.47	25.81
Ibovespa profitability in the last 12 months (%)	31.58	-23.47	-5.85	-9.68	2.92
IEE Profitability (%)	12.48	-24.76	21.09	-2.27	20.82
IEE Profitability in the last 12 months (%)	55.54	0.85	9.91	0.8	8.12

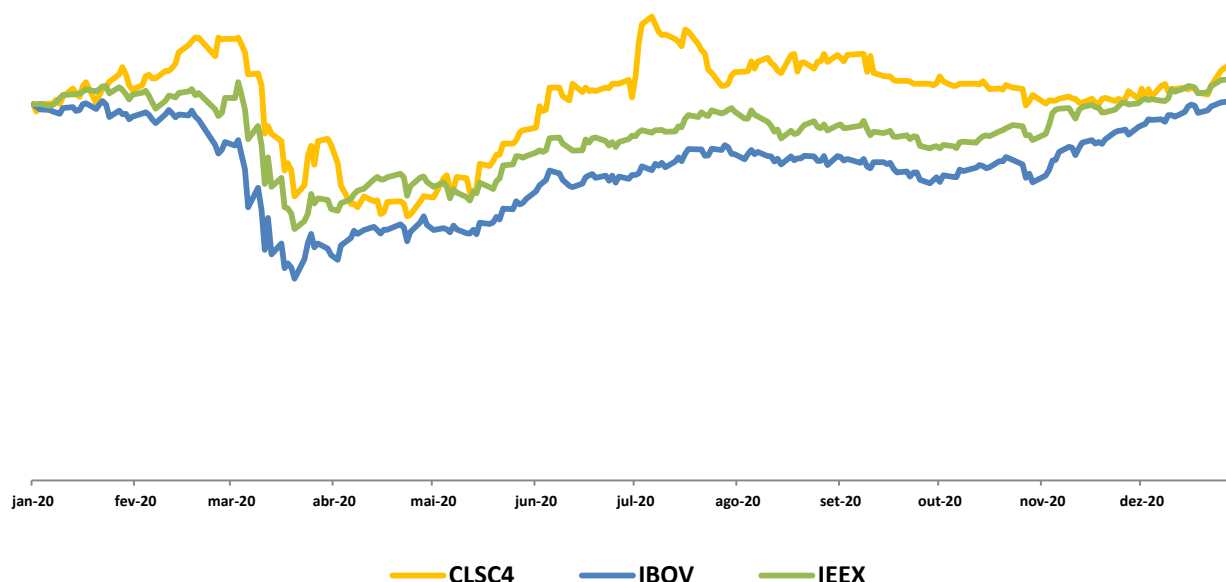
Source: Economática/DPRI





Chart 39 below shows CLSC4 performance against Ibovespa and IEE in the last 12 months.

**Gráfico 39 - CLSC4 - IBOVESPA - IEE - EVOLUÇÃO últimos 12 meses**



## 5. CORPORATE RATING

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

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

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

## 6. CELESC RECOGNITION

### Association of Energy Engineers International Awards

Also for the first time, Celesc was recognized by the Association of Energy Engineers (AEE) International Awards - which rewards work developed in the Energy Efficiency area worldwide - with first place in the category Innovative Energy Project of the Year 2020, with the Motor Bonus, which substituted old motors for new ones, more modern and efficient, using a financial bonus system. The initiative's focus is the driving force systems, responsible for practically 30% of the electrical energy consumption in Brazil. For companies, it promotes reduced energy consumption and increased competitiveness. For society in general, besides providing development opportunities to the entire productive and economic chain of Santa Catarina, it also collaborates with the preservation of the environment. The Motor Bonus promoted the substitution of more than 1.7 thousand motors and represented an annual energy saving of 18.64 GWh, which corresponds to the consumption of approximately 7.5 thousand houses in the same period. In engines, R\$14.87 million were sold, of which R\$5.02 million were paid by Celesc. The attending customers had an average bonus of 33.78% on the exchange of their equipment.

### Empresa Cidadã ADVB 2020 Award

Celesc's project, Photovoltaic Bonus - pioneer in the country, which promotes distributed generation by means of a bonus granted to participating customers for the acquisition of photovoltaic plates for capturing solar energy, won 1<sup>st</sup> place in the Environmental Preservation category of the ADVB 2020 Citizen Company Award. The initiative began in 2016 and awarded participants a 60% bonus on the installation of 1,250 of these efficient power generation systems. In 2019, the effective



calculation of the results was completed: in all, R\$22.17 million was invested, of which R\$14.1 million came from the ANEEL/Celesc Energy Efficiency Program and R\$8 million as a counterpart from the customers who purchased the solar panels. The competitors won not only the bonus of buying the system, but also made an important contribution to the preservation of the environment, with the use of clean and sustainable energy. The estimated benefit was the generation of energy of 4,464.36 MWh/year, enough to supply more than 22,300 homes for a whole month. In addition, the Photovoltaic Bonus prevented the release of 303 tons of CO<sub>2</sub> into the atmosphere, corresponding to the planting of 2,170 trees.

### **Social Responsibility Certificate**

For the sixth consecutive year, the State Legislative Assembly - ALESC certified Celesc for its Social Responsibility practices. The Social Responsibility certification, promoted by ALESC in partnership with other institutions, aims to recognize and highlight private and public companies and non-profit organizations that have social responsibility as a management policy. Celesc has been certified since 2015, when participation was made possible for institutions in this category.

### **22<sup>ND</sup> ABRADEE AWARD**

In 2020, the Brazilian Association of Electric Power Distributors promoted the 22nd edition of the “Abradee Award”, also alluding to the celebration of the 45th anniversary of the institution. The special edition did not grant individual awards to the companies, but recognized the efforts of all the electric power distributors operating in the country during the worldwide health crisis caused by the COVID-19 pandemic. For this reason, the entity submitted to each company, among them Celesc, a sign that highlights the dedication of the teams, which totaled more than 200 thousand employees that work on the front line for the maintenance of the electrical system, indispensable for the exercise of any activity performed by society in the 21<sup>st</sup> century.

### **Abraconee Award for Financial Statements**

Celesc received the 2nd place national award in the Holding category for the quality of the presentation of the Company's Financial Statements for fiscal year 2019 during the XXXVI National Meeting of Accountants of the Electric Power Sector - ENCONSEL, held in a webinar format.

## 7. EXHIBITS

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

#### CONSOLIDATED BALANCE SHEET

In R\$ thousand

Assets	31/12/2019	31/12/2020	Liabilities and equity	Note	31/12/2019	31/12/2020
<b>Current</b>			<b>Current</b>			
Cash and Cash Equivalents	566.181	1.166.205	Suppliers		996.725	1.224.547
Accounts Receivable	1.421.771	1.918.725	Loans		383.623	865.901
Inventories	14.696	12.313	Debentures		105.133	102.592
Taxes to be Recovered	68.579	591.837	Salaries and Social Security Charges		212.148	211.656
Dividends	7.114	14.352	Taxes and Social Contributions		209.296	370.858
Financial Assets - Portion A - CVA	32.597	33.674	Proposed Dividends		67.683	123.621
Other Credits	247.134	218.193	Regulatory Fees		166.014	177.921
			Related Parties		18.831	-
			Actuarial Liabilities		176.581	197.901
			Financial Liabilities - "Portion A" - CVA		25.142	142.491
			Other Liabilities		66.514	104.674
	<b>2.358.072</b>	<b>3.955.299</b>			<b>2.427.690</b>	<b>3.522.162</b>
<b>Noncurrent</b>			<b>Noncurrent</b>			
Financial Investments	137.478	137.478	Loans		904.008	789.043
Accounts Receivable	44.683	29.236	Debentures		268.812	203.916
Advance for future capital increase	10.000		Salaries and Social Security Charges		48.186	60.264
Deferred taxes	1.004.094	884.423	Deferred taxes		19.596	24.469
Taxes to be Recovered	1.092.845	109.904	Regulatory Fees		189.425	183.078
Court deposits	171.054	291.869	Provision for Contingencies		506.230	492.793
Indemnity Assets - Concession	525.964	612.637	Actuarial Liabilities		2.661.948	2.319.432
Financial Assets - Portion A - CVA	270.791	554.774	Financial Liabilities - "Portion A" - CVA		-	-
Other Credits	5.032	3.218	PIS/COFINS to be Returned to Consumers		1.065.238	1.087.455
Investments	246.572	268.933	Other Liabilities		-	-
Property, Plant & Equipment	174.796	201.427			<b>5.663.443</b>	<b>5.160.450</b>
Intangible Assets	3.456.876	3.618.056			<b>8.091.133</b>	<b>8.682.612</b>
	<b>7.140.185</b>	<b>6.711.955</b>	<b>Shareholders' Equity</b>			
			Share Capital		1.340.000	1.340.000
			Capital Reserves		316	316
			Profit Reserves		1.521.681	1.911.470
			Equity Valuation Adjustments		(1.454.873)	(1.267.144)
			YTD Profit/Loss		-	-
					<b>1.407.124</b>	<b>1.984.642</b>
<b>Total Assets</b>	<b>9.498.257</b>	<b>10.667.254</b>	<b>Total Liabilities and Shareholders' Equity</b>		<b>9.498.257</b>	<b>10.667.254</b>



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

	In R\$ Thousand			In R\$ Thousand		
	4Q19	4Q20	Chg %	12M19	12M20	Chg %
<b>Gross Operating Revenue</b>	<b>3.158.149</b>	<b>4.082.344</b>	<b>29,3%</b>	<b>12.883.003</b>	<b>13.629.201</b>	<b>5,8%</b>
Electric Power Supply	1.503.742	1.656.655	10,2%	6.580.919	5.888.120	-10,5%
Electricity Supply	119.715	157.770	31,8%	478.986	511.646	6,8%
Regulatory Asset	548	389.091	70902,0%	(181.623)	869.317	578,6%
Short-Term Electricity	98.005	230.751	135,4%	520.579	528.922	1,6%
Electric Grid Availability	1.076.743	1.226.303	13,9%	4.145.833	4.515.840	8,9%
Donations and Subventions	176.982	201.598	13,9%	728.841	664.573	-8,8%
Income from Services	348	298	-14,4%	2.422	912	-62,3%
Service Fee	3.738	1.843	-50,7%	17.113	5.164	-69,8%
Financial Revenue	12.957	17.038	31,5%	43.461	45.570	4,9%
Other Revenues	1.652	4.693	184,1%	4.567	6.662	45,9%
<b>Construction Revenue</b>	<b>163.719</b>	<b>196.304</b>	<b>19,9%</b>	<b>541.905</b>	<b>592.475</b>	<b>9,3%</b>
<b>Deductions from Operating Revenue</b>	<b>(1.083.717)</b>	<b>(1.350.607)</b>	<b>24,6%</b>	<b>(4.867.094)</b>	<b>(4.770.501)</b>	<b>-2,0%</b>
ICMS	(531.296)	(628.093)	18,2%	(2.300.184)	(2.271.520)	-1,2%
PIS/COFINS	(274.690)	(357.733)	30,2%	(1.137.260)	(1.202.211)	5,7%
CDE	(264.849)	(300.926)	13,6%	(1.311.370)	(1.203.282)	-8,2%
R&D	(9.585)	(12.691)	32,4%	(37.612)	(41.577)	10,5%
PEE	(9.366)	(12.409)	32,5%	(36.721)	(40.625)	10,6%
ANEEL Regulatory Surveillance Rate	(1.964)	(2.305)	17,4%	(7.499)	(8.511)	13,5%
Other Charges	8.033	(36.450)	-553,8%	(36.448)	(2.775)	-92,4%
<b>Net Operating Revenue</b>	<b>2.074.432</b>	<b>2.731.737</b>	<b>31,7%</b>	<b>8.015.909</b>	<b>8.858.700</b>	<b>10,5%</b>
<b>Operating Costs and Expenses</b>	<b>(1.991.783)</b>	<b>(2.503.170)</b>	<b>25,7%</b>	<b>(7.562.386)</b>	<b>(8.233.648)</b>	<b>8,9%</b>
Energy Purchased for Resale and Charges	(1.480.851)	(1.962.516)	32,5%	(5.735.756)	(6.318.469)	10,2%
Personnel and Administrators	(211.343)	(190.412)	-9,9%	(724.334)	(723.666)	-0,1%
Actuarial Expense	(14.921)	(9.211)	-38,3%	(54.585)	(55.263)	1,2%
Material	(4.639)	(4.638)	0,0%	(17.140)	(16.509)	-3,7%
Third Party Service	(67.530)	(69.195)	2,5%	(247.172)	(241.511)	-2,3%
Depreciation and Amortization	(58.254)	(60.909)	4,6%	(227.696)	(240.924)	5,8%
Net Provision	(43.424)	(91.861)	111,5%	(163.674)	(231.605)	41,5%
Reversal of PECLD Provision	75.560	134.158	77,6%	163.214	205.930	26,2%
Other Revenue/ Expenses	(22.662)	(52.282)	130,7%	(13.338)	(19.156)	43,6%
<b>Construction Costs</b>	<b>(163.719)</b>	<b>(196.304)</b>	<b>19,9%</b>	<b>(541.905)</b>	<b>(592.475)</b>	<b>9,3%</b>
<b>Equity in Earnings (Losses)</b>	<b>10.113</b>	<b>19.331</b>	<b>91,2%</b>	<b>43.600</b>	<b>56.583</b>	<b>29,8%</b>
<b>Income from Activities - EBIT</b>	<b>92.762</b>	<b>247.898</b>	<b>167,2%</b>	<b>497.123</b>	<b>681.635</b>	<b>37,1%</b>
Activity Margin (%)	4,5%	9,1%		6,2%	7,7%	
<b>EBITDA (R\$ thousand)</b>	<b>151.016</b>	<b>308.807</b>	<b>104,5%</b>	<b>724.819</b>	<b>922.559</b>	<b>27,3%</b>
EBITDA Margin (%)	7,3%	11,3%		9,0%	10,4%	
<b>Financial Result</b>	<b>(17.637)</b>	<b>36.625</b>	<b>307,7%</b>	<b>(76.143)</b>	<b>43.080</b>	<b>156,6%</b>
Financial Revenue	39.739	79.328	99,6%	232.190	231.087	-0,5%
Financial Expense	(57.376)	(42.703)	-25,6%	(308.333)	(188.007)	-39,0%
<b>EBIT</b>	<b>75.125</b>	<b>284.523</b>	<b>278,7%</b>	<b>420.980</b>	<b>724.715</b>	<b>72,1%</b>
Income Tax and Social Contribution	(900)	(38.195)	4143,9%	(104.193)	(178.486)	71,3%
Income Tax and Social Contribution Deferred	(8.915)	(12.686)	42,3%	(33.212)	(27.544)	-17,1%
<b>Net Income</b>	<b>65.310</b>	<b>233.642</b>	<b>257,7%</b>	<b>283.575</b>	<b>518.685</b>	<b>82,9%</b>
<b>Net Margin (%)</b>	<b>3,1%</b>	<b>8,6%</b>		<b>3,5%</b>	<b>5,9%</b>	

**CELESC - CENTRAIS ELÉTRICAS DE SANTA CATARINA S.A.**
**STATEMENT OF CASH FLOWS (DFC) - CONSOLIDATED**

In R\$ Thousand

	12M19	12M20
<b>Profit/Loss Before Income Tax and Social Contribution</b>	<b>420.980</b>	<b>724.715</b>
<b>Adjustments</b>	<b>334.650</b>	<b>370.140</b>
Depreciation and Amortization	227.696	240.924
Write-off of Indemnity Assets	239	164
Write-off of Property, Plant & Equipment and Intangible Assets	51.644	46.720
Equity Pickup	(43.600)	(56.583)
Financial Assets Update – VNR	(4.567)	(6.662)
Constitution (Reversal) of Impairment Recognition	(11.711)	(1.403)
Gains or Losses on Equity Interests (Assets)	-	-
Interest and Monetary Variations	206.608	172.708
Monetary Restatement Concession Bonus	(30.504)	(45.570)
Other Investment Adjustments	-	-
Provision for Actuarial Liabilities	54.585	55.263
Allowance for Doubtful Accounts	17.603	(21.984)
Realization of Provision for Losses	-	-
Contingencies	(133.343)	(13.437)
<b>Changes in Assets and Liabilities</b>	<b>(412.766)</b>	<b>75.514</b>
Accounts Receivable	147.456	(438.393)
Inventories	(6.060)	2.383
Taxes recoverable	(1.077.068)	459.683
Other Assets	(6.741)	2.933
Subsidy Decree 7891/2013	244	6.204
Financial Assets	361.699	(576.660)
Court deposits	(704)	(120.815)
Adiantamento Futuro Aumento Capital	10.000	10.000
Suppliers	(10.129)	227.822
Social Security and Labor Obligations	4.843	11.586
Taxes Payable	(27.075)	149.654
Regulatory Fees	(2.050.985)	(1.553)
Financial Liabilities	(75.164)	454.519
PIS/COFINS to be Returned to Consumers	1.065.238	-
Other Liabilities	7.249	19.276
Actuarial Liabilities	(184.792)	(131.125)
	-	-
<b>Cash From Operations</b>	<b>342.854</b>	<b>1.170.369</b>
Income Tax and Social Contribution Paid	(95.897)	(172.850)
Interest Paid	(114.331)	(84.199)
<b>Net Cash from Operating Activities</b>	<b>132.626</b>	<b>913.320</b>
<b>Cash Flows From Investing Activities</b>	<b>(453.017)</b>	<b>(526.755)</b>
Acquisitions of Property, Plant & Equipment and Intangible Assets	(476.474)	(552.758)
Capital Increase	(1.476)	(9.875)
Dividends Received	24.933	35.878
<b>Cash Flows From Financing Activities</b>	<b>188.512</b>	<b>213.459</b>
Related Parties	-	-
Loan Amortization	(167.383)	(423.307)
Loan Additions	518.897	770.318
Debentures Additions	-	35.659
Payment of Debentures	(126.490)	(101.961)
Dividends paid	(36.512)	(67.250)
<b>Total Effects of Cash and Cash Equivalents</b>	<b>(131.879)</b>	<b>600.024</b>
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>698.060</b>	<b>566.181</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>566.181</b>	<b>1.166.205</b>
	-	-

## CELESC DISTRIBUIÇÃO S.A.

### BALANCE SHEET

In R\$ Thousand

Assets	31/12/2019	31/12/2020	Liabilities and Equity	31/12/2019	31/12/2020
<b>Current</b>			<b>Current</b>		
Cash and Cash Equivalents	400.090	1.061.116	Suppliers	989.272	1.217.190
Trade receivables	1.403.888	1.889.243	Loans and Financing	383.623	865.901
Inventories	14.594	12.221	Debentures	69.644	67.558
Taxes to be Recovered	65.740	583.781	Social Security and Labor Obligations	211.516	210.777
Subsidy Decree 7891/2013	53.236	47.032	Taxes and Social Contributions	194.446	351.984
Financial Assets - Portion A – CVA			Proposed Dividends	47.066	97.149
Other Credits	195.462	171.843	Loan - Affiliate and Subsidiary	-	91.832
			Regulatory Fees	165.049	176.672
			Actuarial Liabilities	176.528	197.901
			Financial Liabilities - "Portion A" - CVA	25.142	142.491
			Related Parties		
			Other Liabilities	84.994	104.293
	<b>2.133.010</b>	<b>3.765.236</b>		<b>2.347.280</b>	<b>3.523.748</b>
<b>Noncurrent</b>			<b>Noncurrent</b>		
Trade receivables	44.683	29.236	Loans and Financing	904.008	789.043
Deferred taxes	1.004.094	871.596	Debentures	181.760	115.714
Taxes to Compensate or Recover	1.090.907	106.149	Deferred taxes		
Court deposits	147.344	270.170	Regulatory Fees	187.073	180.358
Indemnity Assets – Concession	523.543	610.216	Social Security and Labor Obligations	48.186	60.264
Financial Assets - Portion A – CVA	12.678	286.861	Actuarial Liabilities	2.661.948	2.319.432
Other Credits	4.544	3.216	Provision for Contingencies	500.474	487.375
Intangible Assets	3.448.815	3.610.710	Financial Liabilities - "Portion A" - CVA		
			PIS/COFINS to be Returned to Consumers	1.065.238	1.087.455
			Other Liabilities	-	
	<b>6.276.608</b>	<b>5.788.154</b>		<b>5.548.687</b>	<b>5.039.641</b>
				<b>7.895.967</b>	<b>8.563.389</b>
			<b>Shareholders' Equity</b>		
			Realized Share Capital	1.053.590	1.053.590
			Profit Reserves	930.087	1.218.144
			Adjustments to Equity Valuation	(1.470.026)	(1.281.733)
			YTD Profit/Loss	-	-
				<b>513.651</b>	<b>990.001</b>
<b>Total Assets</b>	<b>8.409.618</b>	<b>9.553.390</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>8.409.618</b>	<b>9.553.390</b>



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

In R\$ Thousand

	4Q19	4Q20	Chg %	12M19	12M20	Chg %
<b>Gross Operating Revenue</b>	<b>3.115.312</b>	<b>4.025.047</b>	<b>29,2%</b>	<b>12.723.988</b>	<b>13.464.393</b>	<b>5,8%</b>
Electric Power Supply	1.495.903	1.647.909	10,2%	6.550.440	5.852.866	-10,6%
Electricity Supply	97.052	125.586	29,4%	391.502	425.203	8,6%
Regulatory Asset	548	389.091	70902,0%	(181.623)	869.317	578,6%
Short-Term Electricity	98.005	230.751	135,4%	520.579	528.922	1,6%
Electric Grid Availability	1.077.365	1.226.974	13,9%	4.148.242	4.518.299	8,9%
Donations and Subventions	176.982	201.598	13,9%	728.841	664.573	-8,8%
Income from Services	348	298	-14,4%	2.422	912	-62,3%
Service Fee	3.738	1.843	-50,7%	17.113	5.164	-69,8%
Other Revenues	1.652	4.693	184,1%	4.567	6.662	45,9%
<b>Construction Revenue</b>	<b>163.719</b>	<b>196.304</b>	<b>19,9%</b>	<b>541.905</b>	<b>592.475</b>	<b>9,3%</b>
<b>Deductions from Operating Revenue</b>	<b>(1.079.698)</b>	<b>(1.345.597)</b>	<b>24,6%</b>	<b>(4.851.291)</b>	<b>(4.752.666)</b>	<b>-2,0%</b>
ICMS	(531.296)	(628.093)	18,2%	(2.300.184)	(2.271.520)	-1,2%
PIS/COFINS	(271.218)	(353.626)	30,4%	(1.123.653)	(1.188.386)	5,8%
CDE	(264.849)	(300.926)	13,6%	(1.311.370)	(1.203.282)	-8,2%
R&D	(9.366)	(12.409)	32,5%	(36.721)	(40.625)	10,6%
PEE	(9.366)	(12.409)	32,5%	(36.721)	(40.625)	10,6%
ANEEL Regulatory Surveillance Rate	(1.894)	(1.980)	4,5%	(7.222)	(7.720)	6,9%
Other Charges	8.291	(36.154)	-536,1%	(35.420)	(508)	-98,6%
<b>Net operating revenue</b>	<b>2.035.614</b>	<b>2.679.450</b>	<b>31,6%</b>	<b>7.872.697</b>	<b>8.711.727</b>	<b>10,7%</b>
<b>Cost with Electricity</b>	<b>(1.476.240)</b>	<b>(1.958.733)</b>	<b>32,7%</b>	<b>(5.718.991)</b>	<b>(6.302.875)</b>	<b>10,2%</b>
Electricity Purchased for Resale	(1.216.761)	(1.519.332)	24,9%	(4.689.664)	(4.964.416)	5,9%
Charge for the Use of the Transmission System	(212.930)	(400.687)	88,2%	(843.134)	(1.183.603)	40,4%
PROINFA	(46.549)	(38.714)	-16,8%	(186.193)	(154.856)	-16,8%
Expense Recovery	-	-	-	-	-	-
<b>Operating Costs and Expenses</b>	<b>(500.964)</b>	<b>(524.876)</b>	<b>4,8%</b>	<b>(1.777.958)</b>	<b>(1.860.572)</b>	<b>4,6%</b>
Personnel and Administrators	(203.732)	(183.344)	-10,0%	(692.542)	(695.678)	0,5%
Actuarial Expense	(14.921)	(9.211)	-38,3%	(54.585)	(55.263)	1,2%
Material	(4.551)	(4.528)	-0,5%	(16.768)	(16.026)	-4,4%
Third Party Service	(62.519)	(66.587)	6,5%	(232.462)	(228.322)	-1,8%
Depreciation and Amortization	(56.414)	(58.876)	4,4%	(220.358)	(232.913)	5,7%
Net Provision	(8.533)	(81.100)	850,4%	(44.907)	(218.882)	387,4%
Reversal of PECLD Provision	93	126.527	135950,5%	18.359	196.362	969,6%
Other Provisions	(26.889)	-	-100,0%	(106.436)	-	-100,0%
Other Reversals of Provisions	60.131	-	-100,0%	119.404	-	-100,0%
Other Revenue/ Expenses	(19.910)	(51.453)	158,4%	(5.758)	(17.375)	201,8%
<b>Construction Costs</b>	<b>(163.719)</b>	<b>(196.304)</b>	<b>19,9%</b>	<b>(541.905)</b>	<b>(592.475)</b>	<b>9,3%</b>
<b>Income from Activities - EBIT</b>	<b>58.410</b>	<b>195.841</b>	<b>235,3%</b>	<b>375.748</b>	<b>548.280</b>	<b>45,9%</b>
Activity Margin (%)	2,9%	7,3%	-	4,8%	6,3%	-
<b>EBITDA</b>	<b>114.824</b>	<b>254.717</b>	<b>121,8%</b>	<b>596.106</b>	<b>781.193</b>	<b>31,0%</b>
EBITDA Margin (%)	5,6%	9,5%	-	7,6%	9,0%	-
<b>Financial Result</b>	<b>(11.340)</b>	<b>48.370</b>	<b>526,5%</b>	<b>(68.541)</b>	<b>51.976</b>	<b>175,8%</b>
Financial Revenue	43.401	90.294	108,0%	232.813	235.313	1,1%
Financial Expense	(54.741)	(41.924)	-23,4%	(301.354)	(183.337)	-39,2%
<b>EBIT</b>	<b>47.070</b>	<b>244.211</b>	<b>418,8%</b>	<b>307.207</b>	<b>600.256</b>	<b>95,4%</b>
Income Tax and Social Contribution	(328)	(32.625)	-	(85.275)	(155.710)	-
Income Tax and Social Contribution Deferred	(4.382)	(23.269)	-	(23.759)	(35.498)	-
<b>Net Income</b>	<b>42.360</b>	<b>188.317</b>	<b>344,6%</b>	<b>198.173</b>	<b>409.048</b>	<b>106,4%</b>
<b>Net Margin (%)</b>	<b>2,1%</b>	<b>7,0%</b>	-	<b>2,5%</b>	<b>4,7%</b>	-

**CELESC DISTRIBUIÇÃO S.A.**
**CASH FLOW STATEMENT (CFS)**

In R\$ Thousand

	12M19	12M20
<b>Profit/Loss Before Income Tax and Social Contribution</b>	<b>307.207</b>	<b>600.256</b>
<b>Items not affecting cash:</b>	<b>415.317</b>	<b>458.249</b>
Amortization	220.358	232.913
Financial Assets Update – VNR	(4.567)	(6.662)
Allowance for Doubtful Accounts	26.548	(26.881)
Contingencies	(131.485)	(13.099)
Financial Assets and Liabilities	-	-
Interest and Monetary Variations - Net	199.929	169.834
Debentures Cost	-	-
Provision for Post-Employment Benefit Plan	54.585	55.263
Asset write-offs	49.949	46.881
<b>Changes in Current and Non-Current Assets</b>	<b>897.234</b>	<b>(676.965)</b>
Trade receivables	152.121	(421.897)
Inventories	(6.106)	2.373
Taxes to be Recovered	(1.076.168)	466.717
Court deposits	2.974	(122.826)
Subsidy Decree 7891/2013	1.457.767	6.204
Financial Assets	340.887	(611.353)
Other Credits	25.759	3.817
<b>Changes in Current and Non-Current Liabilities</b>	<b>(1.265.561)</b>	<b>723.426</b>
Suppliers	(14.185)	227.918
Salaries and Social Security Charges	4.822	11.339
Taxes and Social Contributions	(8.986)	143.681
Regulatory Fees	(2.051.519)	(2.205)
Private Pension Plan	3.068	-
Actuarial Liabilities	(184.707)	(131.125)
Financial Liabilities	(75.164)	454.519
PIS/COFINS to be refunded to consumers	1.056.928	-
Other Liabilities	4.182	19.299
<b>Cash From Operations</b>	<b>354.197</b>	<b>1.104.966</b>
Interest Paid	(102.174)	(79.824)
Interest and charges paid to Related Parties	-	-
Income Tax and Social Contribution Paid	(95.897)	(156.282)
<b>Net Cash from Operating Activities</b>	<b>156.126</b>	<b>868.860</b>
<b>Investment Activities</b>	<b>(511.897)</b>	<b>(521.700)</b>
Acquisition of Concession Assets	(511.897)	(521.700)
<b>Financing Activities</b>	<b>132.635</b>	<b>313.866</b>
Inflow of Funds	518.897	770.318
Related Party Additions	-	90.000
Amortization of Loans and Financings	(267.403)	(489.973)
Dividends and interest on equity - IoE	(28.859)	(56.479)
Amortization with Related Parties	(90.000)	-
<b>Total Effects of Cash and Cash Equivalents</b>	<b>(231.172)</b>	<b>661.026</b>
<b>Cash and Cash Equivalents At the Beginning of the Period</b>	<b>631.262</b>	<b>400.090</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>400.090</b>	<b>1.061.116</b>

## CELESC GERAÇÃO S.A.

### BALANCE SHEET

In R\$ Thousand

Assets	31/12/2019	31/12/2020	Liabilities and equity	31/12/2019	31/12/2020
<b>Current</b>			<b>Current</b>		
Cash and Cash Equivalents	137.640	54.668	Suppliers	7.109	7.530
Accounts Receivable	18.116	29.727	Taxes and Social Contributions	13.696	18.134
Financial Assets	32.597	33.674	Proposed Dividends	17.637	20.546
Taxes to be Recovered	635	223	Regulatory Fees	965	1.249
Advances to suppliers	-	918	Debentures	35.489	35.034
Inventories	102	92	Related Parties		
Prepaid expenses	134	125	Other Liabilities	1.353	1.356
Other Credits	1	1			
	<b>189.225</b>	<b>119.428</b>		<b>76.249</b>	<b>83.849</b>
<b>Non-current</b>			<b>Non-current</b>		
Related Parties		91.832	Deferred taxes	19.596	24.469
Taxes to be Recovered	1.938	3.755	Regulatory Fees	2.352	2.720
Court deposits	369	353	Provision for Contingencies	1.218	490
Financial Assets	258.113	267.913	Debentures	87.052	88.202
Capital Increase Advance	10.000	-			
Investments	61.297	79.198			
Property, Plant & Equipment	174.778	201.413		<b>110.218</b>	<b>115.881</b>
Intangible Assets	2.615	2.402			
Concession Indemnity	2.421	2.421			
Deferred taxes					
Other	488	2			
	<b>512.019</b>	<b>649.289</b>			
			<b>Total Liabilities</b>	<b>186.467</b>	<b>199.730</b>
			<b>Shareholders' equity</b>		
			Share Capital	250.000	250.000
			Profit Reserves	249.624	304.398
			Adjustments to Equity Valuation	15.153	14.589
			YTD Profit/Loss	-	-
				<b>514.777</b>	<b>568.987</b>
<b>Total assets</b>	<b>701.244</b>	<b>768.717</b>	<b>Total liabilities and shareholders' equity</b>	<b>701.244</b>	<b>768.717</b>



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

In R\$ Thousand

	4Q19	4Q20	Chg %	12M19	12M20	Chg %
<b>Gross Operating Revenue (R\$ thousand)</b>	<b>44.220</b>	<b>58.829</b>	<b>33,0%</b>	<b>164.411</b>	<b>170.674</b>	<b>3,8%</b>
Electric Power Supply	7.839	8.746	11,6%	30.479	35.254	15,7%
Electricity Supply	17.500	19.801	13,1%	71.736	66.380	-7,5%
Short-Term Electricity	5.924	13.244	123,6%	18.735	23.470	25,3%
Financial Revenue - Interest and Update BO	12.957	17.038	31,5%	43.461	45.570	4,9%
<b>Deductions from Operating Revenue (R\$ thousand)</b>	<b>(4.019)</b>	<b>(5.010)</b>	<b>24,7%</b>	<b>(15.803)</b>	<b>(17.835)</b>	<b>12,9%</b>
PIS/COFINS	(3.472)	(4.107)	18,3%	(13.607)	(13.825)	1,6%
Comp. Financ. p/ Utiliz. De Recursos Hídricos	(258)	(296)	14,7%	(1.028)	(2.267)	120,5%
RGR and R&D	(219)	(282)	28,8%	(891)	(952)	6,8%
ANEEL Regulatory Surveillance Rate	(70)	(325)	364,3%	(277)	(791)	185,6%
<b>Net Operating Revenue (R\$ thousand)</b>	<b>40.201</b>	<b>53.819</b>	<b>33,9%</b>	<b>148.608</b>	<b>152.839</b>	<b>2,8%</b>
<b>Electricity Costs (R\$ '000)</b>	<b>(5.994)</b>	<b>(5.315)</b>	<b>-11,3%</b>	<b>(22.161)</b>	<b>(21.460)</b>	<b>-3,2%</b>
Electricity Purchased for Resale	(5.372)	(4.644)	-14%	(19.752)	(19.001)	-4%
System Use Charges	(622)	(671)	7,9%	(2.409)	(2.459)	2,1%
<b>Operating Costs and Expenses (R\$ '000)</b>	<b>(3.694)</b>	<b>(10.442)</b>	<b>182,7%</b>	<b>(25.291)</b>	<b>(32.450)</b>	<b>28,3%</b>
Personnel/Managers	(4.162)	(3.735)	-10,3%	(14.323)	(14.200)	-0,9%
Material	(88)	(110)	25,0%	(372)	(483)	29,8%
Third Party Service	(2.977)	(1.706)	-42,7%	(9.845)	(8.100)	-17,7%
Depreciation and Amortization	(1.346)	(1.539)	14,3%	(5.348)	(6.036)	12,9%
Provisions, Net	(4.374)	(4.153)	-5,1%	(677)	(4.168)	515,7%
Other revenue/expenses	(2.458)	(602)	-75,5%	(6.437)	(866)	-86,5%
Provision/ Reversal Impairment Test, net	11.711	1.403	-88,0%	11.711	1.403	-88,0%
<b>Equity in Earnings (Losses) (R\$ thousand)</b>	<b>2.104</b>	<b>3.027</b>	<b>43,9%</b>	<b>4.448</b>	<b>10.049</b>	<b>125,9%</b>
<b>Income from Activities - EBIT (R\$ thousand)</b>	<b>32.617</b>	<b>41.089</b>	<b>26,0%</b>	<b>105.604</b>	<b>108.978</b>	<b>3,2%</b>
Activity Margin (%)	81,1%	76,3%		71,1%	71,3%	
<b>EBITDA (R\$ thousand)</b>	<b>33.963</b>	<b>42.628</b>	<b>25,5%</b>	<b>110.952</b>	<b>115.014</b>	<b>3,7%</b>
EBITDA Margin (%)	84,5%	79,2%		74,7%	75,3%	
<b>Financial Result (R\$ thousand)</b>	<b>(960)</b>	<b>(587)</b>	<b>38,9%</b>	<b>(2.971)</b>	<b>(3.064)</b>	<b>3,1%</b>
Financial Revenue	1.655	584	-64,7%	9.586	3.357	-65,0%
Financial Expense	(2.615)	(1.171)	-55,2%	(12.557)	(6.421)	-48,9%
<b>EBIT (R\$ thousand)</b>	<b>31.657</b>	<b>40.502</b>	<b>27,9%</b>	<b>102.633</b>	<b>105.914</b>	<b>3,2%</b>
Income Tax and Social Contribution	(572)	(1.926)	236,7%	(18.918)	(19.132)	1,1%
Income Tax and Social Contribution Deferred	(4.533)	(2.244)	-50,5%	(9.453)	(4.873)	-48,5%
<b>Net Income (R\$ thousand)</b>	<b>26.552</b>	<b>36.332</b>	<b>36,8%</b>	<b>74.262</b>	<b>81.909</b>	<b>10,3%</b>
Net Margin (%)	66,0%	67,5%		50,0%	53,6%	

<b>CELESC GERAÇÃO S.A.</b>		
<b>CASH FLOW STATEMENT (CFS)</b>		In R\$ Thousand
	<b>12M19</b>	<b>12M20</b>
<b>Profit/Loss Before Income Tax and Social Contribution</b>	<b>102.633</b>	<b>105.914</b>
<b>Adjustments</b>	<b>(41.543)</b>	<b>(42.251)</b>
Depreciation and Amortization	5.348	6.036
Gain or loss on disposal of Property, Plant & Equipment	-	-
Write-off of Property, Plant & Equipment / Intangible Assets	1.934	3
Equity Income	(4.448)	(10.049)
Gains/Losses on Equity Interests	3.421	-
Provisions/Reversals for Contingencies	229	(728)
Reversal of PECLD Provision for Contingency	-	(1.403)
Reversal/Provision for Property, Plant & Equipment Losses	(11.711)	-
Reversal/Provision for Investment Losses	(3.421)	-
Monetary Variations	12.349	6.395
Loan Financial Revenue	(5.652)	(1.832)
Estimated losses in Doubtful Accounts	3.869	4.897
Financial Assets Update	(43.461)	(45.570)
<b>Changes in Current and Non-Current Assets</b>	<b>16.720</b>	<b>25.190</b>
Trade receivables	(4.684)	(16.508)
Taxes to Compensate or Recover	(2.419)	(2.109)
Inventories	46	10
Advance to Suppliers	-	(918)
Court deposits	(15)	16
Financial Assets	33.769	34.693
Advance for future capital increase	(10.000)	10.000
Other Assets	23	6
<b>Changes in Current and Non-Current Liabilities</b>	<b>4.955</b>	<b>(942)</b>
Suppliers	3.565	421
Regulatory Fees	534	652
Taxes and Social Contributions	460	(2.018)
Other Liabilities	396	3
<b>Cash From Operations</b>	<b>82.765</b>	<b>87.911</b>
Interest Paid and Received	(12.157)	(6.064)
Imposto de Renda e Contribuição Social Pagos	(22.342)	(15.597)
<b>Net Cash from Operating Activities</b>	<b>48.266</b>	<b>66.250</b>
<b>Financing Activities</b>	<b>(48.051)</b>	<b>(20.800)</b>
Debentures Additions	-	35.659
Dividends paid and Interest on Shareholders' equity - IoE	(21.581)	(21.164)
Amortization of Loans/Debentures	(26.470)	(35.295)
<b>Investment Activities</b>	<b>87.390</b>	<b>(38.422)</b>
Capital Decrease in Investees	-	488
Investments Acquisition	(1.476)	(10.363)
Acquisition of Property, Plant & Equipment	(9.564)	(30.440)
Acquisition of intangible assets	(356)	(618)
Related Parties - Loan Agreement	-	-
Related Parties - Loan Agreement	90.000	-
Dividends received	8.037	2.511
Loan Interest Received	749	-
<b>Total Effects of Cash and Cash Equivalents</b>	<b>87.605</b>	<b>7.028</b>
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>50.035</b>	<b>137.640</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>137.640</b>	<b>54.668</b>