



1Q21 RESULTS PRESENTATION

Disclaimer



- The summary statements contained in this document have a certain **degree of risk** and uncertainty relating to business prospects, financial, strategic and economic projections, among others, and such information is based on assumptions, data and expectations that, although considered by the Company, **may not be accurate, materialize** or be under the Company's control. Due to these factors, the actual results may differ materially from those indicated or implied by this material.
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AGENDA

1Q21 HIGHLIGHTS

CONTINGENCIES

ENERGY MARKET &
COMMERCIAL STRATEGY

FINANCIAL PERFORMANCE

ESG: SOCIAL VIEW

CESP'S PURPOSE



1Q21 Highlights



OPERATION

- Energy generation of 870 MW/avg
- 95.8% availability index, consistently above ANEEL's reference values
- Adoption of contingency protocols and home-office, guaranteeing the continuity of operations and transactions, in a safe and continuous way



FINANCIAL PERFORMANCE

- Adjusted EBITDA⁽¹⁾ of BRL282 million in 1Q21
- Operational cash generation, after debt services, of BRL172 million, with a cash conversion ratio of 61% in 1Q21⁽²⁾
- Reduction of probable contingencies in BRL229 million⁽³⁾ in 1Q21 compared to previous quarter



COMMERCIAL STRATEGY

- 1Q21 energy balance exposure balanced with an average price 6% lower when compared to 1Q20
- Diversification of client portfolio through the supply of renewable energy certificates (i-RECs)



Notes: (1) Adjusted EBITDA excludes allowance for litigation and write-off of judicial deposits; (2) Cash conversion ratio = Operational cash flow after debt service / Adjusted EBITDA; (3) Proforma after monetary adjustment – considers settlements up to April 2021

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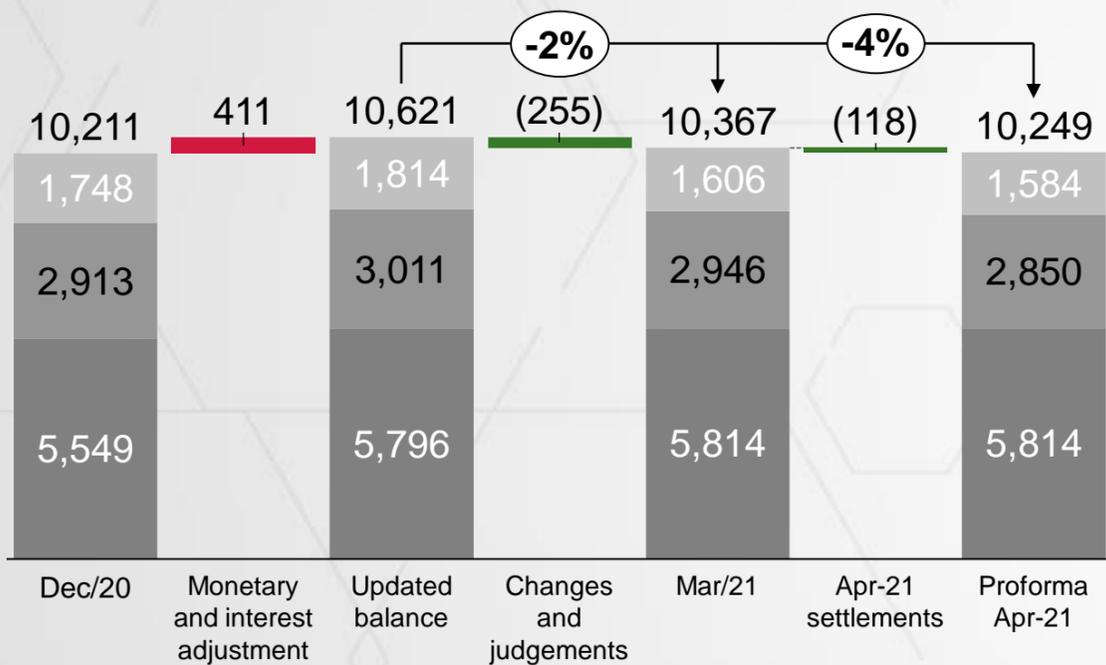


Contingent Liability

Reduction of BRL229 million⁽¹⁾ or 13% in Probable and BRL373 million⁽¹⁾ or 4% in total contingencies in 1Q21

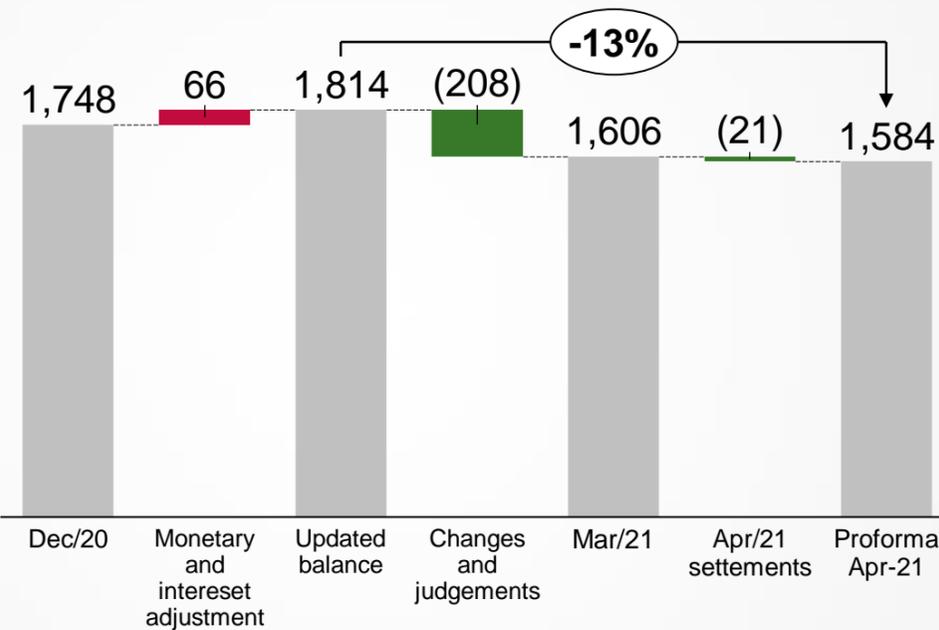
Contingent Liability Variation

(BRL million) Probable Possible Remote



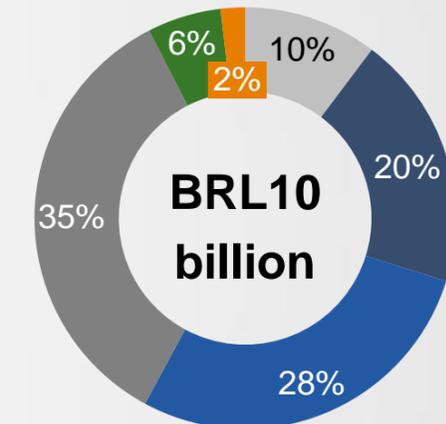
Probable Liability Variation

(BRL million)



Total Contingent Liability Breakdown

Environmental Civel - Tile Companies Tax
Civel - General Civel - Fishermen Labor



Reduction of BRL229 million⁽¹⁾ in probable liabilities due to judicial settlements and revision of estimates based on the progress of proceedings



The increase of the contingent liability monetary **update** is a result of the **higher IGP-M index** (~8%) in 1Q21



Disbursement commitment of BRL10 million to terminate the proforma contingent presented here

Note: (1) Proforma after monetary adjustment – considers settlements up to April 2021

Três Irmãos Lawsuit

Lawsuit that discusses the compensation due to the non-renewal of the Três Irmãos HPP concession

BRL4.7 bn

reference date: June 2012

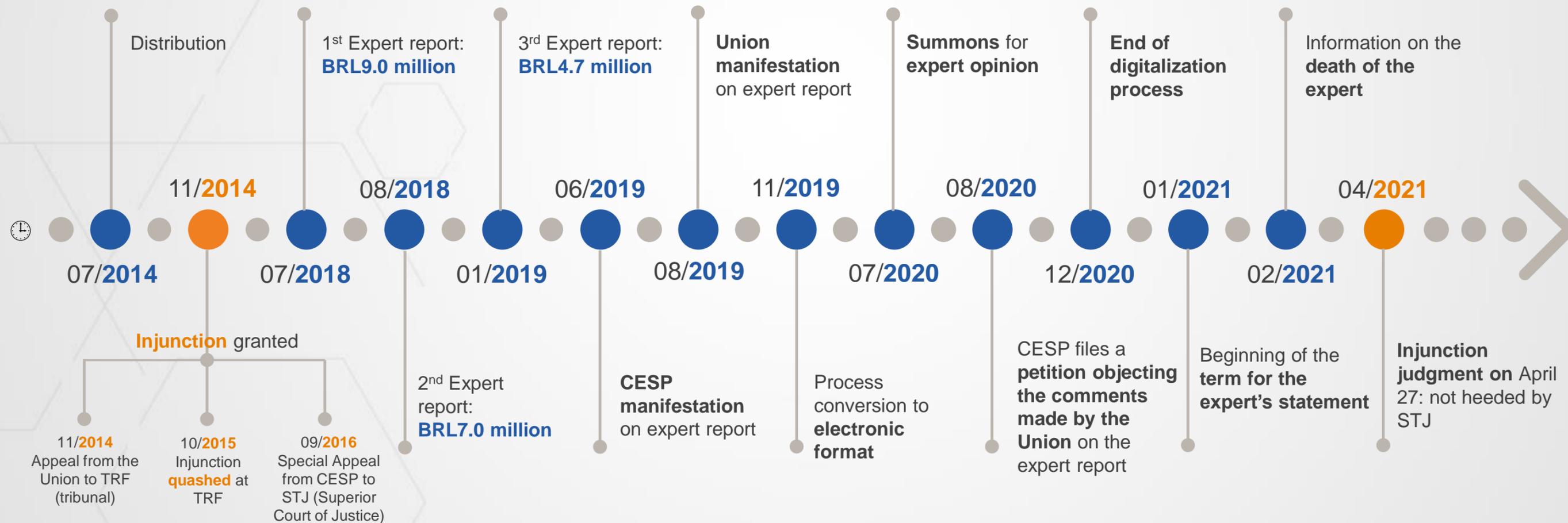
Plant: BRL1.9 bn

Floodgate / Canal: BRL1.0 bn

Land: BRL1.8 bn

BRL1.7 bn

Undisputed value with
reference date of June 2012



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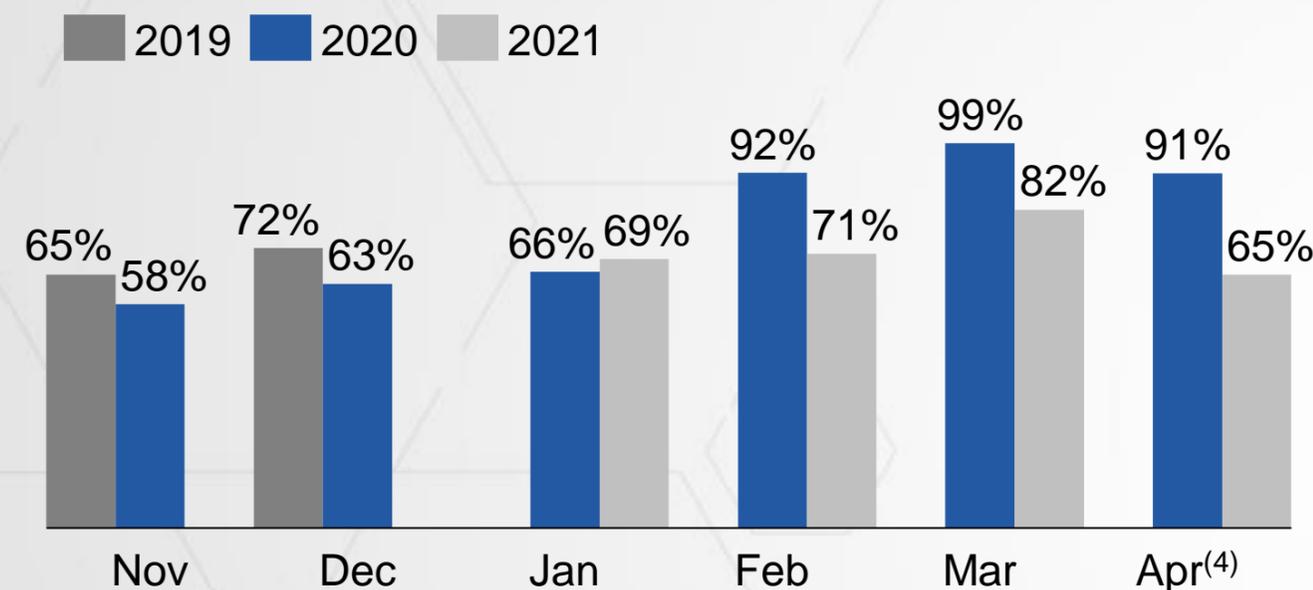
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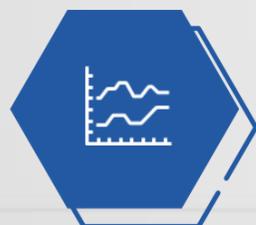
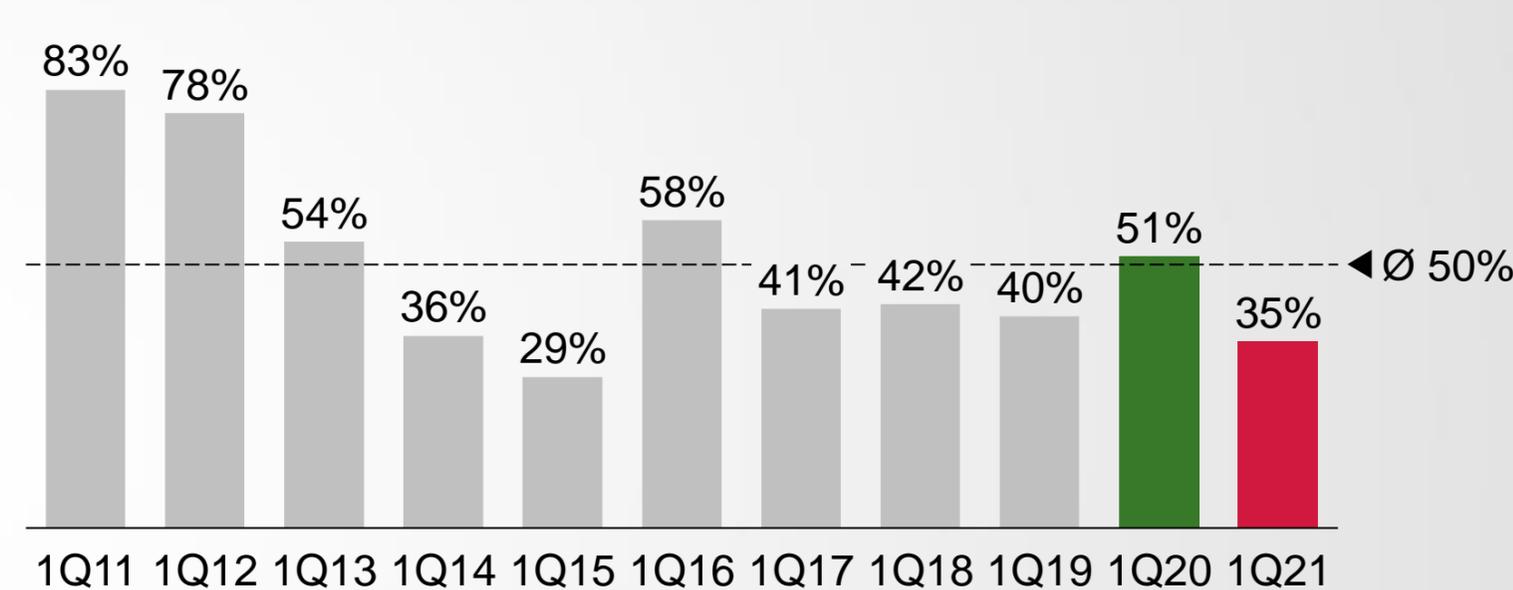
Energy Market

Inflows below historical average and slightly increasing demand creates a challenging hydrological scenario this quarter

Monthly ANE¹ Brazil (%LTA²)



Stored Energy – Southeast (% total)³



2020/21 **rainy period** (Nov/20 – Mar/21) was the **fourth worst in the last 91 years**



Reservoirs levels in the Southeastern Brazil ended 1Q21 at **35%**



In light of the stressed scenario, the CCEE's estimate for **2021 GSF was revised to 78%**

Notes: (1) ANE: Affluent Natural Energy; (2) LTA: Long Term Average (Historical average between 1931-2019); (3) Energy corresponding to storage in the Southeast Subsystem (% of submarket capacity) for the last day of each quarter; (4) Partial data until April 24, 2021

Source: National Electricity System Operator (ONS) and Energy Research Company (EPE)

2021 Energy Balance

Detailed planning and proactive management of the energy balance aiming to create value and mitigate the GSF

Despite a stressed scenario, the 1Q21 exposure was mitigated with a 6% lower price in comparison to the 1Q20 (BRL208/MWh vs. BRL221/MWh)

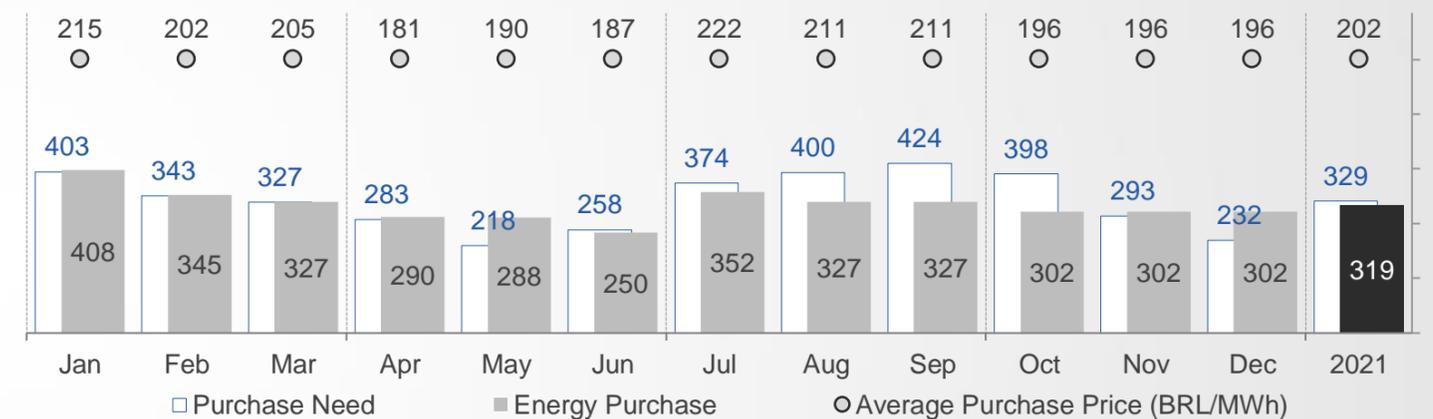
2021 energy balance leveled during windows of opportunity and with a challenging hydro scenario ahead

GSF fluctuation still represents a material risk in 2021

1 Gross and Adjusted Physical Guarantee (MWavg)



3 Energy Purchase (MWavg)



2 Energy Balance – Prior to Energy Purchases (MWavg)



4 Energy Balance – After Energy Purchases (MWavg)



Commercial Strategy



Energy balance management



Market Intelligence

Integrated management

Final Clients

Trading

Market and Credit Risks



Client profile



Mining



Industrial gases



Road implements



Oil



Banks



Manufacture



Utilities

Go-to-Market strategy

Development of new markets and opportunities to expand and diversify the client portfolio aiming to reduce risks and maximize results

Process automation

Modernization of the technical architecture seeking more flexibility and agility with specialized systems and automation to leverage results

Energy transition solutions

Boost the achievement of a diversified client portfolio with tailor made solutions and sustainable recognition through i-RECs

Management of hydrological and market risks

Analyze and make decisions regarding risk management with pre-defined exposure limits and discipline to execute the strategy

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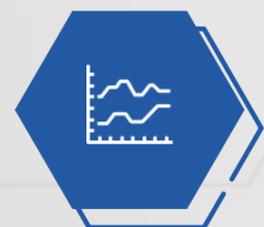
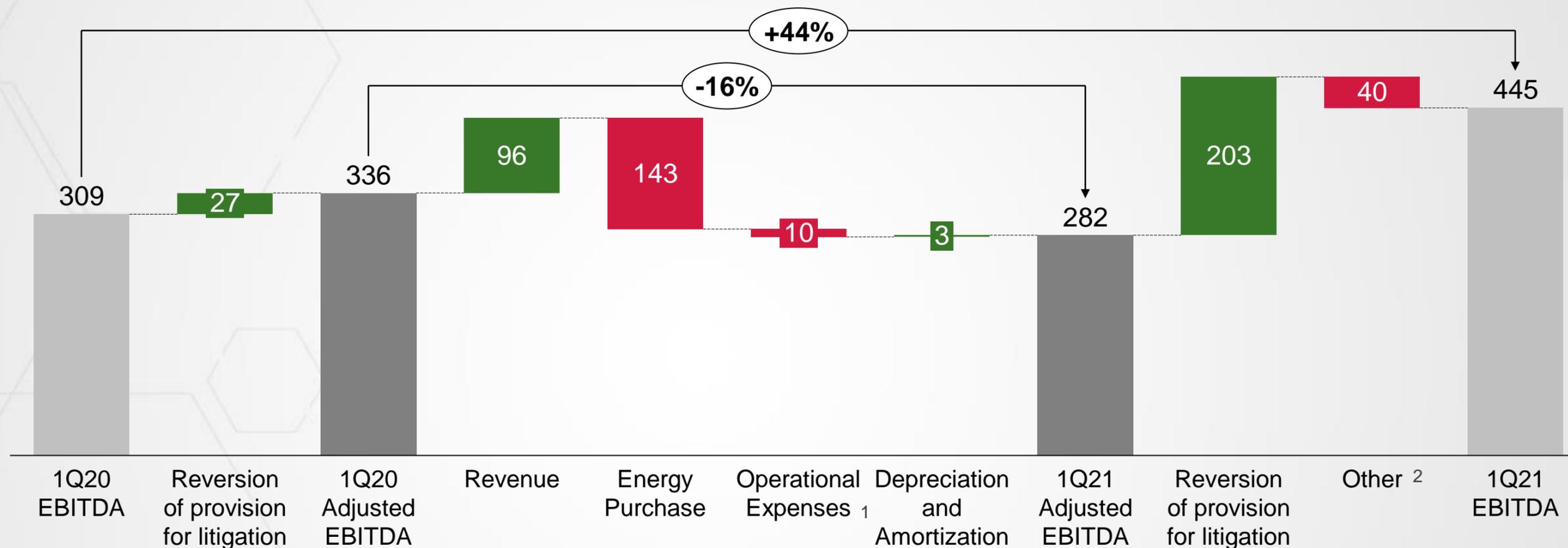


Financial Performance

Adjusted EBITDA reflects impact of hydrological scenario on energy purchase

ADJUSTED EBITDA

(BRL million)



Worsening hydrology resulted in a **GSF of 86.6% in 1Q21 vs. 103.2% in 1Q20**, [..]



[..] causing an **increase of energy purchase in 110%** (361MWavg in 1Q21 vs. 172MWavg in 1Q20), [..]



[..] effect partially offset by the **reduction of the average energy purchase price in 6%** (BRL208/MWh in 1Q21 vs. BRL221/MWh in 1Q20).

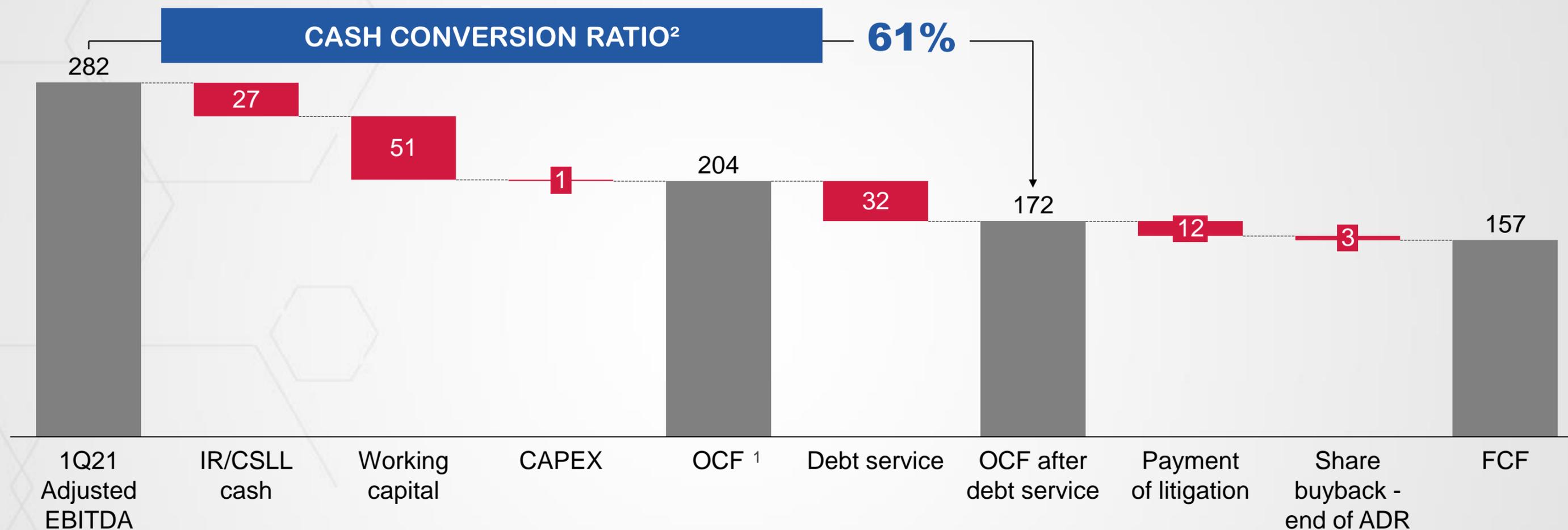
Notes: (1) PMSO (Personnel, Material, Third Party Services and Other); (3) Write-off of judicial deposits

Financial Performance

Energy balance management and cost discipline allow a strong cash generation

CASH FLOW¹

(BRL million)



IR/CSLL payment impacted by **1Q21 interest on equity distribution** (BRL16 million)



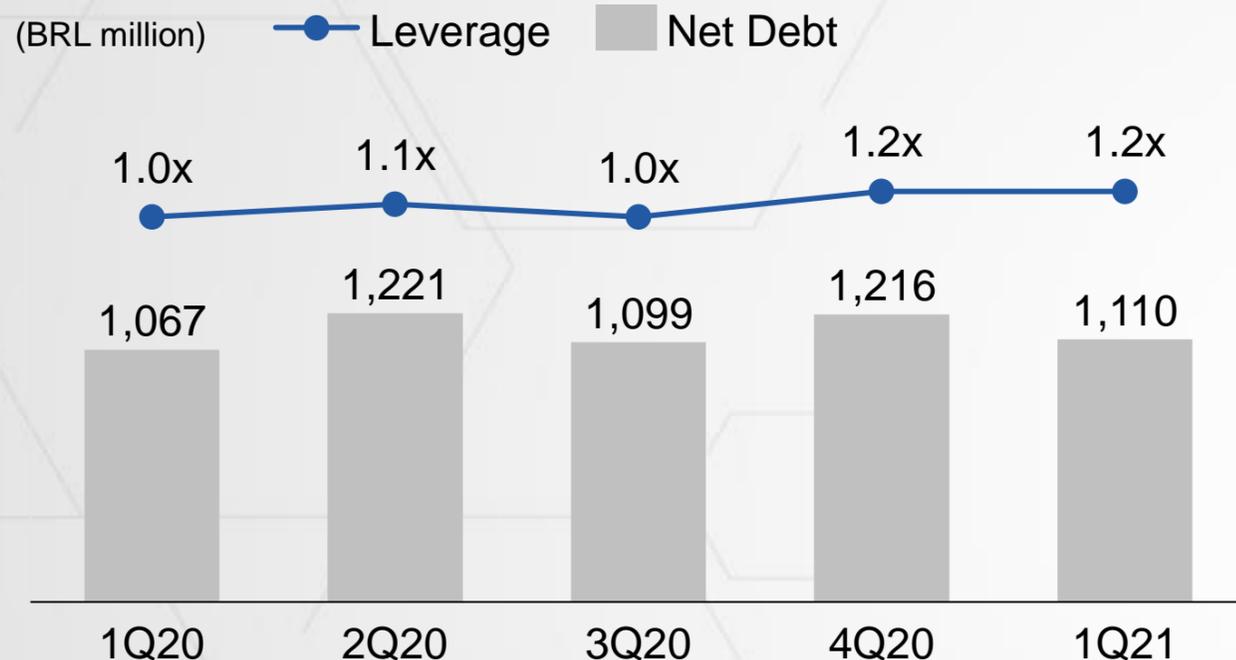
Working capital considers BRL19 million of MtM trading and USD17 million of **UBP and environmental expenses**

Notes: (1) OCF = Operational Cash Flow; (2) Cash Conversion Ratio = OCF after debt service / Adjusted EBITDA

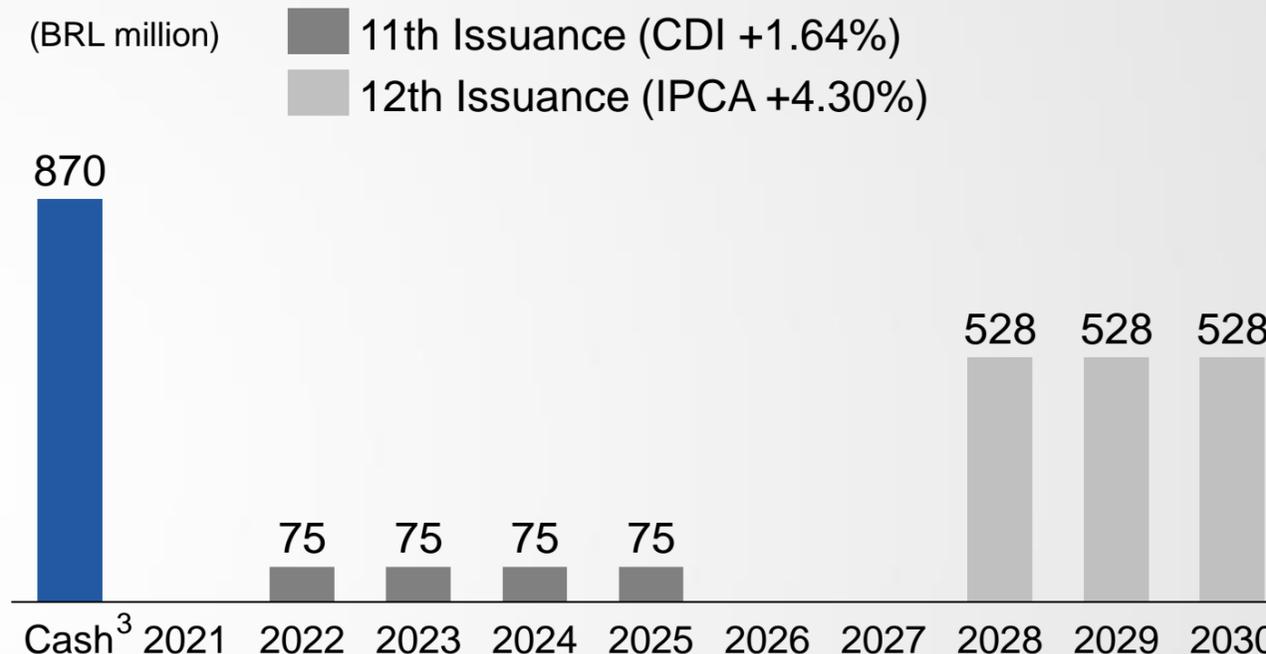
Capital Structure

Strong capital structure with low leverage and no short-term maturities

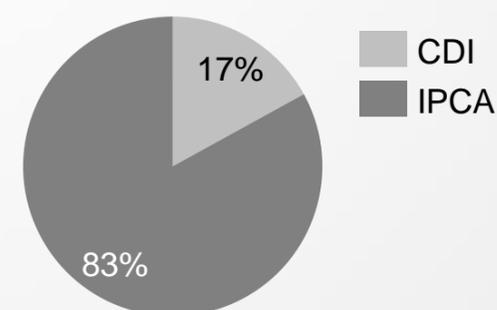
Net Debt¹ and Leverage²



1Q21 Amortization Schedule



Gross Debt by Index



Total: BRL1.9 billion

Average term: 7.5 years

	Rating	Outlook	Revision
FitchRatings	BB AAA(br)	Negative	Jul-20
STANDARD & POOR'S	BB- br.AAA	Stable	Jul-20

Notes: (1) Considers the MtM adjustment of derivative instruments; (2) Leverage = Net Debt / LTM Adjusted EBTDA; (3) Cash balance of March 31, 2021.

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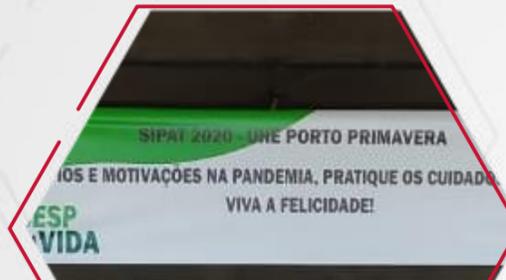
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CESP' **Social** View

Definition of engagement actions aiming a shared value creation with the communities



We are data-driven..

- Inclusive Socio-environmental Diagnosis
- Real and anticipated information to build CESP' Social Strategy



..we create connections..

- Podcasts, videos and e newsletter for more than 8 thousand people
- Constant engagement with local stakeholders



.. to make a difference

- Engagement with city hall
- Program to enhance education
- COVID-19 response
- Venture Philanthropy

Inclusive Socio-environmental Diagnosis



12
Locations

26
Workshops

223
Participants

HIGH IMPACT SOCIAL PROJECTS

Focus of activity	Low carbon economy	Water and sanitation

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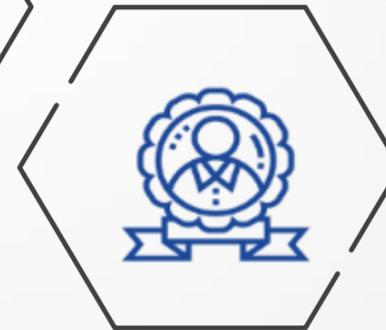
Create and offer the best **energy solutions**,
generating and **sharing wealth in a sustainable way**
through the **transformation** of people and society

Innovation

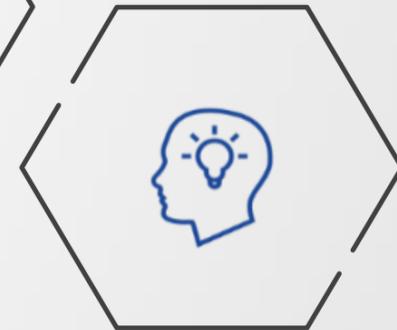
Sustainability



People



Excellence



Leadership

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