EARNINGS 3Q20

Teleconference
October 29, 2020
(In Portuguese with simultaneous interpreting to English)
11:00 a.m. (Brasília time)
10:00 a.m. (NY - EDT time)
02:00 p.m. (London time)
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São Paulo, October 28, 2020: CESP - Companhia Energética de São Paulo ("CESP"), (B3: CESP3, CESP5 and CESP6) discloses its results for the third quarter 2020. The information has been prepared according to the International Financial Reporting Standards ("IFRS") and accounting practices adopted in Brazil, compared to the same period in 2019, except where indicated otherwise.

EARNINGS RELEASE 3Q20

Consolidated Financial Highlights BRL thousand	3Q20	3Q19	Chg. (%)	9M20	9M19	Chg. (%)
Gross operating revenue	536,256	476,148	13%	1,622,023	1,333,413	22%
Net operating revenue	470,527	414,466	14%	1,416,599	1,138,461	24%
Gross operating result	157,560	156,144	1%	596,241	318,510	87%
Cost and expenses	(337,023)	(287,350)	17%	(776,374)	(1,014,331)	-23%
EBITDA	228,880	223,405	2%	935,872	391,550	139%
Adjusted EBITDA[1]	235,952	234,619	1%	859,399	494,808	74%
Adjusted EBITDA margin[1]	50%	57%	-6 p.p.	61%	43%	17 p.p.
Net income	(58,525)	(7,856)	n.m.	133,086	(170,101)	n.m.
Net debt	1,220,615	1,329,800	-8%	1,220,615	1,329,800	-8%
Net debt/EBITDA LTM	0.9x	2.3x	-0.6x	0.9x	2.3x	-0.6x
Net debt/ adjusted EBITDA[1] LTM	1.0x	2.3x	-0.5x	1.0x	2.3x	-0.5x

HIGHLIGHTS

- Net revenues up by 14%, BRL471 million, in 3Q20 against 3Q19, basically due to the seasonality of sold energy and startup of the trading operations by CESP Trading Company
- Non-recurring expenses of BRL6 million related to dismissal agreements and medical expenses of the 2019 Voluntary Dismissal Program ("PDV") of CESP
- Adjusted EBITDA of BRL236 million and 50% margin in 3Q20, in line with the adjusted in 3Q19.
- Generation of BRL150 million operating cash flow after debt service, with cash conversion index[2] of 64% in 3Q20.
- 12th Issuance of Infrastructure Debentures in the amount of BRL 1.5 billion at a rate of IPCA + 4.30% a.a. and a 10-year term. The proceeds from this issuance were used to prepay part of the 2018 debentures, issued shortly after privatization to finance the payment of the concession for the HPP Porto Primavera concession.
- Payment of BRL196 million in dividends (BRL0.60 per share) in October, referring to the second installment of the distribution proposal, approved in March 2020.
- Within Public Hearing for regulation of Law No. 14,052/2020, sanctioned on September 9th, 2020, which set forth new conditions for re-agreement on the hydrological risk, ANEEL published the preliminary calculations of the grant extension periods for the hydro energy plants. For HPP Porto Primavera, the extension period calculated would be of 7 years grant extension, the limit allowed by the law, and for the Paraibuna plant, the extension would be 269 days.

(1) Adjusted EBITDA does not include provision for litigation, judicial deposit write-off and PDV | (2) Consider cash conversion = (FCO after Debt Service/Adjusted EBITDA). It includes the payment of BRL 14 million PIS/COFINS postponed according to the ordinance of the Ministry of Economy. The cash conversion would be 70% of this effect is disregarded.

CESP

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MESSAGE FROM THE MANAGEMENT

In the third quarter 2020, we continued our agenda for transformation, focused on operation, processes, energy balance, contingencies and sustainability management. As highlight, we continued with the preparation of a corporate sustainability agenda, in order to integrate it to the business strategy and the generation of shared value.

The main objectives of this agenda are: (i) to integrate certain UN Sustainable Development Goals (SDGs) into CESP's strategy, making it even more competitive and prepared for the future and (ii) identifying strategic themes for CESP, unfolding in sustainability plans, positions and guidelines, used as a reference for the definition of ESG indicators and targets (Environment, Social and Governance).

Regarding the new Coronavirus (COVID-19) pandemic, which affects Brazil and the world, the Company keeps adopting adequate preventive measures for prevention of the health and the safety of all employees and guaranteeing the continuity of the energy generation service provision with excellence. The resilience of our customer portfolio, the agility to react to the new environment and the robustness of our capital structure were essential for us to mitigate the impacts of COVID-19.

In operational terms, the average availability index of the plants, which is the most important performance indicator for hydroelectric power plants reached the mean of 95% in 3Q20, above the reference levels set by the National Electric Energy Agency (ANEEL) and with trend to increase, continuously showing the good management of the operation and the maintenance of the assets even in the pandemic context.

In 3Q20, despite of the pandemic, 1.6% growth in the consumption of energy was verified compared to 3Q19 pursuant to the recovery of the economic activity, although partial, associated with the high temperatures in relation to the historical mean for the period. Thus, the National System Operator (ONS) increased the load forecast for 4Q20 considering growth up to 2.9% of the consumption perspective compared to the same period in 2019. The strategy designed in the energy balance management, allied to the planned seasoning of the physical guarantee, enabled equalization of the 2020 energetic balance of CESP.

Furthermore, the Company still shows consistent results in the reduction of the other manageable operating costs and expenses pursuant to the implemented adjustments and transformations. The reduction of the expenses for Personnel and Administration, Materials and Third Parties Services by 22%, 85% and 31%, respectively, comparing 3Q20 to same period last year, are examples of this transformation.

Regarding the passive litigation, we continue with the strategy and the management of the judicial suits with legal and financial assistants to complement the work of our own team. In this quarter, in addition to the progress in the negotiations of the strategic cases, we also dedicated to the reduction of the other suits and obtained favorable court decisions for CESP in suits of civil/expropriation, taxation, environmental and labor nature, resulting to reduction of 216 cases. These results are aligned to an assertive and strict approach in the reduction of this risk.

Our financial income reflects the diligence in the execution of our strategies, reaching consolidated adjusted EBITDA[1] of BRL236 million in 3Q20 with 50% Adjusted EBITDA margin.

Regarding the liability management strategy, during the third quarter, CESP issued BRL 1.5 billion in infrastructure debentures at rate of IPCA + 4.30% and term of 10 years. The resources from this issuance were used to settle in advance part of the 2018 debentures issued immediately after the privatization to fund the payment of the concession grant of HPP Porto Primavera. With this operation, CESP's debt had an increase of 5 years in the average term, maintaining, however, the average cost, in addition to improving the contractual conditions to better adapt them to CESP's new credit profile.

The strong cash generation capacity of CESP puts us in a privileged position in this context. In 3Q20, we generated BRL150 million operating cash flow after debt service, which represents 64% cash conversion index[2]. To what refers to the free cash flow, the cash generation in the third quarter was BRL88 million.

For the second consecutive year, we were awarded the *Great Place to Work* – GPTW label, a reason for all of us to be proud, satisfied and motivated in the second year of the new administration of CESP. Building of a healthy and productive work environment is part of our people management plan aiming at high performance, results and value creation.

Finally, we point out that CESP continuously monitors the events related to COVID-19 and we confirm our commitments to our shareholders, collaborators, customers, partners and the community. We believe that we are prepared to pass this delicate period and we remain focused on our derisking agenda, the continuity of the strict management of the litigations and the seek to create value for all stakeholders.

Mario Bertoncini

Chief Executive and Investor Relations Officer

Marcelo de Jesus

Chief Financial Officer

(1) Adjusted EBITDA does not include provision for litigation, judicial deposit write-off and PDV | (2) Consider cash conversion = (FCO after Debt Service/Adjusted EBITDA). It includes the payment of BRL 14 million PIS/COFINS postponed according to the ordinance of the Ministry of Economy. The cash conversion would be 70% of this effect is disregarded.

EFFECTS OF THE NEW CORONAVIRUS (COVID-19) PANDEMIC

In March 2020, the World Health Organization (WHO) declared a global pandemic caused by the novel Coronavirus (COVID-19). As a result, the Company informs that has been taking the preventive and risk mitigation measures set forth in the guidelines established by national and international health authorities, so as to reduce as much as possible any impacts on the health and safety of our employees, their families, our partners, communities and the continuity of our operations and business.

Given that energy generation is an essential activity, CESP adopted contingency protocols in order to maintain the full operation of its 3 hydroelectric power plants, and preserve the health of its professionals, their safe access to workplaces, an environment that preserves the physical distancing of employees, hygiene and access to protective equipment. Moreover, 82% of our employees are now working from home.

A potentially material risk to CESP in the emergence of COVID-19 relates to the default of its customers and other counterparties to energy purchase and sale contracts. In this scenario, CESP maintains regular contact with its main commercial partners. The position of the Company's accounts receivable as of June 30, 2020, as well as the provisions for improbable recovery of doubtful accounts, reflect in a timely manner our best analysis at this time about the quality and solvency of the rights in question. Despite the economic impacts of the pandemic, there was no default on the part of our customers, and the renegotiation of just a few contracts should not have a material impact on our results and was structured with a view to preserve the present value of the original contracts.

The Company also assessed its main supply and supplier contracts, and concluded that, despite the impacts caused by the pandemic, the contractual obligations are still being fulfilled and there is no evidence or formalization of insolvency or any discontinuance.

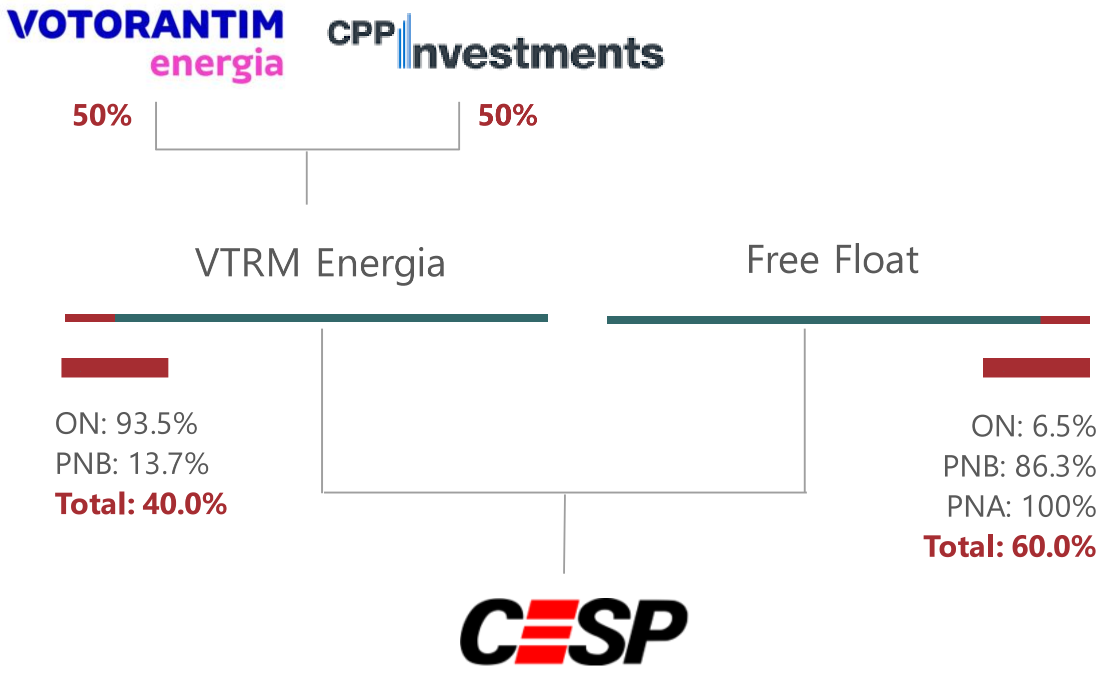
The management of the Company's energy balance for this year was adjusted, and we are well positioned to face potential adverse variations in GSF (generation scalling factor) and relevant changes in energy market prices.

Additionally, CESP currently holds a considerable cash position, and reiterates that there are no important financial obligations falling due in the next 2 years.

Finally, we inform that, as of this date, CESP registered no material impacts on its operations and settlement of rights and obligations due to COVID-19. However, considering that we are exposed to operational risks arising from the health of our employees and third parties, and that we are subject to legal and market restrictions that may be imposed as a result of COVID-19, we cannot assure that there will be no impacts on our operations, or whether our results will be affected by any future effects of the pandemic.

COMPANY PROFILE

CESP was found in 1966 by the Government of the State of São Paulo, and in December 2018, the acquisition of the share control of the Company by VTRM Energia Participações S.A. ("VTRM") was completed, by means of tender for purchase and sale of common shares ("ON") belonging to the Government of the State of São Paulo.



GENERATION COMPLEX

CESP holds the concession of two hydroelectric power plants that operate under concession agreements (HPP Porto Primavera – independent energy production, and HPP Paraibuna), and one hydroelectric power plant (HPP Jaguari) that operates under a regime of shares of physical guarantee, where CESP is a temporary operator, with a total of 18 generating units, capacity of 1,655 MW and physical guarantee of 948 average MW.

These plants are located in the basins of the Paraná river, in the west of the state of São Paulo, and of the Paraíba do Sul river, in the east of the State. They make up the following generation complex:

Operating Assets

Porto Primavera

Capacity: 1,540 MW

Physical guarantee: 887 MW average

Concession until Apr/49 (Contract renewed in April 2019)

Location: Rosana (SP)

Reservoir area: 2,040 km^2

Extension of dam:10.2 km

Generation units: 14

Start-up of operations: 1999

Paraibuna

Capacity: 87 MW

Physical guarantee: 48 MW average

Concession until Mar/21

Location: Paraibuna (SP)

Reservoir area: 177 km^2

Extension of dam: 0.5 km

Generation units: 2

Start-up of operations: 1978

Jaguari

Capacity: 28 MW

Physical guarantee: 13 MW average

Temporary operation since May/20

Location: São José dos Campos (SP)

Reservoir area: 56 km^2

Extension of dam:1.0 km

Generation units: 2

Start-up of operations: 1972

On May 19, 2020, the Ministry of Mines and Energy published Ordinance nº 218/2020, which through which CESP became the temporary operator of HPP Jaguari as from May 21, 2020, until the arrival of the new concessionaire that will win the bidding process to be held by the federal government. The Annual Initial Generation Revenues (Initial RAG) was approved by ANEEL for the cycle started on July 1, 2020, resulting in annual net revenues of approximately BRL 9.0 million.

We highlight that in the meeting of the Board of Directors held on June 28, 2019, CESP management resolved that it was not of interest to renew the concession of HPP Jaguari, which accounts for less than 1% of the energy produced by CESP.

It is also hereby highlighted that in compliance with the obligation in the Concession Contract of HPP Porto Primavera, signed in the independent energy production modality in April 2019, CESP elaborated a study for technical and economic feasibility analysis of the installation of up to 4 generation units more in in the plant. Currently, HPP Porto Primavera, operates at installed capacity of 1,540 MW with 14 generation units installed and there are 4 empty wells for possible installation of up to 4 additional generation units, which was the object of the study.

CESP has conducted the survey with the support of renowned consulting companies specializing in the electricity sector. However, the technical and economic assessment of an optimal performance of HPP Porto Primavera did not indicate favorable economic conditions for additional implementations in the development considering the current regulatory framework, given that revenues expected from the marginal addition of physical guarantee regarding additional implementations are not sufficient to cover the additional costs arising from the expansion of the plant.

ELECTRICITY PRODUCTION

Generation (average MW)

Hydroelectric Power Plants	3Q20	3Q19	Var. (%)	9M20	9M19	Var. (%)
Porto Primavera	958	942	2%	992	976	2%
Paraibuna	61	57	8%	35	31	13%
Jaguari	21	14	50%	10	6	66%
Total	**1,040**	**1,013**	**3%**	**1,038**	**1,013**	**2%**

The production of electric energy in the plants operated by CESP in 3Q20 reached 1,040 MW average, 3% higher than in 3Q19, when we reached 1,013 MW average. This production increase was due to systemic factors related to the dispatch policy of the National System Operator (ONS) for the National Interconnected System.

Resumption of the energy consumption in Brazil upon recovery after the more serious period of the pandemic, the high temperatures recorded in the country and the low volume of thermal power plants dispatched in the period contributed for ONS to implement a higher generation policy in the hydroelectric power plants in the South-East region, mainly for HPP Porto Primavera.

Generation by HPPs Paraibuna and Jaguari is based on control of the outflow in the Paraíba do Sul river basin, whereby the ONS establishes the released flow so as to preserve the minimum level of the Funil HPP reservoir and meet the target outflow at the Santa Cecilia pumping station. Due to the strong drought perceived in 3Q20, there was high demand of electric power generation in HPP Jaguari and Paraibuna to keep and increase the outflow of the Paraíba do Sul River.

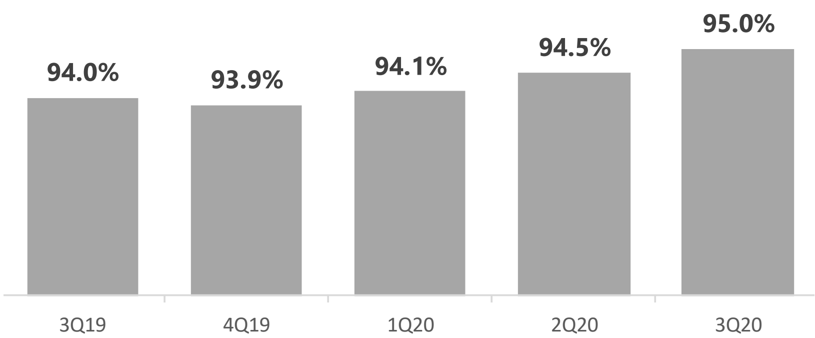
AVAILABILITY

In 3Q20, the plants operated by CESP achieved average availability index of 95.0%, up against 94% in 3Q19, keeping the consistent increase trend, which reflects the adequate management of the plant maintenance in 2020 and the good performance of the operational generation assets.

According to ANEEL Normative Resolution No. 614/2014, in case the availability index of a water power plant participating in the Energy Reallocation Mechanism ("MRE") is below the reference availability index used for calculating its physical guarantee level, the plant will be subject to the application of a physical guarantee reduction mechanism. Based on these assumptions, this indicator becomes the key marker for assessing the performance of hydroelectric power plants and the principal tool for reducing the risk of operating impacts on commercial commitments.

The availability index of CESP´s plants, consistently higher than the reference values defined by ANEEL, evidencing the efficiency of the operation and the maintenance of the plants and the adequate management of the operational risks.

Avalability Index[1]
Moving Average of 60 months (%)



(1) The availability index is calculated using the Equivalent Rate for Forced Non-availability Calculated ("TEIFa") and the Equivalent Rate for Scheduled Non-availability ("TEIP"), defined by ANEEL.

ENERGY MARKET

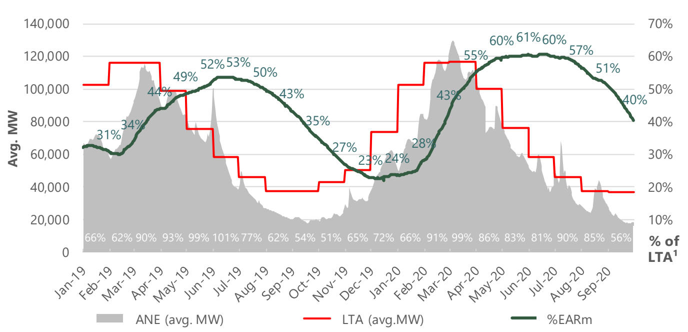
The recovery of the economic activity, although partial, associated with the high temperatures compared to the historical mean for the period, led to increase of the energy consumption by 1.6% compared to 3Q19. Thus, the National System Operator (ONS) increased the load forecast for 4Q20 considering growth up to 2.9% of the consumption perspective compared to the same period in 2019.

The load increase combined with inflow below the historical mean contributed to reduction in the reservoirs, which reached 40% at the end of September 2020. However, the energy stored remains at higher levels compared to last year, considering that the storage was equivalent to 35% of the total upon closure of 3Q19.

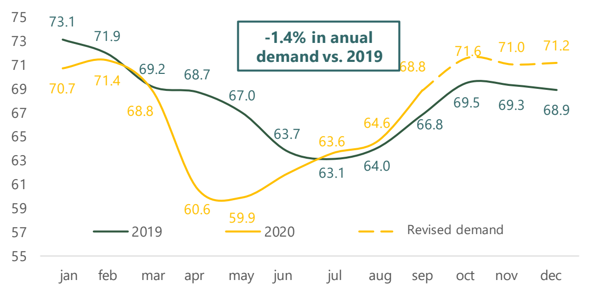
The load increase in 3Q20 and the forecast for load increase in 4Q20 favor of the higher GSF forecast by CCEE for 2020, from 80% in June 20 to ~81% at the end of September 2020.

For the year, once the consumption in the peak period of isolation pursuant to COVID-19 in Brazil (April to June) was below the levels in 2019, ONS forecast a drop of 1.4% only of the consumption in 2020 compared to last year.

Daily ANE-SIN (Avg. MW and %) & Storage Level Evolution - SIN (%)[1]



Demand Evolution and Projections of ONS/EPE[1] (Avg.GW)



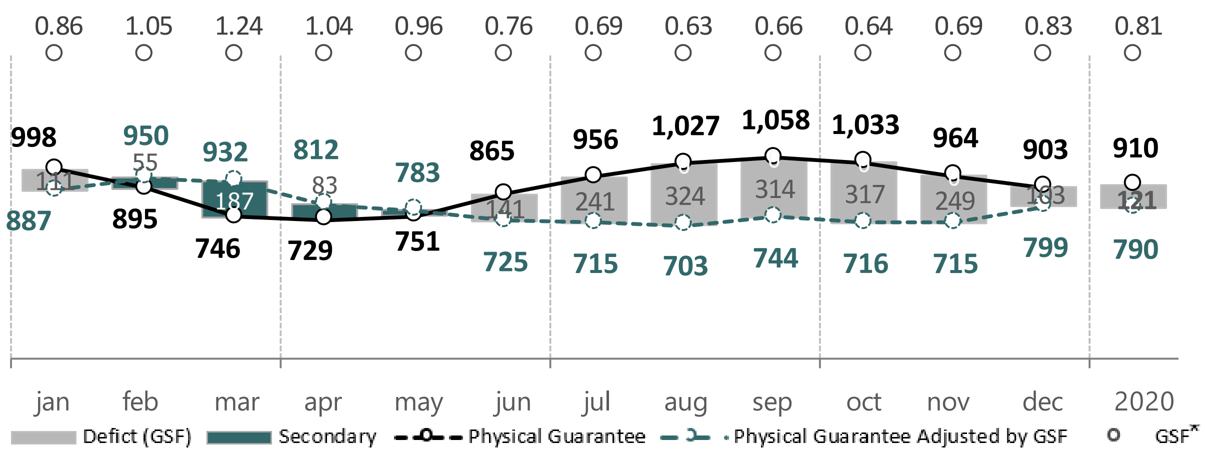
(1) Source: CCEE | LTA: Long-Term Mean: EAR: Stored Energy; SIN: National Interconnected System;

COMMERCIAL STRATEGY

The Company's energy trading strategy is based on detailed planning and proactive management of electricity sales and energy balance, in order to create value and minimize the hydrological risk.

In the chart below, we show our seasonality curve for physical guarantee in 2020 and the same curve adjusted for the GSF, as projected by CCEE.

Gross Physical Guarantee and Adjusted Physical Guarantee (MW average)



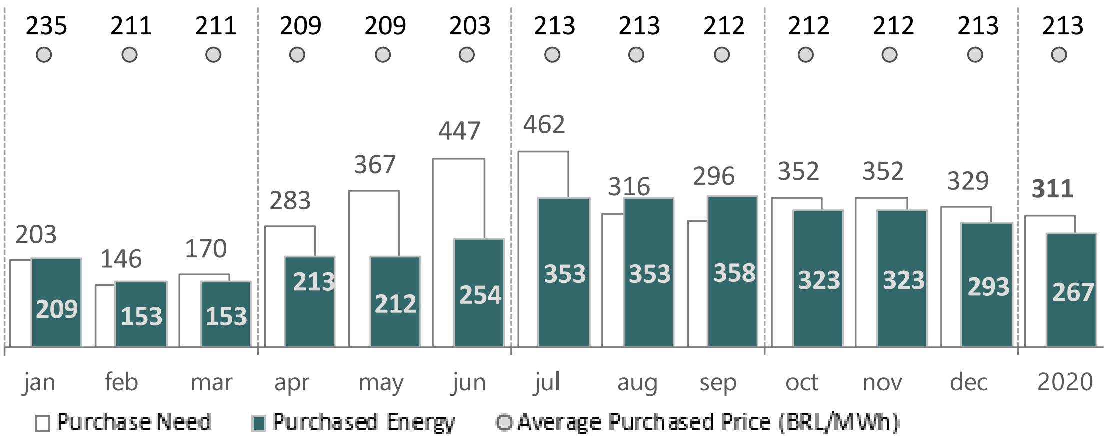
** CCEE forecast*

In view of the revised physical guarantees and the negative GSF effect, in the beginning of 2020 CESP recorded an energy balance deficit. To equalize its balance, the Company applies strategic actions in order to optimize its results and reduce its exposure to hydrological risk.

As of the end of 3Q20, 267 average MW were purchased for 2020 at an average price of BRL213/MWh (not including the energetic amount settled in CCEE at PLD in 2Q20 in this calculation), 38% above the volume purchased until 3Q19 (193 MW average) at average price 17% lower than in 2019 (BRL258/MWh).

For 2021, the Company purchased approximately 90% of the energy necessary to cover the energetic deficit, 246 MW average.

Energy Deficit[1] versus Energy Purchases[2] (Avg. MW)

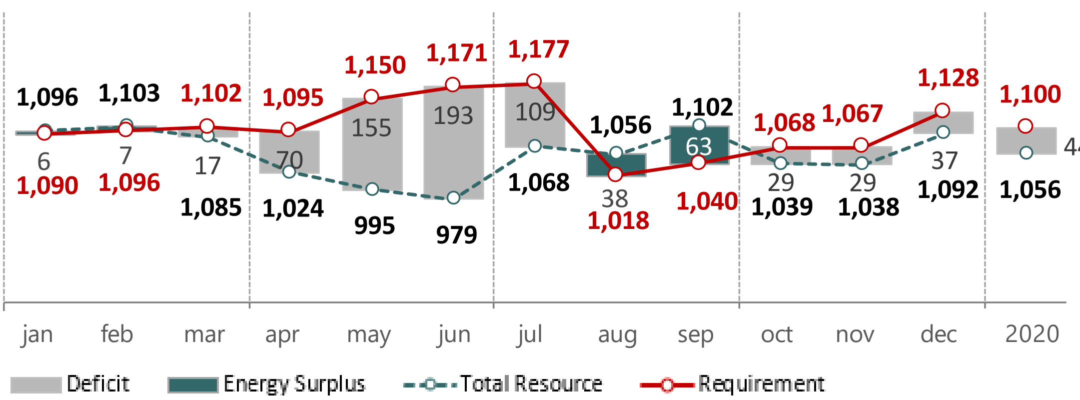


(1) *It includes sale of energy for settlement of the balance at CCEE in PLD operations + discount | (2) Difference between the need to purchase and the purchased energy settled at PLD of BRL88/MWh in July.*

The strategy for the energetic balance optimization considers the best market opportunities with the purpose to mitigate price risks (PLD) and avoid positive financial exposure at CCEE given the systemic default. Thus, in July, the Company kept the strategy, also adopted in 2Q20, increasing its exposure at the Energy Sale Chamber (CCEE) to avoid the default perceived in the financial settlement of CCEE.

As a result from this strategy, CESP increased its deficit at CCEE by 195 MW average by means of energy sale at average price of BRL88/MWh, compensating BRL 13 million (68%), from the amount of BRL19 million the Company had to receive at the end of July 2020. There were no short-term operations in the other months in the quarter.

At the end of the third quarter, the energetic balance of CESP for the entire 2020 showed deficit at 44MW average, as illustrated below.



Considering the current scenario in the country caused by the COVID-19 pandemic and trying to preserve the best contract and business relations with its customers, CESP renegotiated contracts at consolidated energetic volume under 1% of the total energy sold for 2020. The effects of this negotiation generate a little reduction in the volume sold for the year.

It is important to note that, as a result of the negotiation, the financial effects undertaken by CESP in 2020 will be offset. In other words, there will be no economic loss

CESP TRADING COMPANY

CESP Trading Company started to operate in January 2020, and the Company entered the electricity trading market within previously established risk limits. These operations are carried out on an active market, and they comply with the definition of "fair-value financial instruments" for accounting measurement purposes.

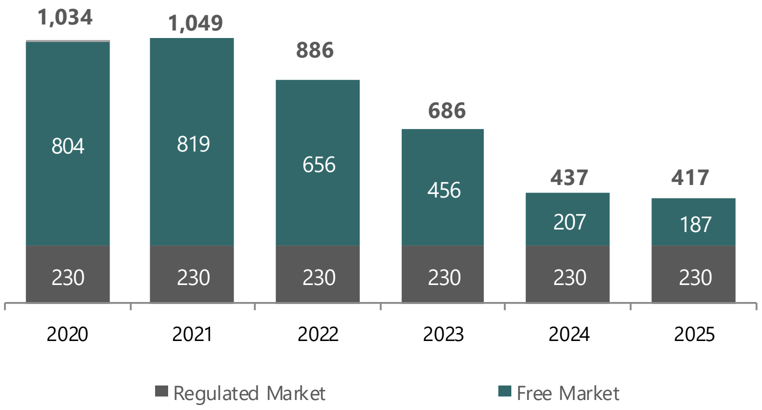
The purpose of CESP Trading Company is to foster a more optimized management of CESP's energy balance, better management of hydrological risks, and enhancement of the Company's commercial strategy, with the development of new customers, markets and opportunities.

CUSTOMERS

CESP's sales contracts in the free market were mainly executed between 2003 and 2015, and they are adjusted for inflation and the US dollar exchange rate. Additionally, some contracts provide for flexibility clauses, that is, minimum and maximum limits are applied to the seasonalized monthly volumes and to the consolidated volume for the year.

Contracts in the regulated market began in 2009 and 2010, and mature in 2038 and 2039, with a volume of 230 average MW, adjusted for inflation. As from 2023, the volume of energy sold is substantially lower and, as from 2026, the Company has no energy sold in the free market.

Customers Profile (average MW)



Due to good market opportunities and in line with long-term strategy, CESP signed new energy sale contracts for the period from 2023 to 2025.

It is important to mention that the Company has introduced a hedging strategy in order to minimize currency exposure of revenues from energy sales contracts indexed to the US dollar, using Non-Deliverable Forwards ("NDF"). More details on this strategy can be found on page 17 of this document.

The average price in the regulated market (distribution companies) in 3Q20 was BRL248/MWh, a rise of approximately 3% against 3Q19, mainly due to the adjustments provided for in the contracts, as detailed below;

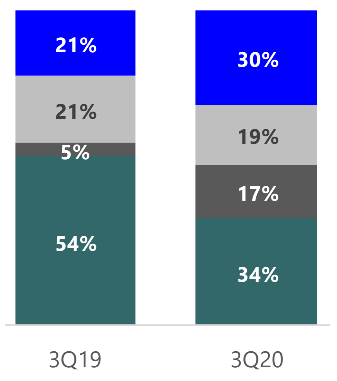
Start date	End date	Volume (average MW)	Starting gross price (BRL/MWh)	Gross price 3Q20 (BRL/MWh)(1)
01/01/2009	12/31/2038	82	125 (2)	258
01/01/2010	12/31/2039	148	116 (3)	243
Total		**230**	**119**	**248**

(1) Prices adjusted by IPCA. | | (2) Start base date 06/29/2006. | (3) Start base date 12/16/2005

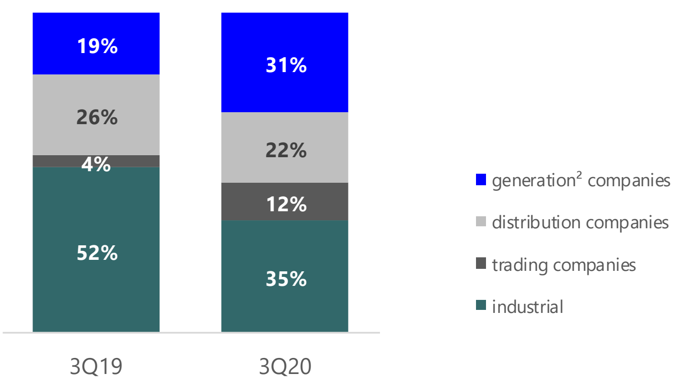
In order to mitigate its exposure to hydrological risk, CESP renegotiated a total of 230 average MW contracted up to 2028 in the regulated market. Thus, this portion of its physical guarantee is fully protected against fluctuations in the GSF.

Free customers (manufacturers, trading companies and generation companies) accounted for 81% of the sales volume in 3Q20 and 73% in 3Q19, as a result of the higher volume of sale to trading companies, in line with the Company's strategy to equalize its energy balance.

Sales Customer Profile[1] (%)
(In MWh)



Revenue Customer Profile[1] (%)
(In BRL)



(1) Results associated with CCEEE excluded | (2) Generation companies with trading companies integrated considered.

The adjusted average price of free market contracts (industrial, trading and generation companies) was BRL209/MWh, 11% increase compared to 3Q19 (BRL188 MWh), due to price adjustments in contracts, monetary adjustments, and contractual terms that enable flexibility in the allocation of energy.

OPERATING REVENUES

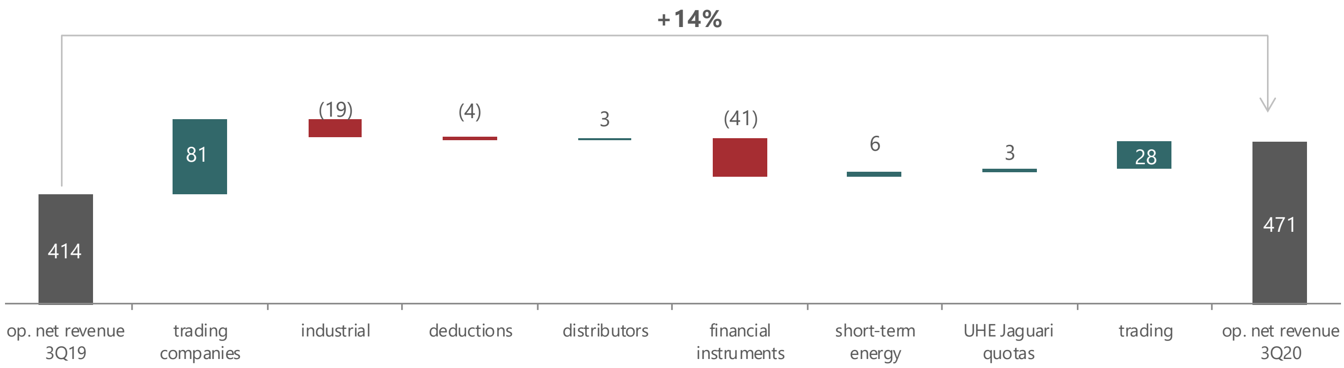
Net Operating Revenues in 3Q20 amounted to BRL471 million, up by BRL56 million (+14%) against BRL414 million in 3Q19, mainly due to:

- **Trading companies:** Increase of BRL81 million mainly from: (i) contractual conditions previously agreed with the counterparties (seasonality of the energy sold); (ii) settlement of the balance in the CCEE, in the amount of approximately BRL13 million and (iii) adjustments of contracts indexed to the US dollar.
- **Trading:** beginning of the trading operations by CESP Trading Company, with revenues of BRL28 million in 3Q20,
- **Short-term energy:** Increase of BRL6 million due to the new strategy for equalizing the Company's energy balance, combined with optimum management of CCEE receivables in view of systemic default.
- **Distributors:** Increase of BRL3 million due to contractual adjustment clause.

These effects were partially compensated by:

- **Derivative Instruments:** Decrease of BRL41 million as a result of the settlement of derivative financial instruments contracted to hedge exchange rate exposure of free market contracts, which are indexed to the US dollar.
- **Industrial:** Decrease of BRL19 in sales volume, due to contractual conditions previously agreed with the counterparties (flexibility, seasonality and renegotiations).

Net Operating Revenues 3Q19 vs. 3Q20 (BRL million)



Derivative Financial Instruments

CESP has energy sales contracts that are indexed to the US dollar. In order to minimize the currency risk from these contracts, the Company introduced a hedging strategy using Non-Deliverable Forwards ("NDFs") that are shown in the books as hedge accounting. The aim is to hedge approximately 95% of the currency exposure for the period. The table below reflects the position of derivative instruments as of September 30, 2020:

NDFs	Notional (USD million)	Average forward exchange rate (BRL)	Fair value (BRL million)
2020	43	4.28	(58)
2021	111	4.36	(144)
Total	**154**	**4.34**	**(203)**

The fair value of hedging instruments will be recognized in shareholders' equity until the proposed transaction takes place or is settled. After their settlement, gains or losses will be recognized in income. For more details, see note 26.5 to 3Q20 Financial Statements.

OPERATING COSTS AND EXPENSES

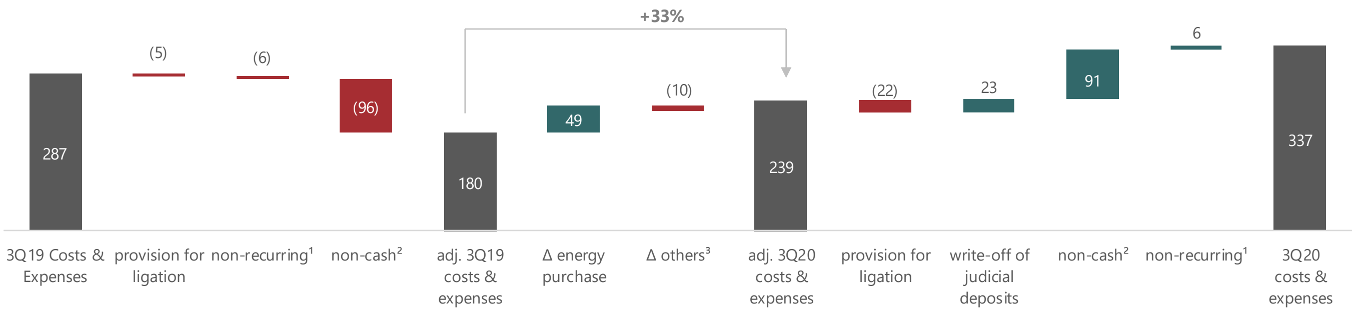
The operating costs and expenses amounted to BRL337 million in 3Q20 compared to BRL287 million recorded in 3Q19, 17% growth in the comparison between the periods.

In both quarters, there were non-recurring and non-cash effects as described below:

- **Reversal of provision for litigation:** A provision of BRL22 million was reversed in 3Q20, line with our strategy to continuously review risk forecasts for court cases and amounts under discussion, to supplement the procedural strategy for reducing contingent liabilities. A provision of BRL5 million was set up in 3Q19.
- **Voluntary Dismissal Program:** In 3Q20, there was non-recurring expense impact at BRL6 million related a medical expense of CESP`s Voluntary Dismissal program ("PDV") 2019 and new voluntarily signed agreements.
- **Write-off of judicial deposits:** In 3Q20, expense of BRL23 million were recognized regarding the write-off of court deposits to counterparties. These expenses were not recorded at that time, and they were identified upon reconciliation of court deposits. It is important to note that the recording of these deposits was the result of improvements in the analysis of contingent liabilities and court deposits corresponding to the proceedings.
- **Non-cash effects:** It includes depreciation/amortization, warehouse provisions and marking-to-market of energy futures. In 3Q20, the non-cash amount was BRL91 million explained by the depreciation of BRL 95 million plus marking-to-market of trading contracts in the amount of BRL 8 million, partially compensated by the recognition of BRL 12 million extemporaneous credits of PIS/COFINS on inputs from 2015. In 3Q19, the non-cash effects amounted to BRL96 million explained by the value of depreciation and amortization in the period.

Excluding the non-recurring and non-cash effects, the operating costs and expenses in 3Q20 totaled BRL239 million, up by 33% increase compared to 3Q19, when BRL180 million were reported.

Cost and Expenses 3Q20 vs. 3Q19 (BRL million)



(1) PDV expenses considered | (2) Depreciation/amortization and provision (reversal) for impairment of warehouses, provision for PIS/COFINS on judicial deposits and market marking of future energy contracts considered. | (3) Costs of purchased energy not considered.

- **Energy purchases :** Increase of 40% against 3Q19, as a result of seasonality strategy with less allocation of physical guarantee in 3Q20 vs. 3Q19 and increased sales volume allocated in 3Q20 vs. 3Q19, in line with the energy balance strategy. In the 3Q20, 355 average MW were acquired, 53% above the volume of 3Q19 (232 average MW) at an average price of BRL213/MWh, 8% lower than last year's price.

It is important to note that the Company took various measures to gain operating efficiency and rationalize its costs and expenses.

- **Personnel and Management** Reduction by 22% due to a fall of approximately 50% in staff, and changes in professional profiles, as well as reformulation of targets, performance assessment, development and professional training, management recognized for the second consecutive year with seal the Great Place to Work – GPTW label.

- **Third-party services, materials and rents**: Fall of 37% due to renegotiation of contracts and review of processes, enabling efficiency gains in costs and operations.

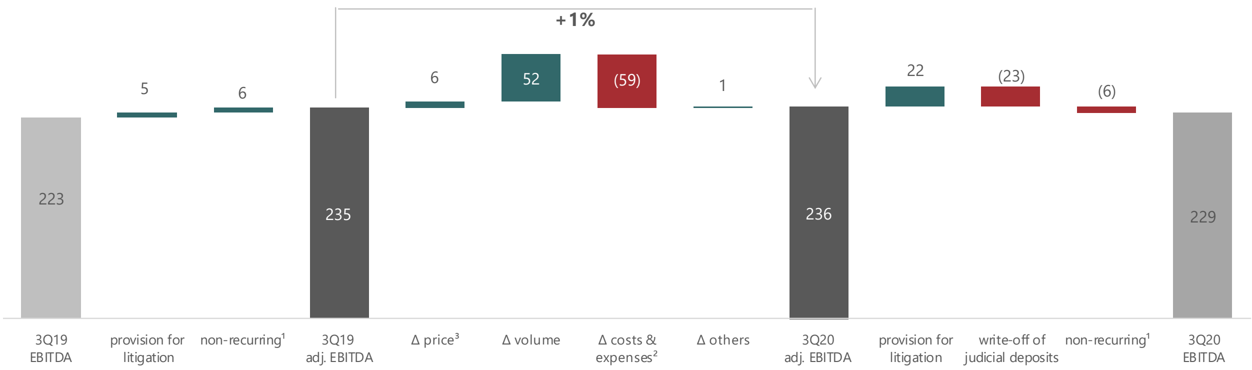
EBITDA

CONSOLIDATED EBIT / EBITDA BRL thousand	**3Q20**	**3Q19**	**Chg. (%)**	**9M20**	**9M19**	**Chg. (%)**
Net Income	**(58,525)**	**(7,856)**	**n.m.**	**133,086**	**(170,101)**	**n.m.**
Net IR/CSLL[1]	10,356	(951)	n.m.	121,930	6,672	n.m.
Financial Result	181,673	135,923	34%	385,209	287,559	34%
= EBIT	**133,504**	**127,116**	**5%**	**640,225**	**124,130**	**n.m.**
Depreciation / amortization	95,376	96,289	-1%	295,647	267,420	11%
EBITDA	**228,880**	**223,405**	**2%**	**935,872**	**391,550**	**139%**
VDP - Voluntary Dismissal Program	5,961	5,955	0%	5,961	110,746	-95%
Reversal of provision for litigation	(22,052)	5,259	n.m.	(129,240)	(7,488)	n.m.
Write-off of judicial deposits	23,163	-	n.m.	46,806	-	n.m.
Adjusted EBITDA	**235,952**	**234,619**	**1%**	**859,399**	**494,808**	**74%**
Adjusted EBITDA margin	50%	57%	-6 p.p.	61%	43%	17 p.p.

(1) Net income and social contribution resulting from R $ 21 million in current tax and R $ 11 million in deferred income, of which R $ 23 million out of cash. 9M20: R $ 88 million in current tax and R $ 34 million in deferred and cash outflow R $ 55 million.

Adjusted EBITDA amounted to BRL236 million in 3Q20 with 50% margin in line with the same period in 2019. The increase in the net revenues was partially compensated by the increase in the energy purchase cost.

EBITDA 3Q19 vs. 3Q20 (BRL million)



(1) PDV expenses considered | (2) Non-cash items not considered: provision for PIS/COFINS judicial deposits and market marking of future energy contracts | (3) derivative financial instruments considered.

FINANCIAL INCOME

Financial Income – BRL thousand	3Q20	3Q19	Var. (%)	9M20	9M19	Var. (%)
Financial Revenues	**6,550**	**9,085**	**-28%**	**25,004**	**63,173**	**-60%**
Financial Expenses	**(188,223)**	**(145,008)**	**30%**	**(410,213)**	**(350,732)**	**17%**
Debt charges	(22,954)	(37,522)	-39%	(69,321)	(112,088)	-38%
Provision for litigation	(110,651)	(96,237)	15%	(226,443)	(225,710)	0%
Write-off of judicial deposits	(5,874)	-	n.m.	(21,907)	-	n.m.
Exchange variation, net	-	(6,068)	n.m.	-	(3,128)	n.m.
Other financial expenses	(48,744)	(5,181)	n.m.	(92,542)	(9,806)	n.m.
Financial income	**(181,673)**	**(135,923)**	**34%**	**(385,209)**	**(287,559)**	**34%**

The net financial income in 3Q20 recorded expenses at BRL182 million compared to the expenses of BRL136 million in 3Q19. The 34% increase in the quarter comparison can be explained mainly by:

- **Other financial expenses:** Increase by BRL44 million due to: (i) the adjustment of the balance of actuarial liabilities (CPC 33) in the amount of BRL15 million, (ii) payment of the prepaid settlement premium of the 11th Debenture at the amount of BRL11 million.
- **Update of the litigation provision balance:** Increase by BRL14 million, due to the update of the provision balance for litigation mainly with IGPM as index.
- **Write-off of judicial deposits:** Expenses of BRL6 million on the reversal of monetary adjustments of court deposits received by the counterparties.
- **Financial revenues**: Reduction of BRL3 million as a result of lower levels of CDI, to which the Company's investments are indexed.

The items above were partially offset by:

- **Debt charges:** Reduction of BRL15 million as a result of lower levels of CDI, to which the Company's investments are indexed.

INCOME TAX (IR) AND SOCIAL CONTRIBUTION (CSLL)

IR and CSLL ("taxes") amount for the year include current and deferred taxes. Taxes are calculated on an accrual basis, according to the legislation in effect. The Company adopts the annual taxable income regime, with payments based on monthly estimates, which may result in a mismatch between the payment and the calculation of the taxes, being adjusted in the annual calculations of IR and CSLL.

Deferred tax assets arising from tax losses and deductible temporary differences are recorded based on the probability that future taxable income will be available and may be used. Their recognition is based on an impairment test, as provided for in CVM Instruction 371/2002.

The Company and its subsidiary have a balance of BRL1,096 million referring to deferred tax assets on tax loss and negative basis and temporary differences recorded in its balance sheet on September 30, 2020.

IR and CSLL expenses in 3Q20 were BRL10 million, namely BRL21 million related to current IR and CSLL and reversal of BRL11 million related to the deferred taxes. The value paid for taxes in 3Q20, calculated by estimation, was BRL24 million (cash) and the effective tax rate for the period was 21%.

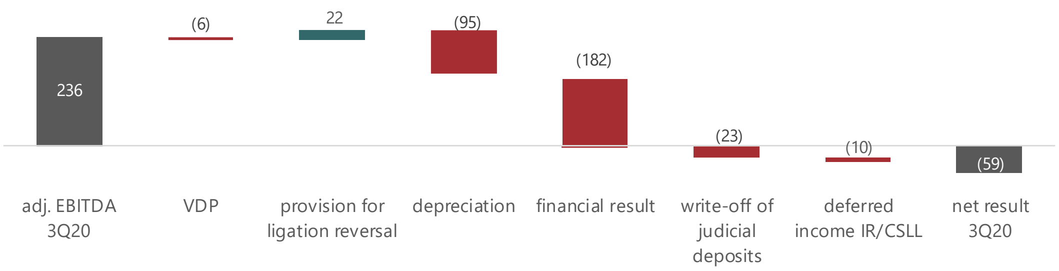
It is important to highlight that CESP has a tax loss to be offset in the amount of BRL3 billion, of which BRL 372 million has already been recorded in the Company's balance sheet as a deferred tax at a rate of 34%, which can be offset through the realization of results.

There is also a BRL 2.6 billion tax loss, not recorded in the financial statements (off-balance), which may be recognized as deferred tax to be offset, as soon as its realization is envisaged.

Additionally, tax losses may be offset in each reporting period at the limit of 30% of the actual or taxable income = EBT (earnings before taxes) +/- temporary and permanent adjustments.

NET RESULT

The net income in 3Q20 was loss of BRL59 million compared to the loss of BRL8 million in 3Q19. The graphic below shows the main factors that influenced the net income in 3Q20, based on the adjusted EBITDA in the same period (BRL million):

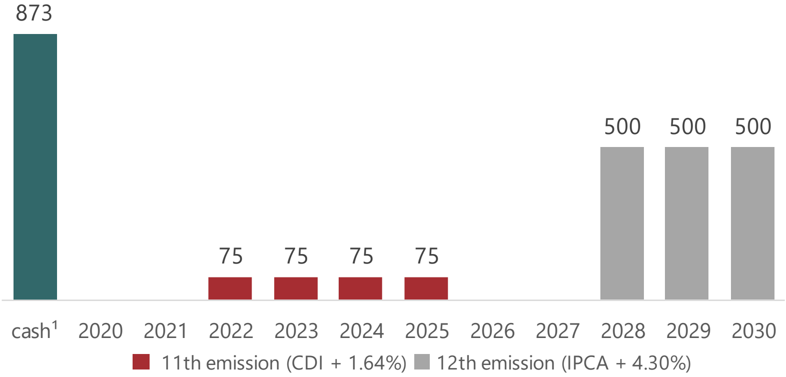


DEBT

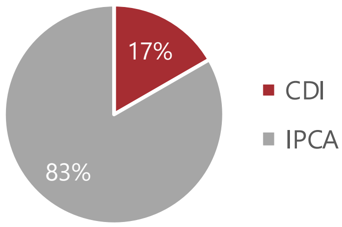
Gross debt on September 30, 2020 was BRL1,770 million compared to BRL1,791 million at the end of 2019.

As of a liability management strategy, in August, CESP captured the total of BRL1.5 billion by issuing the 12th Infrastructure debenture at a rate of IPCA + 4.30% p.a. and 10-year term. The funding was made due to pre-pay partially the debentures issued within the 11th Debenture Issuance, which in turn, were issued with the purpose to fund the payment of the renewal grant of the concession of HPP Porto Primavera. On September 30, 2020, the average maturity of the debt was 8.0 years

Amortization Schedule
(BRL million)



Gross Debt by indexer



(1) Cash balance on 09/30/20. It does not include the payment of BRL196 million in dividends made in October.

Consolidated cash and cash equivalents in the end of September 2020 was BRL873 million against BRL541 million in September 2019. The net debt on September 30, 2020 was BRL1,099 million.

RATING

As a result of the review of the sovereign rating, in July 2020, **Standard & Poor's** ("S&P") reviewed the rating perspective of CESP from positive to stable, while it reaffirmed ratings 'BB-'in global scale and 'brAAA'.

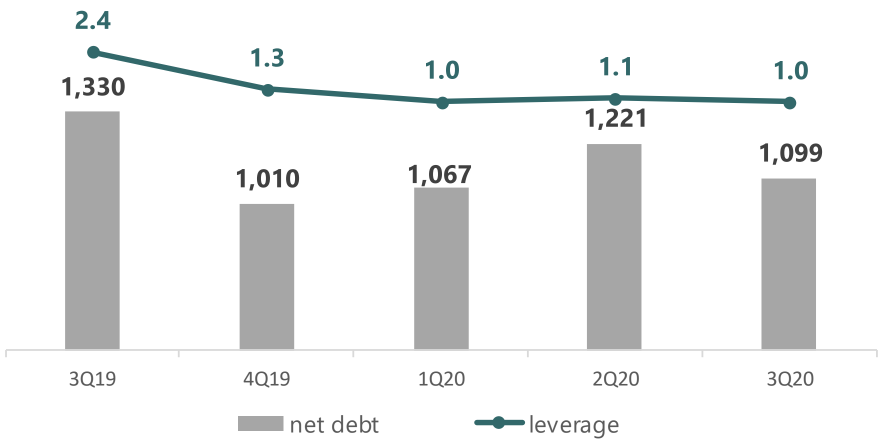
On July 29, 2020, **Fitch** released a report communicating the attribution of corporate rating to CESP as "BB" in the international scale, with negative perspective and "AAA" (bra) in the national scale, with stable perspective, as demonstrated below:

	Rating	Outlook	Revised
FitchRatings	BB | AAA(br)	Negative	Jul/2020
STANDARD &POOR'S	BB- | br.AAA	Stable	Jul/2020

LEVERAGE

The leverage measured by the ration between the net debt and adjusted EBITDA, which reached the peak of 4.0x in the second quarter 2019, reached 1.0x in 3Q20.

Net Debt (BRL million) and Leverage (x)

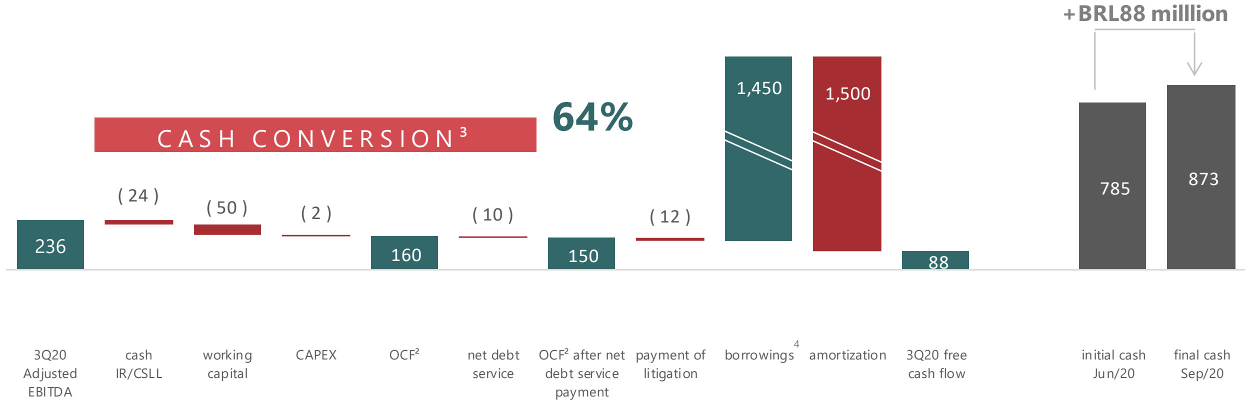


FREE CASH FLOW

Cash Flow - BRL thousand	3Q20	3Q19	Chg. (%)	9M20	9M19	Chg. (%)
Adjusted EBITDA	235,952	234,619	1%	859,399	494,807	74%
Cash IR/CSLL	(23,603)	-	n.m.	(55,511)	-	n.m.
Working capital	(49,939)	8,042	n.m.	(93,046)	(23,399)	n.m.
CAPEX	(1,940)	(915)	112%	(10,093)	(4,544)	122%
Operating cash flow	**160,470**	**241,746**	**-34%**	**700,749**	**466,864**	**50%**
Debt service	(10,137)	(23,412)	-57%	(57,595)	(70,870)	-19%
Operating cash flow after debt service	**150,333**	**218,334**	**-31%**	**643,154**	**395,994**	**62%**
Litigation payment	(12,359)	(96,746)	4%	(52,495)	(177,126)	-70%
Borrowings	1,450,167	-	n.m.	1,450,167	1,777,982	-18%
Amortization	(1,500,011)	(46,428)	n.m.	(1,500,033)	(171,004)	n.m.
Payment of concession fee	-	-	n.m.	-	(1,398,703)	n.m.
Dividends	(86)	-	38%	(409,644)	(297,164)	38%
Free cash flow	**88,044**	**75,160**	**17%**	**131,149**	**129,979**	**1%**
Start cash balance	784,549	465,706	-56%	741,444	410,886	80%
End cash balance	872,593	540,865	69%	872,593	540,865	61%

In 3Q20, the Company generated operating cash flow after debt service of BRL150 million, which represents a cash conversion rate[2] of ~64%. The reduction in working capital was mainly due to: (i) the BRL21 million increase in the credit balance at CCEE; (ii) temporary mismatch of PIS/COFINS credit over other expenses of BRL12 million; (iii) payment of PIS/COFINS, postponed, as determined in Ordinances No. 139 and 245 of the Ministry of Economy, due to the Covid-19 pandemic in the amount of BRL14 million. It is worth mentioning that until October 2019 CESP did not make the payment of PIS/COFINS, as it compensated with income taxes credits. The free cash flow recorded at the end of September 2020 was positive at BRL88 million.

Cash Flow (BRL million)



(1)Excludes, VDP, provision for litigation and write-off of judicial deposits | (2) OCF= Operational Cash Flow (3) Cash conversion = OCF after Debt Service/Adjusted EBITDA. Includes the postponed amount of BRL14 million PIS/COFINS according to the ordinances of the Ministry of Economy. Disregarding this effect, the cash conversion would be 70%/ 4) Includes funding cost of ~ BRL50 million

CAPEX

CESP Capex was BRL2 million in 3Q20, and it was mainly used in equipment purchases, in line with the plan for modernization of hydroelectric power plants.

EMPLOYEE SOCIAL SECURITY ENTITY - VIVEST

The Company sponsors a plan for retirement of its employees and former employees through VIVEST, entity responsible for managing the benefits plans sponsored by CESP. They can be "defined benefit" (BD) plans and "defined contribution" (CD) plans.

In the CD pension plan the Company makes fixed contributions to VIVEST and is not legally required to contribute with the fund when the latter does not have sufficient assets to pay all beneficiaries. BD plans establish a fixed lifetime income retirement benefit amount that the employee will receive upon retirement. CESP's most important BD benefits plan is the BSPS (Cleared Proportional Supplementary Benefit), which resulted from the negotiation between the São Paulo State Government (former controlling shareholder) and workers' unions, in order to enable the privatization of energy companies in 1997.

The amounts of contributions, costs, liabilities or assets of BD plans are calculated on a yearly basis by an independent actuary, at the closing of each fiscal year, and recorded as provided for in CPC 33(R)/IAS19 - Employees Benefits.

This calculation takes the following assumptions into account: (i) the discount rate for calculating the present value of actual and nominal actuarial liabilities; (ii) the estimated return of plan assets; (iii) salary growth rates; (iv) the long-term interest rate; (v) the turnover rate; and (vi) death and disability rates.

According to CPC 33, the discount rate used in estimating actuarial liabilities should represent a security with ample liquidity and a high degree of confidence, and the use of NTN-B (long-term public securities rate) as the main reference. Accordingly, as of December 31, 2019, CESP recorded an actuarial deficit of BRL837 million in Shareholders' Equity (other comprehensive income), calculated as follows:

Nominal rate - 7.16% Based on NTN-B 12/31/2019	BSPS	BD	CV	Total
Present value of the obligations	(5,623)	(912)	(131)	(6,666)
Fair value of the assets	4,818	949	99	5,866
(Liabilities)/Assets	(805)	38	(32)	(799)
Irrecoverable surplus (asset limit effect)	-	(38)		(38)
(Liabilities)/Assets to be recognized	**(805)**	**(32)**	**(32)**	**(837)**

For transparency and comparison purposes, Management decided to calculate on the same base date above the impacts on the measurement of actuarial liabilities, by applying a discount rate based on the earnings of private securities of high liquidity and rating (debentures), as shown below:

Nominal rate - 9.087% Based on debentures	BSPS	BD	CV	Total
Present value of the obligations	(4,732)	(725)	(106)	(5,563)
Fair value of the assets	4,818	949	99	5,866
(Liabilities)/Assets	86	225	(7)	303
Irrecoverable surplus (asset limit effect)	(86)	(225)	-	(311)
(Liabilities)/Assets to be recognized	**-**	**-**	**(7)**	**(7)**

In case of application of market rates on private securities, the actuarial deficit calculated according to CPC 33(R)/IAS 19, of approximately BRL7 million, would be closer to the result ascertained by the VIVEST, according to the PREVIC methodology. It is important to highlight that CESP's cash contributions will only be necessary if there is a deficit in this methodology.

The difference between the balances recorded as of December 31, 2019 was due to the differences between the methods used by CESP and VIVEST to assess the financial condition of the benefit plans.

In view of the foregoing, the Board of Directors approved on June 16, 2020, measures to adjust VIVEST Plans to current market practices, as well as measures to equalize and reduce the risks that are inherent to VIVEST Plans, according to all procedures and the applicable regulations in force. It is important to highlight that the measures still depend on approvals with VIVEST and PREVIC before their implementation.

CONTINGENCIES

Passive Judicial Suits

Currently, the Company is party in judicial suits that represent total liability contingency of approximately BRL11 billion. It is important to reinforce that the Company also keeps a procedure for strict evaluation of the passive litigation balance, also engaging legal and financial advisors to supplement the work of its own staff.

Given the relevance of the passive litigation currently recorded by the Company, not only the values under judicial dispute are constantly reviewed, but the proper loss prognostics applicable to the existing lawsuits, as well. Furthermore, constantly seeking to optimize the management and reduce the passive judicial litigation, the Company also keeps strictly qualifying given lawsuits as "strategic", submitting them to proper monitoring and conduction by outsourced firms of high technical and reputation level. Not less important handling is given to the rest of the litigation portfolio.

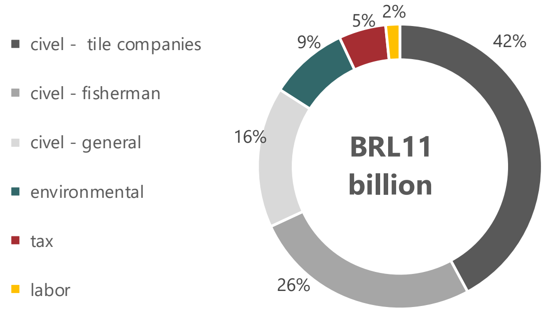
The Company makes it clear that the value of the passive litigation is object of constant variations because its measurement is linked to the progress of the judicial suits. Thus, as institutional policy, the Company seeks to reflect the current status of its liability portfolio as exact as possible in its balance (which justifies the quarterly oscillations of the values disclosed for this purpose).

Regarding the litigations pursuant to suits, whose the probability for loss is estimated as remote, as already informed in previous quarters, the Company still decides on keeping the practice historically adopted in its Financial Statements, disclosing the total value corresponding to this kind of litigation. However, despite of understanding that disclosure of such values is adequate at the moment, the Company also confirms that among the different suits evaluated as remote risk, there are explicitly non-grounded demands, whose cause amount does represent effectively disputed financial value in any case whatsoever, and that it would be due in case of definite unfavorable conviction.

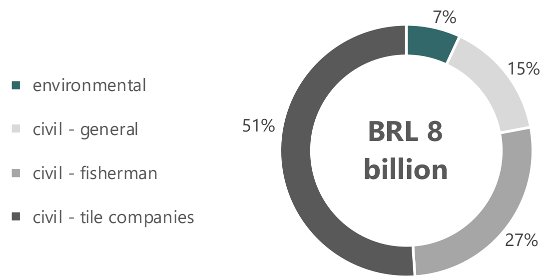
Finally, notwithstanding the constant efforts to reduce its passive litigation, the Company transparently points out that the performance of this process might be impaired by new demands that might be received, or by adjustment in the valuation of the suits already included in its portfolio. In this context, the judicial liabilities reduction strategy keeps comprehending preventive work, in addition to the technical-procedural activity, in order to reduce the volume of new suits moved against the Company as well.

Currently, the group of strategic suits comprehends about 45 processes, which represents approximately ~73% of the judicial litigation of the Company, as detailed below:

Contingent liabilities profile



45 cases account for **73%** of the total contingent liability

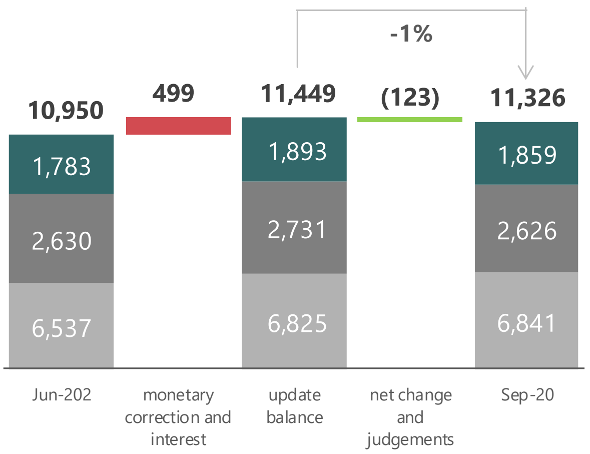


In 3Q20, in addition to the progress in the negotiations of the strategic cases, we also dedicated to the reduction of the other suits and obtained favorable court decisions for CESP in civil/expropriation, taxation, environmental and labor lawsuits, which, combined with all transactions in the period, enabled reduction of its total litigation, before the financial update, by BRL123 million compared to the balance in June 2020, namely BRL34 million reduction comprehending lawsuits with prognostic for probable loss.

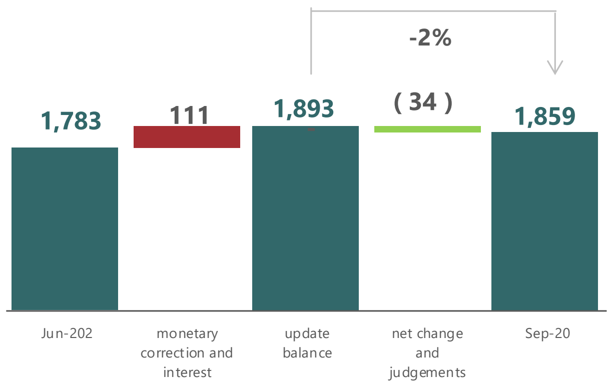
The total passive litigation movement in 3Q20 is explained mainly by the combination: (i) of the correction of the litigation provision balance, by IGPM, (ii) court decisions favorable to CESP in civil/expropriation, taxation, environmental and labor lawsuits; (ii) review of the value attributed to cases pursuant to movements of the proper progress of the judicial lawsuits in the period; and (iii) new lawsuits received by the Company.

For more details on the key cases, see item 4.3 of the CESP Reference Form

Contingent Liabilities – 3Q20 Variation
(BRL million)



3Q20 Probable Variation
(BRL million)



■ probable ■ possible ■ remote

In addition, CESP keeps paying attention to opportunities for deals and negotiations, which show to be attractive and feasible, seeking reduction of the passive litigation and always in accordance with the technical criteria and the financial discipline.

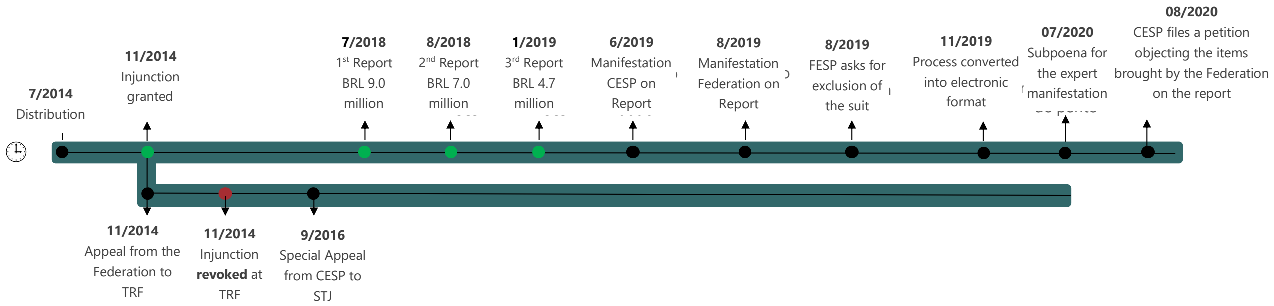
Três Irmãos Suit

The indemnity proceeding for Três Irmãos (case No. 45939-32.2014.4.01.3400) is at the investigation stage, with discussions about the report of the legal expert, who valued the reversible assets at BRL4.7 billion (June/12 values). The valuation consists of: Plant: BRL1.9 bn; Floodgates and Canal: BRL1.0 bn; Land: BRL1.8 bn.

After statements by the Federal Government and CESP about the investigation report, an order issued on July 10, 2020 determined the statement of an expert within 15 business days (starting after the correction of the digitalization process), about the questions raised by the Federal Government.

In parallel with the hearing of the case by the lower court there in an appeal pending judgment (Special Appeal No. 1.643.760/SP) at the Superior Court of Justice (STJ), filed by CESP in December 2016 calling for immediate payment by the Federal Government of the uncontested figure of BRL1.7 billion (June/2012 values). We are currently waiting for this appeal to be put on the agenda for trial by the STJ (Superior Court of Justice).

Below there is the case timeline, with history of the last relevant transactions of the case:



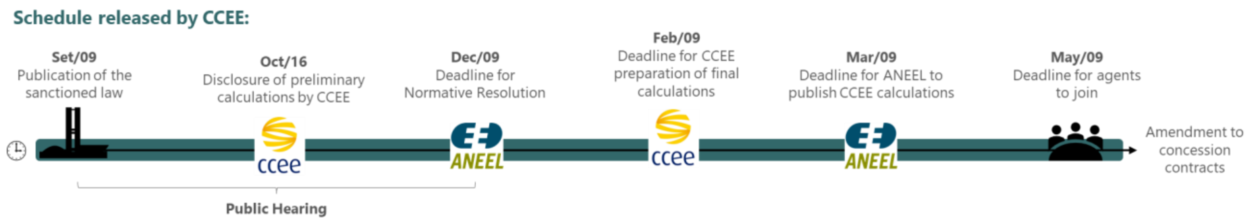
GSF UPDATE

On October 16, 2020, within the public inquiry of the regulation of the new conditions for renegotiation of the hydrological risk, ANEEL disclosed the result from the preliminary calculations of the deadlines for grant extension for the hydro energy plants participating in MRE, considering the total period of 102 months (from March 12 to August 20). The final total period may include one or two more months, as it considers the last accounting completed by the CCEE (at the time of preparing the preliminary calculations, it was August/20).

Based on this preliminary calculation, the grant extension for HPP Porto Primavera would be higher than the legal limit of 7 years, thus, it is limited to that period. For HPP Paraibuna, the extension would be 269 days (~9 months).

Confirmation of the grant extension time depend on the conclusion of the public inquiry process in progress at ANEEL upon publication of the normative resolution, which will enable CCEE to make the final calculations (based on the definite assumptions), as well as formal manifestation of the adherence to the proposed renegotiation necessary to configure effective acceptance of the compensation terms and to base the issuance of the authoritative resolution by ANEEL, guaranteeing the right to extension, which will be formalized through the signing of an addendum to the concession contracts.

The Company is not a party in judicial suit on the subject matter, and there are not any amounts due related to the hydrological risk with enforceability suspended within the financial settlement scope of CCEE, considering that the option on renegotiation does not depend on cash disbursement or payment of any premium.



CORPORATE SUSTAINABILITY AGENDA

CESP is starting its corporate sustainability agenda, in order to contribute to the business strategy and the generation of shared value.

As part of this process, the Company has contracted two specialized consulting firms to assist in the project, which started in September and scheduled to finish at the end of December 2020.

The main objectives of this project are: (i) integrate certain the UN Sustainable Development Goals (SDG) to the CESP strategy, making it even more competitive and prepared for the future, and (ii) identify strategic topics for CESP, breaking down in sustainability plans, positioning and guidelines used as a reference for the definition of ESG (*Environment, Social and Governance*) indicators and targets.

To complement this agenda, CESP obtained certification for issuance of *International Renewable Energy Certificates* (I-RECs) attesting the origin of renewable energy and assuring traceability of the energy environmental attribute. In 3Q20, the Company has already started the sale of I-RECs.

CAPITAL MARKET

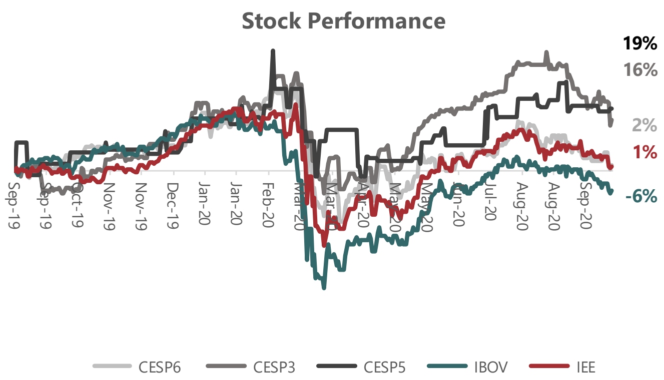
CESP has common shares ("CESP3") and preferred shares classes A and B ("CESP5 and CESP6", respectively) listed and traded on São Paulo Stock Exchange ("B3") and integrates Corporate

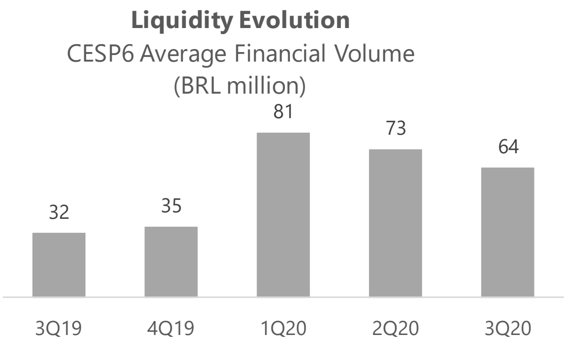
Governance Level 1, valuing ethics the transparency in the relationship with the shareholders and other stakeholders of the Company. The Company´s shares are integrated in different indexes, among which, the Corporate Governance Index, in which the companies with differentiated corporate governance standards are listed, and Index Brazil 100, which gathers the shares mostly traded on B3.

On September 30, 2020, the preferred shares class B (CESP6), which represent 64.4% of the total capital stock of the Company, were quoted at BRL 28.25, Since the beginning of this year, there is significant growth of the daily liquidity of the CESP6 shares, which show average daily liquidity of BRL 64 million in 3Q20 (vs. BRL 32 million traded in 3Q19).

The common shares CESP3), which represent 33.3% of the capital stock, were quoted at BRL31.02. Preferred shares class A (CESP5), which represent 2.3% of the capital stock, were quoted at BRL32.75, on September 30, 2020.

The market value of CESP on September 30, 2020 was BRL9.6 billion compared to BRL9 billion on September 30, 2019.





EXHIBITS – (BRL thousands)

Income Statement	PARENT COMPANY					
BRL thousand	3Q20	3Q19	Chg. (%)	9M20	9M19	Chg. (%)
Gross operational revenues	**356,528**	**476,148**	**-25%**	**1,243,194**	**1,333,413**	**-7%**
Free Consumers- Industrial	95,194	216,021	-56%	293,314	571,875	-49%
Trading Agents	147,152	129,988	13%	584,661	344,752	70%
Trading operations	-	-	n.m.	-	-	n.m.
Energy Tenders - Energy distributors	121,596	119,047	2%	368,935	355,385	4%
Short-term energy	16,134	10,438	55%	38,145	59,468	-36%
Derivative financial instruments	(27,343)	(94)	n.m.	(48,233)	(94)	n.m.
Quota regime supply - HPP Jaguari	3,090	-	n.m.	4,324	-	n.m.
Other revenues	705	748	-6%	2,048	2,027	1%
Deduction from the operating revenues	**(48,710)**	**(61,682)**	**-21%**	**(168,125)**	**(194,952)**	**-14%**
Quota for global reversal reserve - RGR	(223)	(843)	-74%	(1,910)	(25,460)	-92%
Research and development - R&D	(2,349)	(4,164)	-44%	(10,293)	(11,393)	-10%
Taxes on services - ISS	(21)	(32)	-34%	(65)	(101)	-36%
COFINS on operating revenues	(29,512)	(35,583)	-17%	(96,951)	(97,986)	-1%
PIS on operating revenues	(6,407)	(7,726)	-17%	(21,048)	(21,273)	-1%
Financial compensation for the use of water resources	(9,294)	(12,119)	-23%	(34,515)	(35,956)	-4%
Energy sector inspection fee - TFSE	(904)	(1,215)	-26%	(3,343)	(2,783)	20%
Net Operational Revenues	**312,308**	**414,466**	**-25%**	**1,075,069**	**1,138,461**	**-6%**
Costs of the electric energy service	**(168,602)**	**(258,322)**	**-35%**	**(529,517)**	**(819,951)**	**-35%**
Gross operating profit	**143,706**	**156,144**	**-8%**	**545,552**	**318,510**	**71%**
Operating expenses	**(12,901)**	**(29,028)**	**-56%**	**37,784**	**(194,380)**	**n.m.**
General and administrative	(24,675)	(43,097)	-43%	(66,662)	(221,343)	-70%
Other operating revenues, net	11,774	14,069	-16%	104,446	26,963	n.m.
Equity	2,005	-	n.m.	38,333	-	n.m.
Operating profit (loss) before financial income	**132,810**	**127,116**	**4%**	**621,669**	**124,130**	**n.m.**
Financial Revenues	6,212	9,085	-32%	23,783	63,173	-62%
Financial Expenses	(188,212)	(138,940)	35%	(410,144)	(347,604)	18%
Net exchange variance	-	(6,068)	n.m.	-	(3,128)	n.m.
Financial result	**(182,000)**	**(135,923)**	**34%**	**(386,361)**	**(287,559)**	**34%**
Income before tax and social contribution	**(49,190)**	**(8,807)**	**n.m.**	**235,308**	**(163,429)**	**n.m.**
Tax and social contribution - current	(17,182)	-	n.m.	(71,182)	-	n.m.
Tax and social contribution - deferred	7,847	951	n.m.	(31,040)	(6,672)	n.m.
Net tax and social contribution	**(9,335)**	**951**	**n.m.**	**(102,222)**	**(6,672)**	**n.m.**
Net Income (loss)	**(58,525)**	**(7,856)**	**n.m.**	**133,086**	**(170,101)**	**n.m.**

CESP

Income Statement	CONSOLIDATED					
BRL thousand	**3Q20**	**3Q19**	**Chg. (%)**	**9M20**	**9M19**	**Chg. (%)**
Gross operational revenues	**536,256**	**476,148**	**13%**	**1,622,023**	**1,333,413**	**22%**
Free Consumers- Industrial	197,185	216,021	-9%	610,213	571,875	7%
Trading Agents	210,665	129,988	62%	609,115	344,752	77%
Trading operations	28,191	-	n.m.	68,801	-	n.m.
Energy Auction - Energy distributors	121,596	119,047	2%	368,935	355,385	4%
Short-term energy	16,134	10,438	55%	38,145	59,468	-36%
Derivative financial instruments	(41,310)	(94)	n.m.	(79,558)	(94)	n.m.
Quota regime supply - HPP Jaguari	3,090	-	n.m.	4,324	-	n.m.
Other revenues	705	748	-6%	2,048	2,027	1%
Deduction from the operating revenues	**(65,729)**	**(61,682)**	**7%**	**(205,424)**	**(194,952)**	**5%**
Quota for global reversal reserve - RGR	(223)	(843)	-74%	(1,910)	(25,460)	-92%
Research and development - R&D	(2,349)	(4,164)	-44%	(10,293)	(11,393)	-10%
Taxes on services - ISS	(21)	(32)	-34%	(65)	(101)	-36%
COFINS on operating revenues	(43,495)	(35,583)	22%	(127,596)	(97,986)	30%
PIS on operating revenues	(9,443)	(7,726)	22%	(27,702)	(21,273)	30%
Financial compensation for the use of water resources	(9,294)	(12,119)	-23%	(34,515)	(35,956)	-4%
Energy sector inspection fee - TFSE	(904)	(1,215)	-26%	(3,343)	(2,783)	20%
Net Operational Revenues	**470,527**	**414,466**	**14%**	**1,416,599**	**1,138,461**	**24%**
Costs of the electric energy service	**(312,967)**	**(258,322)**	**21%**	**(820,358)**	**(819,951)**	**0%**
Gross operating profit	**157,560**	**156,144**	**1%**	**596,241**	**318,510**	**87%**
Operating expenses	**(24,056)**	**(29,028)**	**-17%**	**43,984**	**(194,380)**	**n.m.**
General and administrative	(27,420)	(43,097)	-36%	(74,284)	(221,343)	-66%
Other operating revenues, net	3,364	14,069	-76%	118,268	26,963	n.m.
Equity	-	-	n.m.	-	-	n.m.
Operating profit before financial income	**133,504**	**127,116**	**5%**	**640,225**	**124,130**	**n.m.**
Financial Revenues	6,550	9,085	-28%	25,004	63,173	-60%
Financial Expenses	(188,223)	(138,940)	35%	(410,213)	(347,604)	18%
Net exchange variance	-	(6,068)	n.m.	-	(3,128)	n.m.
Financial income	**(181,673)**	**(135,923)**	**34%**	**(385,209)**	**(287,559)**	**34%**
Profit (loss) before IR and CSLL	**(48,169)**	**(8,807)**	**n.m.**	**255,016**	**(163,429)**	**n.m.**
IR and CSLL - current	(21,273)	-	n.m.	(88,205)	-	n.m.
IRPJ and CSLL - deferred	10,917	951	n.m.	(33,725)	(6,672)	n.m.
Net IR and CSLL	**(10,356)**	**951**	**n.m.**	**(121,930)**	**(6,672)**	**n.m.**
Net Profit (loss)	**(58,525)**	**(7,856)**	**n.m.**	**133,086**	**(170,101)**	**n.m.**

	Parent Company		Consolidated	
Asset	**09/30/2020**	**12/31/2019**	**09/30/2020**	**12/31/2019**
Current	**1,080,025**	**1,020,620**	**1,242,959**	**1,071,788**
Cash and cash equivalents	794,354	690,276	872,593	741,444
Derivative financial instruments	-	18,718	-	18,718
Receivables	169,605	198,930	237,493	198,930
Taxes to recover	18,180	8,357	24,369	8,357
Future energy contracts	-	-	11,085	-
Prepaid expenses	3,134	11,186	3,134	11,186
Other credits	94,752	93,153	94,285	93,153
Non-current	**11,536,810**	**11,909,068**	**11,518,960**	**11,857,966**
Derivative financial instruments	-	-	-	21,225
Future energy contracts	-	21,225	2,751	-
Taxes to recover	268,739	343,979	268,739	343,979
Deferred net IR and CSLL	1,898,907	1,877,412	1,920,530	1,877,412
Warehouse	6,041	7,611	6,041	7,611
Assets subject to indemnity	1,719,390	1,719,390	1,719,390	1,719,390
Investments	42,224	51,102	-	-
Intangible assets	1,535,257	1,575,300	1,535,257	1,575,300
Fixed assets	6,059,584	6,305,943	6,059,584	6,305,943
Right to use on lease contracts	6,668	7,106	6,668	7,106
Total assets	**12,616,835**	**12,929,688**	**12,761,919**	**12,929,754**

Liabilities and Net Equity	PARENT COMPANY 09/30/2020	PARENT COMPANY 12/31/2019	CONSOLIDATED 9/30/2020	CONSOLIDATED 12/31/2019
Current	**604,758**	**956,792**	**733,938**	**956,858**
Suppliers	6,141	8,824	6,188	8,849
Energy purchased for resale	9,105	35,755	62,833	35,755
Loans and financing	4,459	3,002	4,459	3,002
Lease	1,700	1,584	1,700	1,584
Derivative financial instruments	86,323	-	147,330	-
Estimated obligations and payroll	19,765	21,497	20,539	21,497
Payable taxes	54,944	23,494	68,565	23,535
Sector charges	114,512	115,673	114,512	115,673
Payable dividends and IC	196,532	606,176	196,532	606,176
UBP - Use of public property	46,003	29,275	46,003	29,275
Social-environmental obligations	35,343	23,474	35,343	23,474
Other liabilities	29,931	88,038	29,934	88,038
Non-current	**4,883,254**	**4,827,991**	**4,899,158**	**4,827,991**
Loans and financing	1,758,277	1,781,123	1,758,277	1,781,123
Lease	5,105	5,624	5,105	5,624
Sector charges	12,014	12,014	12,014	12,014
UBP - Use of public property	131,783	158,355	131,783	158,355
Derivative financial instruments	39,281	-	55,185	-
Provision for litigation	1,859,083	1,814,375	1,859,083	1,814,375
Social-environmental obligations	152,314	164,536	152,314	164,536
Employee social security entity	880,997	836,995	880,997	836,995
Other liabilities	44,400	54,969	44,400	54,969
Net Equity	**7,128,823**	**7,144,905**	**7,128,823**	**7,144,905**
Capital Stock	5,975,433	5,975,433	5,975,433	5,975,433
Capital reserves	1,929,098	1,929,098	1,929,098	1,929,098
Profit reserves	1,084,883	1,084,883	1,084,883	1,084,883
Equity valuation adjustments	(917,819)	(948,623)	(917,819)	(948,623)
Other comprehensive income	(1,045,054)	(895,886)	(1,045,054)	(895,886)
Accrued profit	102,282	-	102,282	-
Total Liabilities and Net Equity	**12,616,835**	**12,929,688**	**12,761,919**	**12,929,754**

	Parent Company						
	3Q20			3Q19			
COSTS & EXPENSES	**Costs**	**Expenses**	**Total**	**Costs**	**Expenses**	**Total**	**Var. (%)**
Purchased energy	(24,053)	-	(24,053)	(119,914)	-	(119,914)	-80%
Regulatory charges	(39,461)	-	(39,461)	(34,345)	-	(34,345)	15%
Tax recovery	-	12,268	12,268	-	-	-	n.m.
Personnel	(5,947)	(10,311)	(16,258)	(4,696)	(20,401)	(25,097)	-35%
VDP - voluntary dismissal program	(715)	(5,246)	(5,961)	(1,067)	(4,888)	(5,955)	0%
Administrators	-	(1,251)	(1,251)	-	(364)	(364)	n.m.
Post-employment benefits	-	122	122	-	(3,364)	(3,364)	n.m.
Material	(111)	(112)	(223)	(583)	(948)	(1,531)	-85%
Third-party services	(1,449)	(4,585)	(6,034)	(3,390)	(5,826)	(9,216)	-35%
Insurance	-	(723)	(723)	-	(894)	(894)	-19%
Depreciation/amortization	(93,383)	(1,933)	(95,316)	(94,458)	(1,831)	(96,289)	-1%
Rents	(108)	(148)	(256)	(18)	(80)	(98)	161%
Provision (reversal) to reduce the realizable value of warehouses	-	-	-	-	339	339	n.m.
Reversal (Provision) for litigation	-	22,052	22,052	-	(5,259)	(5,259)	n.m.
Expenses with judicial deposits	-	(23,163)	(23,163)	-	-	-	n.m.
Reversal (provision) for PIS / COFINS judicial deposits	-	164	164	-	91	91	80%
Reversal of the diff. between RGR quotas 2018 & 2017	-	-	-	-	23,152	23,152	n.m.
Other charges - ONS / CCEE	-	-	-	-	(1,316)	(1,316)	n.m.
Other (expenses) or income	(3,375)	(35)	(3,410)	149	(7,439)	(7,290)	-53%
Total	**(168,602)**	**(12,901)**	**(181,503)**	**(258,322)**	**(29,028)**	**(287,350)**	**-37%**

	Consolidated						
	3Q20			3Q19			
COSTS & EXPENSES	**Costs**	**Expenses**	**Total**	**Costs**	**Expenses**	**Total**	**Var. (%)**
Purchased energy	(168,418)	-	(168,418)	(119,914)	-	(119,914)	40%
Regulatory charges	(39,461)	-	(39,461)	(34,345)	-	(34,345)	15%
Tax recovery	-	12,268	12,268	-	-	-	n.m.
Personnel	(5,947)	(12,555)	(18,502)	(4,696)	(20,401)	(25,097)	-26%
VDP - voluntary dismissal program	(715)	(5,246)	(5,961)	(1,067)	(4,888)	(5,955)	0%
Administrators	-	(1,251)	(1,251)	-	(364)	(364)	n.m.
Post-employment benefits	-	122	122	-	(3,364)	(3,364)	n.m.
Material	(111)	(116)	(227)	(583)	(948)	(1,531)	-85%
Third-party services	(1,449)	(4,865)	(6,314)	(3,390)	(5,826)	(9,216)	-31%
Insurance	-	(723)	(723)	-	(894)	(894)	-19%
Depreciation/amortization	(93,383)	(1,993)	(95,376)	(94,458)	(1,831)	(96,289)	-1%
Rents	(108)	(175)	(283)	(18)	(80)	(98)	189%
Provision (reversal) to reduce the realizable value of warehouses	-	12	12	-	339	339	-96%
Reversal (Provision) for litigation	-	22,052	22,052	-	(5,259)	(5,259)	n.m.
Expenses with judicial deposits	-	(23,163)	(23,163)	-	-	-	n.m.
Future energy contracts	-	(8,405)	(8,405)	-	-	-	n.m.
Reversal (provision) for PIS / COFINS judicial deposits	-	164	164	-	91	91	80%
Reversal of the diff. between RGR quotas 2018 & 2017	-	-	-	-	23,152	23,152	n.m.
Other charges - ONS / CCEE	-	-	-	-	(1,316)	(1,316)	n.m.
Other (expenses) or income	(3,375)	(182)	(3,557)	149	(7,439)	(7,290)	-51%
Total	**(312,967)**	**(24,056)**	**(337,023)**	**(258,322)**	**(29,028)**	**(287,350)**	**17%**

	Parent Company						
	9M20			9M19			
COSTS & EXPENSES	**Costs**	**Expenses**	**Total**	**Costs**	**Expenses**	**Total**	**Var. (%)**
Purchased energy	(97,046)	-	(97,046)	(419,012)	-	(419,012)	-77%
Regulatory charges	(108,819)	-	(108,819)	(91,702)	-	(91,702)	19%
Tax recovery	-	12,268	12,268	-	-	-	0%
Personnel	(18,949)	(29,166)	(48,115)	(15,756)	(70,492)	(86,248)	-44%
VDP - voluntary dismissal program	(715)	(5,246)	(5,961)	(9,883)	(100,863)	(110,746)	-95%
Administrators	-	(3,721)	(3,721)	-	(1,168)	(1,168)	n.m.
Post-employment benefits	-	366	366	-	(10,116)	(10,116)	n.m.
Material	(613)	(244)	(857)	(2,321)	(1,380)	(3,701)	-77%
Third-party services	(4,972)	(14,123)	(19,095)	(11,807)	(22,926)	(34,733)	-45%
Insurance	-	(4,892)	(4,892)	-	(1,584)	(1,584)	n.m.
Depreciation/amortization	(289,598)	(5,881)	(295,479)	(261,829)	(5,591)	(267,420)	10%
Rents	(400)	(937)	(1,337)	(18)	(1,541)	(1,559)	-14%
Provision (reversal) to reduce the realizable value of warehouses	-	66	66	-	7,789	7,789	-99%
Reversal (Provision) for litigation	-	129,240	129,240	-	7,488	7,488	n.m.
Expenses with judicial deposits	-	(46,806)	(46,806)	-	-	-	n.m.
Reversal (provision) for PIS / COFINS judicial deposits	-	464	464	-	(122)	(122)	n.m.
Reversal of the diff. between RGR quotas 2018 & 2017	-	-	-	-	23,152	23,152	n.m.
Provisão para créditos de liquidação duvidosa	-	-	-	-	(364)	(364)	n.m.
Other charges - ONS / CCEE	-	-	-	-	(1,784)	(1,784)	n.m.
Other (expenses) or income	(8,405)	6,396	(2,009)	(7,623)	(14,878)	(22,501)	-91%
Total	**(529,517)**	**37,784**	**(491,733)**	**(819,951)**	**(194,380)**	**(1,014,331)**	**-52%**

	Consolidated						
	9M20			9M19			
COSTS & EXPENSES	**Costs**	**Expenses**	**Total**	**Costs**	**Expenses**	**Total**	**Var. (%)**
Purchased energy	(387,887)	-	(387,887)	(419,012)	-	(419,012)	-7%
Regulatory charges	(108,819)	-	(108,819)	(91,702)	-	(91,702)	19%
Tax recovery	-	12,268	12,268	-	-	-	n.m.
Personnel	(18,949)	(34,871)	(53,820)	(15,756)	(70,492)	(86,248)	-38%
VDP - voluntary dismissal program	(715)	(5,246)	(5,961)	(9,883)	(100,863)	(110,746)	-95%
Administrators	-	(3,721)	(3,721)	-	(1,168)	(1,168)	n.m.
Post-employment benefits	-	366	366	-	(10,116)	(10,116)	n.m.
Material	(613)	(626)	(1,239)	(2,321)	(1,380)	(3,701)	-67%
Third-party services	(4,972)	(14,929)	(19,901)	(11,807)	(22,926)	(34,733)	-43%
Insurance	-	(4,892)	(4,892)	-	(1,584)	(1,584)	n.m.
Depreciation/amortization	(289,598)	(6,049)	(295,647)	(261,829)	(5,591)	(267,420)	11%
Rents	(400)	(964)	(1,364)	(18)	(1,541)	(1,559)	-13%
Provision (reversal) to reduce the realizable value of warehouses	-	66	66	-	7,789	7,789	-99%
Reversal (Provision) for litigation	-	129,240	129,240	-	7,488	7,488	n.m.
Expenses with judicial deposits	-	(46,806)	(46,806)	-	-	-	n.m.
Future energy contracts	-	13,836	13,836	-	-	-	n.m.
Reversal (provision) for PIS / COFINS judicial deposits	-	464	464	-	(122)	(122)	n.m.
Reversal of the diff. between RGR quotas 2018 & 2017	-	-	-	-	23,152	23,152	n.m.
Provisão para créditos de liquidação duvidosa	-	-	-	-	(364)	(364)	n.m.
Other charges - ONS / CCEE	-	-	-	-	(1,784)	(1,784)	n.m.
Other (expenses) or income	(8,405)	5,848	(2,557)	(7,623)	(14,878)	(22,501)	-89%
Total	**(820,358)**	**43,984**	**(776,374)**	**(819,951)**	**(194,380)**	**(1,014,331)**	**-23%**