



AT JUNE 30, 2021



Contents

Condensed parent company and consolidated interim financial statements

	rmance reviews	
Cond	lensed interim statement of income	8
Cond	lensed interim statement of comprehensive loss	9
Cond	lensed interim statement of cash flows	10
Cond	lensed interim balance sheet	11
Cond	lensed interim statement of changes in equity	13
	lensed interim statement of value added	
Notes	s to the condensed parent company and consolidated interim financial statements	
1	General information	15
2	Presentation of the parent company and consolidated financial statements and summary of significant accounting policies	17
3	Net revenue	
4	Costs and expenses	
5	Financial result	
6	Cash and cash equivalents	
7	Accounts receivable	
8	Other assets	
9	Judicial deposits and security deposits	
10	Deferred income tax and social contribution	
11	Asset subject to indemnification	28
12	Investments	
13	Asset	
14	Intangible	
15	Suppliers	
16	Debentures	
17	Sectorial charges	
18	UBP - Use of the public good	
19	Social and environmental obligations	
20	Energy futures contracts	
21 22	Post-employment benefits	
23	Other liabilities	
24	Transactions with related parties	
25	Equity	
26	Financial instruments and risk management	
26.1	Financial leverage ratio and maturity of liabilities	
27	Insurance (not reviewed)	
28	Subsequent event	

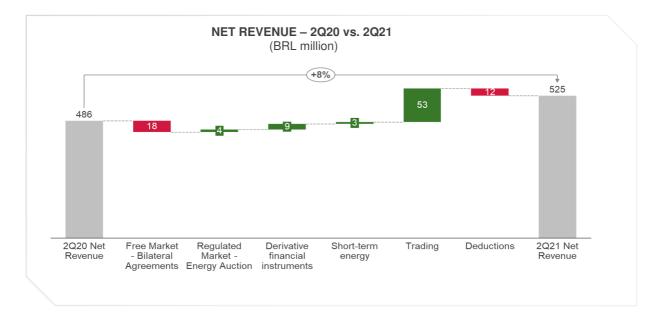


FINANCIAL PERFORMANCE

NET REVENUE

Net operating revenue in 2Q21 amounted to BRL525 million, an increase of BRL40 million (+8%) from BRL486 million in 2Q20, explained mainly by the following:

- Trading Operations: Increase of BRL53 million, due to the higher volume and average price of the trading operations by CESP Comercializadora, whose revenue in 2Q21 stood at BRL80 million, compared to BRL27 million in 2Q20.
- Derivative financial instruments¹: Reduction in the expenses by BRL9 million due to the Brazilian real appreciation against the U.S. dollar between periods, with a total expense of BRL20 million in 2Q21 vs. BRL29 million in 2Q20.
- Regulated Market Energy Auction: Increase of BRL4 million due to contractual price adjustments, with revenue of BRL125 million in 2Q21 vs. BRL121 million in 2Q20.
- Short-term energy: Increase of BRL3 million due to higher energy sales in this market in 2Q21 compared to 2Q20, for total revenue of BRL9 million in 2Q21 vs. BRL6 million in 2Q20. These effects were partially offset by:
- Free Market Bilateral Agreements: Reduction of BRL18 million explained by the by the non-recurring effect of the balance settlement with the CCEE in 2Q20 (R\$19 million), partially offset by the increase in volume and price of energy sales contracts.
- Deductions: Expense increase of BRL12 million, mainly due to the higher PIS and COFINS taxes
 on operating income due to the growth in sales by the trading company, for a total deduction of
 BRL71 million in 2Q21 vs. BRL59 million in 2Q20.



3 of 49

¹ Derivative financial instruments used by the Company to hedge against exchange exposure of agreements in the free market, indexed to the U.S. dollar (BRL5.4760 on June 30, 2020 vs. BRL5.0022 on June 30, 2021). Source: Central Bank of Brazil.



OPERATING COSTS & EXPENSES

Operating costs and expenses amounted to BRL393 million in 2Q21, compared to BRL188 million in 2Q20, increasing BRL205 million between periods, mainly due to:

- Reversal of provision for litigation: Negative impact of BRL126 million, due to reversal of the provision in the amount of BRL134 million in 2Q20 vs. BRL8 million in 2Q21, with no cash effect.
- Energy purchase costs: BRL197 million in 2Q21 vs. BRL137 million in 2Q20, an increase of BRL60 million from 2Q20, mainly due to:
 - Increase of BRL56 million in purchases for trading operations in 2Q21 (BRL72 million) vs. 2Q20, in line with the Company's strategy; and
 - Higher price of energy purchased (free and spot markets) to equalize the energy balance, resulting in an impact of BRL2 million (BRL119 million in 2Q21 vs. BRL117 million in 2Q20) in the period. In 2Q21, 297 MW average were purchased, 19% less than in 2Q20 (367 MW average), with a 20% increase in average prices (BRL193/MWh in 2Q21 vs. BRL161/MWh in 2Q20).
- Future Energy Contracts: Expense of BRL34 million in 2Q21 vs. BRL3 million in 2Q20, an increase of BRL31 million, with a non-cash effect, mainly due to market volatility given the challenging hydrological scenario.
- PMSO:
 - Personnel, Materials and Third-party Services (PMS): Increase of BRL5 million between periods (BRL33 million in 2Q21 vs. BRL28 million in 2Q20), explained mainly by: (i) increase of approx. BRL3 million in Personnel expenses, due to inflation adjustment in post-employment benefits, increase in labor indemnity and collective bargaining provision and (ii) increase in expenses with maintenance and upkeep of assets as a result of scheduled maintenance carried out at our plants that did not take place in the same period of the previous year.
 - Other expenses (O): Increase of BRL5 million due to the reversal of expense in the total amount of BRL5 million in 2Q20, which did not recur in 2Q21. The reversal is explained by the write-off of the quota provision of Global Reversion Reserve² (RGR) in 2020.

These effects were partially offset by:

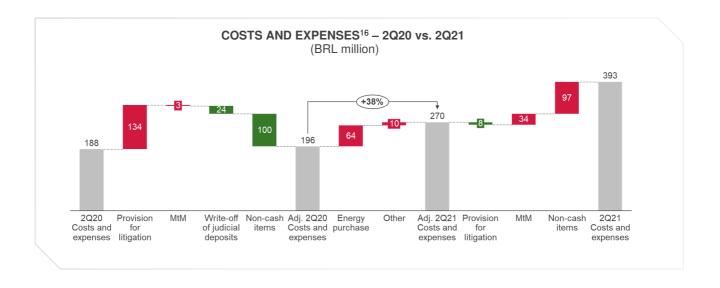
- Write-off of judicial deposits: In 2Q20, BRL24 million was recognized from the write-off of judicial deposits, which did not recur in 2Q21.
- Other non-cash effects³: These effects amounted to BRL97 million in 2Q21 vs. BRL100 million in 2Q20, representing a reduction of BRL3 million in the expense, mainly due to the effective reduction in depreciation and amortization expenses between periods.

Excluding all non-recurring and non-cash effects, operating costs and expenses in 2Q21 amounted to BRL270 million, increasing 38% from 2Q20 (BRL196 million), mainly due to the impact detailed above in the line energy purchases.

² The RGR is a charge of the Brazilian electric sector paid monthly by the energy generation, transmission and distribution concessionaires. Created in 1957, as of Decree No. 41.019, the Global Reversion Reserve Account finances improvement and expansion projects for companies in the energy sector.

Other non-cash items include depreciation/amortization and provisions for PIS/COFINS for judicial deposits.





EBITDA

(BRL thousand)	2Q21	2Q20	Δ	1H21	1H20	Δ
Net Income	(18,129)	137,798	n.m.	97,669	191,611	-49%
Net IR/CSLL ⁴	(7,164)	65,800	n.m.	56,803	111,574	-49%
Financial Result	157,576	94,326	67%	325,439	203,536	60%
= EBIT	132,283	297,924	-56%	479,911	506,721	-5%
Depreciation & Amortization	97,371	99,876	-3%	195,226	200,271	-3%
EBITDA	229,654	397,800	-42%	675,137	706,992	-5%
Reversal of provision for litigation	(7,937)	(134,167)	-94%	(210,809)	(107,188)	97%
Write-off of judicial deposits	-	23,643	n.m.	39,781	23,643	68%
Adjusted EBITDA	221,717	287,276	-23%	504,109	623,447	-19%
Adjusted EBITDA margin	42%	59%	-17 p.p.	47%	66%	-19 p.p.

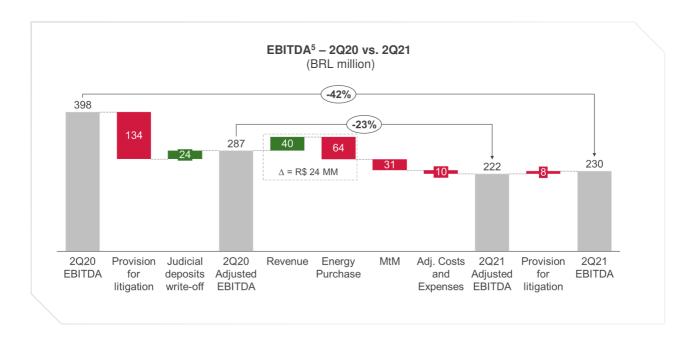
Adjusted EBITDA amounted to BRL222 million in 2Q21, with margin of 42%, down 23% from the same period in 2020 (BRL287 million). The variations in adjusted EBITDA are mainly explained by: (i) reversal of the provision for litigation in the amount of BRL134 million in 2Q21 vs. BRL8 million in 2Q21; (ii) the hydro crises effect on energy price and volume, impacting the energy margin in R\$24 million; and (iii) the negative effect of BRL31 million from the mark-to-market adjustment of future energy contracts for trading (BRL-34 million in 2Q21 vs. BRL-3 million in 2Q20).

5 of 49

⁴ 2Q21: Net IR and CSLL resulting from BRL17 million of current tax and BRL25 million of deferred tax, of which BRL16 million is cash outflow.



2Q21, the



FINANCIAL INCOME (EXPENSE)

(BRL thousand)	2Q21	2Q20	Δ	1H21	1H20	Δ
Financial revenues	5,971	7,941	-25%	11,696	18,454	-37%
Financial expenses	(163,547)	(102,267)	60%	(337,135)	(221,990)	52%
Debt charges	(20,663)	(20,763)	0%	(39,774)	(46,367)	-14%
Monetary update of debentures	(32,142)	-	-	(70,492)	-	-
Balance update of provision for litigation	(62,535)	(46,707)	34%	(128,258)	(115,792)	11%
Write-off of judicial deposits	-	(13,527)	-	(1,832)	(13,527)	-86%
Balance update of post- employment benefits	(39,531)	(14,905)	165%	(79,061)	(29,997)	164%
Other finance costs	(8,676)	(6,365)	36%	(17,718)	(16,307)	9%
Financial results	(157,576)	(94,326)	67%	(325,439)	(203,536)	60%

Company registered a net financial expense of BRL158 million, compared to a net financial expense of BRL94 million in 2Q20. The increase in the quarterly comparison is mainly due to:

Debt charges and inflation adjustment of debentures: Increase of BRL32 million related to the 12th issue of debentures by the Company, indexed to IPCA (1.7% in 2Q21), for a total expense of R\$53 million in 2Q21 vs. BRL21 million in 2Q20;

6 of 49

⁵ Adjusted Operating Expenses considers total operating expenses less provision for litigation, write-off of court deposits, de and MtM adjustments.



- Adjustment of post-employment benefit balance: Expense of BRL40 million in 2Q21 vs. BRL15 million in 2Q20, an increase of BRL25 million, explained mainly by the adjustment of the balance of actuarial liability on pension plans sponsored by the Company. For more details on this topic, see the section "Pension Plan Vivest" in this document; and
- Adjustment of balance of provision for litigation: Increase of BRL16 million, due to the inflation adjustment of the total provision for litigation, given the increase in IGP-M in the period (6.21% in 2Q21 vs. 2.64% in 2Q20), in the total amount of BRL63 million in 2Q21 vs. BRL47 million in 2Q20.

INCOME TAX (IR) & SOCIAL CONTRIBUTION (CSLL)

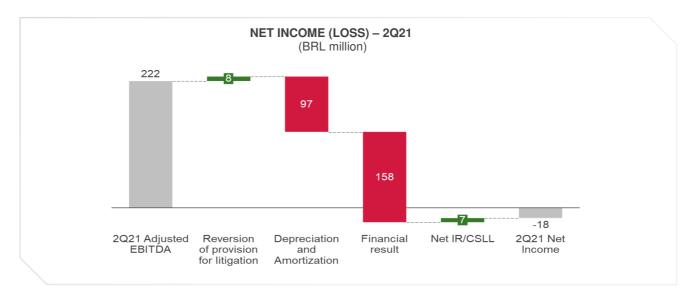
Income tax and social contribution (IR and CSLL) ("taxes") in the year includes current and deferred taxes. Taxes are calculated on an accrual basis, pursuant to current law. The Company adopts the annual taxable income regime, with payments based on monthly estimates, which could result in a mismatch between the tax calculated and paid, which is adjusted in the annual calculations of IR and CSLL

Net IR and CSLL in 2Q21 amounted to positive BRL7 million, of which BRL17 million refers to current IR and CSLL and BRL25 million to a reversal of deferred IR and CSLL. This effect is mainly explained by the change in the operating scenario (mainly due to the MtM) and the need to purchase energy. Regarding deferred taxes, we can highlight that the main variation was in the post-employment benefit line, and also in the provision for MtM, in addition to a reversal of the provision for litigation. The amount of tax paid in 2Q21, calculated by estimate, was BRL16 million (cash effect, considering a total effective rate of 37%).

It is also worth mentioning that when comparing 2Q21 with 2Q20, the significant variation in deferred charges is due to the 10-year limitation on the asset's impairment test, pursuant to CVM Instruction No. 371/2022, which was revoked by CVM Resolution No. 2/2020.

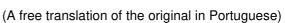
NET INCOME

In 2Q21, the Company reported a net loss of BRL18 million, compared to net income of BRL138 million in 2Q20. The following chart shows the main factors that influenced net income in the quarter, based on adjusted EBITDA in the same period:



Condensed interim statement of income Periods ended June 30







		Note	Qua	arters ended	Semesters ended		
Peter Pete		110.10				6/30/2020	
Petricity service cost	Matana		505.400	405 500	4 000 040	0.40.070	
Electricity cost	net revenue	3	525.163	485.532	1.082.048	946.072	
Quarter Quar	•	4				(507.391)	
Section 181885 204476 373.658 438 438	•		,	,	` ,	(288.827)	
Caperating income (expenses)	•		(106.596)	(108.496)		(218.564)	
Ceneral and administrative (24,866) (23,036) (52,927) (46 Other operating income (expenses), net (24,866) (24,86	Gross profit		181.885	204.476	373.658	438.681	
Ceneral and administrative (24,866) (23,036) (52,927) (46 Other operating income (expenses), net (24,866) (24,86	Operating income (expenses)	4					
Chien coperating income (expenses), net (24,835) 116,484 158,180 114			(24.966)	(23.036)	(52.927)	(46.864)	
Net financial result	Other operating income (expenses), net		(24.636)	116.484	159.180	114.904	
Net financial result 5		_	(49.602)	93.448	106.253	68.040	
Net financial result 5 Finance income 5.971 7.941 11.696 18 Finance expenses (163.547) (102.267) (337.185) (221 Profit (loss) before income tax and social contribution (25.293) 203.598 154.472 303 Income tax and social contribution 10.4 (27.384) (29.855) (27.550) (66 Deferred (18.129) 137.798 97.669 191 Basic earnings (loss) for the period (18.129) 137.798 97.669 191 Basic earnings (loss) per thousand shares, in Reais (0.06) 0.42 0.30 Parent Com Not revenue 3 353.392 363.552 756.264 762 Belectricity service cost 4 (188.961) (187.202) 430.3021 630.2022 630.2022 630.2021 630 Not revenue 3 353.392 363.552 756.264 762 762 762 762 762 762 762 762 762 762 762	Operating profit before finance results	_	132.283	297.924	479.911	506.721	
Finance expenses	3						
Finance expenses	Net financial result	5					
Profit (loss) before income tax and social contribution (25.293) 203.598 154.472 303 income tax and social contribution 10.4 Current (17.384) (29.855) (27.550) (66 Deferred (24.548) (35.945) (29.253) (44 Net income (loss) for the period (18.129) 137.798 97.689 191 Basic earnings (loss) per thousand shares, in Reais (0.06) 0.42 0.30 Parent Come (18.129) 137.798 97.689 191 Basic earnings (loss) per thousand shares in Reais (0.06) 0.42 0.30 Parent Come (18.129) 137.798 97.689 191 Basic earnings (loss) per thousand shares in Reais (0.06) 0.42 0.30 Parent Come (18.129) 137.798 97.689 191 Basic earnings (loss) per thousand shares in Reais (0.06) 0.42 0.30 Parent Come (18.129) 0.42 0.30 Parent Come Parent Parent Come Parent Come Parent Come Parent Come Parent Come Parent Come Parent Parent Come Parent Come Parent Parent Come Parent Com	Finance income	-	5.971	7.941	11.696	18.454	
Profit (loss) before income tax and social contribution (25.293) 203.598 154.472 303 income tax and social contribution 10.4 Current (17.384) (29.855) (27.550) (66 Deferred (24.548) (35.945) (29.253) (44 Net income (loss) for the period (18.129) 137.798 97.689 191 Basic earnings (loss) per thousand shares, in Reais (0.06) 0.42 0.30 Parent Come (18.129) 137.798 97.689 191 Basic earnings (loss) per thousand shares in Reais (0.06) 0.42 0.30 Parent Come (18.129) 137.798 97.689 191 Basic earnings (loss) per thousand shares in Reais (0.06) 0.42 0.30 Parent Come (18.129) 137.798 97.689 191 Basic earnings (loss) per thousand shares in Reais (0.06) 0.42 0.30 Parent Come (18.129) 0.42 0.30 Parent Come Parent Parent Come Parent Come Parent Come Parent Come Parent Come Parent Come Parent Parent Come Parent Come Parent Parent Come Parent Com	Finance expenses			(102.267)	(337.135)	(221.990)	
Note Parent Common	·	_				(203.536)	
Note Parent Common		<u> </u>	(25, 202)	202 508	154 472	303.185	
Current (17,384) (29,855) (27,550) (66 Deferred 24,548 (35,945) (29,253) (44 (45,948) (35,945) (29,253) (44 (45,948) (35,945) (29,253) (44 (45,948) (35,945) (29,253) (44 (46,948) (35,945) (29,253) (44 (46,948) (35,945) (29,253) (44 (46,948) (35,945) (29,253) (44 (46,948) (35,945) (39,253) (44 (46,948) (35,945) (39,253) (44 (46,948) (35,945) (39,253) (44 (46,948) (39,254) (39,25	Profit (loss) before income tax and social contribution	_	(23.293)	203.390	134.472	303.103	
Deferred 24.548 (35.945) (29.253) (44 Net income (loss) for the period (18.129) 137.798 97.669 191 Basic earnings (loss) per thousand shares, in Reais (0,06) 0,42 0,30		10.4					
Net income (loss) for the period (18.129) 137.798 97.669 191 Basic earnings (loss) per thousand shares, in Reais (0.06) 0.42 0.30 Parent Come Note Quarter ended Semesters ended Note revenue 3 353.392 363.552 756.264 762 Electricity service cost 4 (188.961) (187.220) (403.481) (360 Electricity cost 4 (188.961) (187.220) (403.481) (360 Clear (100.576) (108.496) (212.866) (218 Gross profit 4 (188.961) (187.220) (40.43.481) (360 Operating income (expenses) 4 (22.524) (21.347) (47.822) (41 Operating income (expenses), net 9.059 119.919 173.615 92 Operating profit before equity results and finance results 150.966 274.076 478.576 452 Results from equity investments 150.966 274.076 478.576 452			, ,	(/	, ,	(66.932)	
Basic earnings (loss) per thousand shares, in Reais (0.06) (0.42) (0.06)	Deferred		24.548	(35.945)	(29.253)	(44.642)	
Note	Net income (loss) for the period					191.611	
Note Post	Basic earnings (loss) per thousand shares, in Reais		(0,06)	0,42	0,30	0,59	
Net revenue 3 353.392 363.552 756.264 762					Par	ent Company	
Net revenue 3 353.392 363.552 756.264 762		Note					
Electricity service cost		_	6/30/2021	6/30/2020	6/30/2021	6/30/2020	
Electricity cost	Net revenue						
Operating cost Common Co		3	353.392	363.552	756.264	762.761	
Gross profit 164.431 176.332 352.783 401 Operating income (expenses) 4 2 4 4 2 4 4 2 4 2 4 2 4	Electricity service cost						
Operating income (expenses) 4 General and administrative (22.524) (21.347) (47.822) (41 Other operating income (expenses), net 9.059 119.091 173.615 92 (13.465) 97.744 125.793 50 Operating profit before equity results and finance results 150.966 274.076 478.576 452 Results from equity investments Equity in the results of investees 12 (11.969) 16.012 1.385 36 Net financial result 5 5 1.385 36 Net finance income 5.422 7.520 10.910 17 Finance expenses (163.538) (102.240) (337.097) (221 Profit (loss) before income tax and social contribution (19.119) 195.368 153.774 284 Income tax and social contribution 10.4 (12.581) (19.993) (22.403) (54 Deferred 13.571 (37.577) (33.702) (38			(188.961)	(187.220)	(403.481)	762.761 (360.915) (142.351)	
General and administrative	Electricity cost		(188.961) (82.385)	(187.220) (78.724)	(403.481) (190.615)	(360.915)	
Other operating income (expenses), net 9.059 119.091 173.615 92 (13.465) 97.744 125.793 50 Operating profit before equity results and finance results 150.966 274.076 478.576 452 Results from equity investments Equity in the results of investees 12 (11.969) 16.012 1.385 36 Net financial result 5 (11.969) 16.012 1.385 36 Net finance income 5.422 7.520 10.910 17 Finance expenses (163.538) (102.240) (337.097) (221 Profit (loss) before income tax and social contribution (19.119) 195.368 153.774 284 Income tax and social contribution 10.4 (12.581) (19.993) (22.403) (54 Deferred 13.571 (37.577) (33.702) (38	Electricity cost Operation cost		(188.961) (82.385) (106.576)	(187.220) (78.724) (108.496)	(403.481) (190.615) (212.866)	(360.915) (142.351)	
Compact Comp	Electricity cost Operation cost Gross profit	4	(188.961) (82.385) (106.576)	(187.220) (78.724) (108.496)	(403.481) (190.615) (212.866)	(360.915) (142.351) (218.564)	
Results from equity investments 150.966 274.076 478.576 452 Results from equity investments 12 (11.969) 16.012 1.385 36 Ret financial result 5 (11.969) 16.012 1.385 36 Net finance income 5.422 7.520 10.910 17 Finance expenses (163.538) (102.240) (337.097) (221 Profit (loss) before income tax and social contribution (19.119) 195.368 153.774 284 Income tax and social contribution 10.4 (12.581) (19.993) (22.403) (54 Deferred 13.571 (37.577) (33.702) (38	Electricity cost Operation cost Gross profit Operating income (expenses)	4	(188.961) (82.385) (106.576) 164.431	(187.220) (78.724) (108.496) 176.332	(403.481) (190.615) (212.866) 352.783	(360.915) (142.351) (218.564)	
Results from equity investments Equity in the results of investees 12	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672	
Equity in the results of investees 12	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615	(360.915) (142.351) (218.564) 401.846	
Equity in the results of investees 12	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672	
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Finance income 5.422 7.520 10.910 17 Finance expenses (163.538) (102.240) (337.097) (221 (158.116) (94.720) (326.187) (204 Profit (loss) before income tax and social contribution (19.119) 195.368 153.774 284 Income tax and social contribution 10.4 (12.581) (19.993) (22.403) (54 Deferred 13.571 (37.577) (33.702) (38	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685	
Finance expenses	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531	
Profit (loss) before income tax and social contribution (158.116) (94.720) (326.187) (204 Income tax and social contribution (19.119) 195.368 153.774 284 Current (12.581) (19.993) (22.403) (54 Deferred 13.571 (37.577) (33.702) (38	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531	
Profit (loss) before income tax and social contribution (19.119) 195.368 153.774 284 Income tax and social contribution 10.4 (12.581) (19.993) (22.403) (54 Current (13.571) (37.577) (33.702) (38	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees Net financial result	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966 (11.969) (11.969)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531	
Income tax and social contribution 10.4 Current (12.581) (19.993) (22.403) (54 Deferred 13.571 (37.577) (33.702) (38	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees Net financial result Finance income	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966 (11.969) (11.969)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076 16.012 7.520 (102.240)	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576 1.385 1.385	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531 36.328 36.328 17.571 (221.932)	
Current (12.581) (19.993) (22.403) (54 Deferred 13.571 (37.577) (33.702) (38	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees Net financial result Finance income	4	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966 (11.969) (11.969)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076 16.012 7.520 (102.240)	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576 1.385 1.385	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531 36.328 36.328	
Current (12.581) (19.993) (22.403) (54 Deferred 13.571 (37.577) (33.702) (38	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees Net financial result Finance income Finance expenses	4	(188.961) (82.385) (106.576) 164.431 ((22.524) 9.059 (13.465) 150.966 (11.969) (11.969) 5.422 (163.538) (158.116)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076 16.012 16.012 7.520 (102.240) (94.720)	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576 1.385 1.385 10.910 (337.097) (326.187)	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531 36.328 36.328 17.571 (221.932)	
Deferred 13.571 (37.577) (33.702) (38	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees Net financial result Finance income Finance expenses Profit (loss) before income tax and social contribution	12	(188.961) (82.385) (106.576) 164.431 ((22.524) 9.059 (13.465) 150.966 (11.969) (11.969) 5.422 (163.538) (158.116)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076 16.012 16.012 7.520 (102.240) (94.720)	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576 1.385 1.385 10.910 (337.097) (326.187)	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531 36.328 36.328 17.571 (221.932) (204.361)	
Net income (loss) for the period (18 129) 137 798 97 669 191	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees Net financial result Finance income Finance expenses Profit (loss) before income tax and social contribution Income tax and social contribution	12	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966 (11.969) (11.969) 5.422 (163.538) (158.116) (19.119)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076 16.012 16.012 7.520 (102.240) (94.720)	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576 1.385 1.385 1.0.910 (337.097) (326.187)	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531 36.328 36.328 17.571 (221.932) (204.361)	
NET INCOME (IOSS) for the period (18 129) 137 /98 97 669 191	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees Net financial result Finance income Finance expenses Profit (loss) before income tax and social contribution Income tax and social contribution Current	125	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966 (11.969) (11.969) (11.969) (158.116) (19.119)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076 16.012 16.012 7.520 (102.240) (94.720) 195.368	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576 1.385 1.385 1.385 1.385 1.385 1.574	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531 36.328 36.328 17.571 (221.932) (204.361)	
Basic earnings (loss) per thousand shares, in Reais (0,06) 0,42 0,30	Electricity cost Operation cost Gross profit Operating income (expenses) General and administrative Other operating income (expenses), net Operating profit before equity results and finance results Results from equity investments Equity in the results of investees Net financial result Finance income Finance expenses Profit (loss) before income tax and social contribution Income tax and social contribution Current Deferred	125	(188.961) (82.385) (106.576) 164.431 (22.524) 9.059 (13.465) 150.966 (11.969) (11.969) 5.422 (163.538) (158.116) (19.119)	(187.220) (78.724) (108.496) 176.332 (21.347) 119.091 97.744 274.076 16.012 7.520 (102.240) (94.720) 195.368	(403.481) (190.615) (212.866) 352.783 (47.822) 173.615 125.793 478.576 1.385 1.385 10.910 (337.097) (326.187) 153.774	(360.915) (142.351) (218.564) 401.846 (41.987) 92.672 50.685 452.531 36.328 36.328 17.571 (221.932) (204.361) 284.498	

Condensed interim statement of comprehensive loss Periods ended June 30



All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Consolidated and parent company					
	_	Quarters ended		Sen	esters ended		
	Note	6/30/2021	6/30/2020	6/30/2021	6/30/2020		
Net income (loss) for the period		(18.129)	137.798	97.669	191.611		
Other components of comprehensive income to be reclassified to income							
Operating hedge accounting	25.4	29.315	(5.772)	19.405	(109.955)		
Operating hedge accounting compensation	12.2	19.719	(1.433)	14.050	(49.814)		
	_	49.034	(7.205)	33.455	(159.769)		
	_						
Total comprehensive loss for the period	_	30.905	130.593	131.124	31.842		

Condensed interim statement of cash flows Periods ended June 30



All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	_		Consolidated	Parent company		
	Note	6/30/2021	6/30/2020	6/30/2021	esters ended 6/30/2020	
Cash flow from operating activities	Note	0/30/2021	0/30/2020	0/30/2021	0/30/2020	
Profit before income tax and social contribution		154.472	303.185	153.774	284.498	
Adjustments for non-cash items						
Depreciation and amortization	4	195.226	200.271	195.226	200.163	
Write-off of fixed and intangible assets		1.689	488	1.689	488	
Equity in earnings	12	-	-	(1.385)	(36.328)	
Interest and indexation accruals and foreign exchange gains/losses	16.2	110.266	46.367	110.266	46.367	
Appropriation of funding costs	16.2	2.749	1.573	2.749	1.573	
Provision (reversal) of expenses Reversal of provision for legal claims	22	(210.809)	(107.188)	(210.809)	(107.188)	
Reversal of provision for recoverable value of warehouses	4	(210.009)	(66)	(210.009)	(66)	
Provision (reversal) for PIS/COFINS on court deposits	4	319	(300)	319	(300)	
Balance updates		010	(000)	010	(000)	
Litigation provision additions and accruals	22	128.258	115.792	128.258	115.792	
Court escrow deposits additions and accruals	9	(3.284)	(4.425)	(3.284)	(4.425)	
Post-employment benefits	21.1 (b)	79.061	29.811	79.061	29.811	
Adjustment to present	,					
Social and environmental obligations	19	3.641	4.344	3.641	4.344	
UBP - Use of public assets	18	2.960	4.125	2.960	4.125	
Lease		118	98	118	98	
Cost of post-employment benefits services	21.1 (b)	876 -	244,00	876 -	244,00	
Write-off of court deposits	9	41.613	39.676	41.613	39.676	
Hydrological risk renegotiation		-	7.511	-	7.511	
Operational hedge accounting	26.3	46.221	38.248	26.149	20.890	
Future energy contracts	20.1	14.436	(22.241)			
	_	567.812	657.025	531.221	606.785	
Decrease (increase) in assets						
Accounts receivable		33.199	(38.037)	49.611	14.278	
Taxes recoverable		(17.016)	(12.036)	(16.285)	(4.799)	
Warehouse		105	1.507	105	1.507	
Prepaid expenses		(2.196)	(280)	(2.196)	(280)	
Collaterals and court deposits	9	4.684	15.788	4.684	15.788	
Derivative financial instruments	26.3	-	(26.919)	-	(14.512)	
Other assets		1.370	(3.082)	1.391	(3.559)	
Increase (decrease) in liabilities						
Suppliers		7.529	22.880	(3.031)	(14.717)	
Derivative financial instruments	26.3	(50.887)	-	(29.805)	-	
Taxes payable	04.4.41	(3.080)	39.846	(3.676)	25.332	
Post-employment benefit payments	21.1 (b)	(280)	(236)	(280)	(236)	
Sectorial charges Litigation payment	00	(3.851)	(253)	(3.851) (21.976)	(253)	
Social and environmental obligations	22 19	(21.976) (8.433)	(40.136) (4.594)	(8.433)	(40.136) (4.594)	
Payment of UBP - Use of public assests	18	(21.512)	(7.316)	(21.512)	(7.316)	
Estimated liabilities and payroll	10	(7.566)	(4.124)	(7.487)	(4.713)	
Other liabilities		1.480	(59.044)	1.459	(58.913)	
Cash generated from operations	_	479.382	540.989	469.939	509.662	
Interest on debentures paid	16.2	(37.976)	(47.458)	(37.976)	(47.458)	
Income tax and social contribution paid		(20.455)	(31.908)	(15.848)	(24.254)	
Net cash generated from operating activities		420.951	461.623	416.115	437.950	
Cash flow from investing activities						
Fixed asset acquisitions	13.1	(3.061)	(7.379)	(3.061)	(7.379)	
Acquisition of intangible assets	14.1 _	(370)	(774)	(370)	(774)	
Net cash used in investing activities	_	(3.431)	(8.153)	(3.431)	(8.153)	
Cash flow from financing activities						
Settlement of debentures	16.2		(22)	-	(22)	
Lease settlement	10.2	(705)	(785)	(705)	(785)	
Dividends paid		(583.990)	(409.558)	(583.990)	(409.558)	
Repurchase of shares		(3.332)	-	(3.332)	-	
Net cash generated (invested) in financing activities	_	(588.027)	(410.365)	(588.027)	(410.365)	
Increase (decrease) in cash and cash equivalents	_	(170.507)	43.105	(175.343)	19.432	
Opening balance of cash and cash equivalents	_	713.384	741.444	643.045	690.276	
Closing balance of cash and cash equivalents	_	542.877	784.549	467.702	709.708	

Condensed interim balance sheet



All amounts in thousands of reais

(A free translation of the original in Portuguese)

			Consolidated	Parent comp	
	Note	6/30/2021	12/31/2020	6/30/2021	12/31/2020
ASSETS					
CURRENT					
Cash and cash equivalents	6	542.877	713.384	467.702	643.045
Accounts receivable	7	239.618	272.817	163.665	213.276
Taxes to be recovered		78.206	61.190	64.924	48.639
Dividends Receivable		-	-	1.158	1.158
Prepaid expenses		4.153	1.957	4.153	1.957
Other assets	8	69.667	69.509	69.621	69.484
	_	934.521	1.118.857	771.223	977.559
NON-CURRENT					
Long-term receivables					
Collaterals and judicial deposits	9	217.483	260.496	217.483	260.496
Deferred income tax and social contribution	10	3.908.192	3.954.680	3.890.098	3.933.797
Warehouse		5.918	6.023	5.918	6.023
Assets subject to indemnity	11 _	1.739.161	1.739.161	1.739.161	1.739.161
	_	5.870.754	5.960.360	5.852.660	5.939.477
Investments	12			46.611	31.176
immobilized	13	5.792.444	5.956.429	5.792.444	5.956.429
Intangible assets	14	1.482.468	1.509.895	1.482.468	1.509.895
Right-of-use assets on lease agreements		5.982	6.323	5.982	6.323
	_	13.151.648	13.433.007	13.180.165	13.443.300
TOTAL ASSETS	_	14.551.864	14.551.864	13.951.388	14.420.859

Condensed interim balance sheet



All amounts in thousands of reais (continued)

	_		Consolidated		Parent company
	Note	6/30/2021	12/31/2020	6/30/2021	12/31/2020
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT					
Suppliers	15	110.609	103.080	39.311	42.342
Debentures	16	20.019	18.220	20.019	18.220
Lease liabilities		1.791	1.700	1.791	1.700
Derivative financial instruments	26.3	48.869	95.084	31.897	58.936
Future energy contracts	20	26.199	17.336	-	-
Estimated obligations and payroll		15.821	23.387	14.992	22.479
Taxes payable		44.736	40.721	34.963	32.084
Other liabilities	23	26.993	22.906	26.964	22.898
NON-CURRENT					
Debentures	16	1.874.094	1.800.854	1.874.094	1.800.854
Lease liabilities		4.516	4.788	4.516	4.788
Derivative financial instruments	26.3	-	9.141	-	6.019
Future energy contracts	20	9.681	4.108	-	-
Sector charges	17	1.240	1.240	1.240	1.240
UBP - Use of public assets	18	97.197	114.057	97.197	114.057
Allowance for litigation	22	1.643.730	1.748.257	1.643.730	1.748.257
EQUITY	25				
Share capital		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		1.934.622	2.187.137	1.934.622	2.187.137
Deemed costs		(2.837.415)	(2.885.455)	(2.837.415)	(2.885.455)
Other comprehensive income		83.084	- '	83.084	- 1
Retained earnings		(3.332)	-	(3.332)	-
TOTAL SHAREHOLDERS' EQUITY		7.081.490	7.206.213	7.081.490	7.206.213
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		14.086.169	14 551 964	12 051 200	14 400 050
I O I AL LIABILITIES AND SHAKEHOLDERS EQUITY	-	14.080.109	14.551.864	13.951.388	14.420.859

Condensed interim statement of changes in equity Periods ended June 30



All amounts in thousands of reais

(A free translation of the original in Portuguese)

							Other			
					Additional		comprehensive		(-) Actions in	
	Note	Share capital	Capital reserves	Profit reserves	dividends	Deemed cost	income	Accrued profits	Treasury	Total
Balances on January 1, 2020		5.975.433	1.929.098	1.084.883		(948.623)	(895.886)	-	-	7.144.905
Depreciation of deemed cost		-	-	-	-	19.915	-	(19.915)	-	-
Net income for the semester		-	-	-	-	-	-	191.611	-	191.611
Operational hedge accounting		-	-	-	-	-	(109.955)	-	-	(109.955)
Operational hedge accounting compensation	_	-		-			(49.814)		-	(49.814)
Total comprehensive income for the semester	_	-	-		· ·	19.915	(159.769)	171.696	-	31.842
Balances as of June 30, 2020	_	5.975.433	1.929.098	1.084.883		(928.708)	(1.055.655)	171.696	-	7.176.747
Balances on January 1, 2021	_	5.975.433	1.929.098	1.934.515	252.622	(919.658)	(1.965.797)		-	7.206.213
Depreciation of deemed cost	25.3	-	-	-	-	14.585	-	(14.585)	-	-
Net income for the semester		-	-	-	-	-	-	97.669	-	97.669
Operational hedge accounting	25.4	-	-	-	-	-	19.405	-	-	19.405
Operational hedge accounting compensation	12.2	-	-	-	-	-	14.050	-	-	14.050
Total comprehensive income for the semester	_	-	-	-	-	14.585	33.455	83.084	-	131.124
Repurchase of shares	25.5	-	-	-	-	-	-	-	(3.332)	(3.332)
Additional dividends	25.2	-	-	-	(252.622)	-	-	-	-	(252.622)
Constitution of statutory profit reserve		-	-	107	-	-	-	-	-	107
Total contributions and distributions to shareholders				107	(252.622)		-		(3.332)	(255.847)
Balances as of June 30, 2021	_	5.975.433	1.929.098	1.934.622	-	(905.073)	(1.932.342)	83.084	(3.332)	7.081.490

Condensed interim financial value added Periods ended June 30



All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	_	Consolidated		Parent company		
	_		esters ended		esters ended	
	Note	6/30/2021	6/30/2020	6/30/2021	6/30/2020	
Generation of added value						
Gross Revenue	3 _	1.230.614	1.085.767	869.578	882.176	
	_	1.230.614	1.085.767	869.578	882.176	
Inputs	4	405.450	000 007	100.015	1 10 051	
Purchased energy		495.450	288.827	190.615	142.351	
Third party services		16.331	13.587	15.785	13.061	
Materials		841	1.012	839	634	
Other operating costs	_	4.920 517.542	5.030 308.456	4.846 212.085	5.030	
Gross added value	_	713.072	777.311	657.493	161.076 721.100	
Deductions	4	713.072	777.311	037.433	721.100	
Depreciation and amortization	4	195.226	200.271	195.226	200.163	
Future energy contracts		14.436	(22.241)	190.220	200.103	
i didi e energy contracts	_	209.662	178.030	195.226	200.163	
Net added value generated	_	503.410	599.281	462.267	520.937	
Transfers	_	300.410	333.201	402.201	320.337	
Financial income	5	11.696	18.454	10.910	17.571	
Post-employment benefits	4	(876)	244	(876)	244	
Equity in earnings	12	(070)	-	1.385	36.328,00	
Deferred income and social contribution taxes	10.4	(29.253)	(44.642)	(33.702)	(38.887)	
Defended informed and books contribution taxoo	10.1	(18.433)	(25.944)	(22.283)	15.256	
Other	4	(101100)	(=0:0 : .)	(==:=00)	10.200	
Reversal of provision for legal claims		210.809	107.188	210.809	107.188	
Write-off of court deposits		(39.781)	(23.643)	(39.781)	(23.643)	
Provision for realizable value of warehouses		(001101)	54	(001101)	66	
Provision (reversal) for PIS/COFINS on court deposits		(319)	300	(319)	300	
Insurance		(2.082)	(4.169)	(2.082)	(4.169)	
Other net revenues		(1.729)	6.030	(917)	6.431	
	_	166.898	85.760	167.710	86.173	
Value added to distribute		651.875	659.097	607.694	622.366	
Distribution of added value	_		•	-		
Personnel						
Work remuneration	4	36.560	33.458	32.842	30.148	
Remuneration of key management personnel	4	3.804	2.470	3.804	2.470	
		40.364	35.928	36.646	32.618	
Funders and rents						
Interest and debt charges	5	110.266	46.367	110.266	46.367	
Other financial expenses	5	226.869	175.623	226.831	175.565	
Rentals	4	591	1.081	565	1.081	
	_	337.726	223.071	337.662	223.013	
Intrasectorial - Regulatory charges	3					
Financial compensation for the use of water resources - CFURH		19.144	25.221	19.144	25.221	
Research and development – R&D		7.706	7.944	7.706	7.944	
Inspection fee for electricity services - TFSEE		2.660	2.439	2.660	2.439	
Global Reversion Reserve - RGR	_	892	1.687	892	1.687	
	_	30.402	37.291	30.402	37.291	
Taxes and social contributions						
Federal		145.658	171.152	105.259	137.789	
Municipal	3 _	56	44	56	44	
	_	145.714	171.196	105.315	137.833	
Shareholders		0	407.5	05.000	42.2.	
Net income (loss) for the semester	_	97.669	191.611	97.669	191.611	
Bi-dibited and advantage	_	97.669	191.611	97.669	191.611	
Distributed added value	_	651.875	659.097	607.694	622.366	





1 General information

1.1 Operations

CESP - Companhia Energética de São Paulo ("CESP" or "the Company") is a publicly-held corporation headquartered in the city of São Paulo. The Company's controlling shareholder is VTRM Energia Participações S.A. ("VTRM"). Together with its subsidiary CESP Comercializadora de Energia ("CESP Comercializadora"), its main activities are the planning, construction and operation of power generation systems and power trading. It carries other complementary operational activities, such as forestation, reforestation and fish farming, as a means of protecting environments modified by the construction of its hydro dams and facilities.

The Company's shares are traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3") and, since July 28, 2006, they have been traded on B3's Corporate Governance Level 1. Management continuously seeks to improve the information it furnishes to the market.

The Company is part of the Broad Brazil Index, Brazil 100 Index, Electric Energy Index, Stock Index with Corporate Governance Trade, Stock Index with Differentiated Corporate Governance, Stock Index with Differentiated Tag Along, and Public Utility Index.

The Company currently has two hydroelectric power plants operating under the price regime, totaling 1,627 MW of installed capacity and 935 average MW of physical energy guarantee.

Following the execution of the new concession contract for the Engenheiro Sérgio Motta Hydroelectric Power Plant (Porto Primavera) ("Porto Primavera UHE"), which extended the concession deadline to 2049, the Company's classification was modified from a public utility for generating electricity to an independent electricity production concessionaire. Its activities continue to be regulated and supervised by the National Electric Energy Agency ("ANEEL"), linked to the Ministry of Mines and Energy ("MME"), and the operation of its plants integrated with the National Electric System Operator ("ONS"). The gross production per plant reflects the mandate under the ONS, as below:

					Gross generation	ation in MWh (*)		
			2021	2020				
Plants	1 st Quarter	2 nd Quarter	Accumulated	1st Quarter	2 nd Quarter	Accumulated		
Porto Primavera	1.872.861	1.585.127	3.457.988	2.387.980	2.016.725	4.404.705		
Paraibuna	7.140	90.742	97.882	23.401	74.572	97.973		
Jaguari	-	-	-	3.007	19.510	22.517		
Total	1.880.001	1.675.869	3.555.870	2.414.388	2.110.807	4.525.195		

(*) Data related to power and energy volumes were not reviewed by independent auditors.

1.2 Main events that occurred during the quarter ended June 30, 2021

a) Temporary operation of HPP Paraibuna

The Company's Board of Directors, at a meeting held on February 11, 2021, approved: (i) the terms proposed in Letter No. 36/2021, as an amendment to the Concession Agreement No. 3/2004, to provide for a provisional six-month extension for Paraibuna UHE. This included the "Term of Acceptance of Extension Period of Grant and Waiver and Waiver of the Right to Discuss the Exemption or Mitigation of Hydrological Risks related to the Mechanism of Energy Relocation - MRE" and conclusion of a new definitive term amendment, after disclosure of final calculations by ANEEL; and (ii) the dispatch of a statement to ANEEL stating that the Company has no interest in proceeding with its request for an extension of a grant for 30 years for the Paraibuna UHE, thus terminating the contract after the extension and compensation provided pursuant to Law No. 14,052/2020.





b) Approval of the proposal for payment of dividends

On March 30, 2021, Management's proposal for payment of distributions from results for the year ended December 31, 2020 was approved at the Annual General Meeting, in the amount of R\$ 850,164 (R\$ 150,000 related to interest on equity (JCP) and R\$ 700,164 related to the mandatory minimum and supplementary dividends), to be paid in Brazilian Reais, in two installments, the first of which of R\$ 600,000 was already settled on April 15, 2021, and the second of R\$ 250,164, to be paid on September 15, 2021.

Interest on equity (JCP) considers the existing equity position at the close of B3's trading session on December 21, 2020 ("base date") and the dividends paid consider April 1, 2021 as the "base date", respecting the negotiations carried out to that day inclusive. The Company's shares began to be traded "ex-JCP" on December 22, 2020 and "ex-dividends" as of April 5, 2021, inclusive.

The payment of the first installment of the dividends took place on April 15, 2021, in the amount of BRL 583,990, settling the amount of BRL 134,050 referring to interest on equity, net of income tax, and the amount of BRL 449,940 regarding dividends).

c) GSF (Generation Scaling Factor)

As disclosed in the individual and consolidated financial statements for the year ended December 31, 2020 (Note 1.2 (i)), the Company follows the regulatory process of Law No. 14,052, published on September 09, 2020, which establishes new conditions for the renegotiation of the hydrological risk of electricity generation, providing for compensation for energy generators by extending their grant terms as a consequence of non-hydrological risks that negatively influenced the GSF after 2012.

As provided for in the schedule disclosed in ANEEL's related regulation, on March 1, 2021, CCEE released the calculations for the extension of the concessions of the plants eligible for the renegotiation of the hydrological risk of the Free Commercialization Environment - ACL based on ANEEL Normative Resolution No. 895/2020 ("Resolution") in force. The results were forwarded to ANEEL for approval and opening of the period to opt to join the renegotiation agreement by the agents, within 30 days. However, the opening of the period to opt to join has not yet occurred due to resources of agents and associations of the sector with ANEEL, claiming changes in the calculation criteria, which, if confirmed by the Agency, could change the calculations, which are pending homologation.

On July 13, 2021, Law No. 14,182/2021 addressing the proposed privatization of Eletrobrás was enacted which may affect the criteria for calculating compensation. Thus, as the CCEE term extensions could be subject to change, due to the new criteria, the Company awaits the final calculations for accounting and approval.

Also, in the year to date, the Board of Directors approved the renegotiation of the hydrological risk for the two Paraibuna and Porto Primavera plants and consequent extension of the concession terms due to the compensation provided for under Law No. 14,052/2020.

d) Effects of COVID-19

The Company and its subsidiary estimate that COVID-19 has had no material impacts on their operations in the semester ended June 30, 2121 or affected the financial position disclosed in the individual and consolidated financial statements as at and for the year ended December 31, 2020.

e) Reduction of the flow of the Porto Primavera ETS

As a result of the most severe water crisis recorded over the last 91 years and continuing concerns over the levels of the country's main hydrographic basins, especially in the Paraná River basin where the Porto Primavera HRU is located, governmental authorities have determined a series of measures to address the drought and its diverse impacts, through measures of hydraulic governance, including by reducing the minimum flows from hydroelectric plants.

In this context, the National Meteorological System (SNM), for the first time since the beginning of its monitoring, issued, on May 27, 2021, a water emergency alert notice, later reinforced by the National Agency of Water and Basic Sanitation (ANA), through Resolution No. 77/2021, declaring a critical drought situation for the Paraná River basin on 1/06/2021. Also, at the 248th Meeting of the Monitoring Committee of the Electric Sector (CMSE), on May 28, 2021, a



All amounts in thousands of reais unless otherwise stated

set of unique urgent measures for releasing hydraulic restrictions was issued to address the water crisis. For the Brazilian electricity sector, this affects the risk generation risk parameters under the SIN. Among these measures, the flow of the Porto Primavera EUP was adjusted to 2,700 m3/s from 1/07/2021, following tests in June 2021.

Thus, Ordinance No. 524/2021 of the Ministry of Mines and Energy (MME), of 06/11/2021, determined the immediate start of testing at UHE Porto Primavera, to reduce the minimum defluence stabilized at 2,700 m3/s, from 1/07/2021. The entire testing process is being conducted in a controlled and monitored fashion, with periodic reports sent to the environmental agency, following the Work Plan duly approved by the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA). This is contemplated in the rectification of the plant's operating license, and which governs the performance of the tests and respective monitoring.

The Company, in defense of the public interest, in compliance with the determination of the government authorities and after obtaining the necessary approvals from IBAMA, started, on 06/16/2021, the tests to reduce the minimum flow rate of the Porto Primavera HPP in order to reach the flow of 2,700 m3/s, pursuant to the aforementioned MME Ordinance. Currently, the flow practiced and monitored is 2,900 m3/s, in line with the decision of the Chamber of Exceptional Rules for Hydroenergetic Management, with the submission of periodic monitoring reports to IBAMA, as provided for in the Work Plan.

The Administration reiterates that it has been complying with all legal, regulatory and other provisions applicable to this issue, with full respect for current regulations, the environment and civil society, in addition to the public interest.

Furthermore, the Management assessed that, as of June 30, 2021, it does not have any present obligation as a result of the flow reduction event, which would justify the recognition of any provisions, which might be necessary to cover obligations and/or devaluation of its assets.

2 Presentation of the parent company and consolidated financial statements and summary of significant accounting policies

The Company's consolidated and individual condensed interim financial statements as of June 30, 2021 were prepared based on the provisions of CPC 21 (R1) - Interim Financial Reporting and international standard IAS 34 - issued by the International Accounting Standards Board (IASB), applicable to the preparation of quarterly information (ITR), which are presented in a manner consistent with the standards issued by Brazilian Securities and Exchange Commission ("CVM"). Thus, this quarterly information considers the circular letter CVM/SNC/SEP 003 of April 28, 2011, which allows entities to submit selected explanatory notes avoiding duplication of information already disclosed in the annual financial statements.

The condensed consolidated and individual interim financial statements as of June 30, 2021 therefore do not incorporate all the notes and disclosures required by the standards for the annual financial statements and, consequently, shall be read in conjunction with the annual financial statements as of December 31, 2020, available on the Investor Relations page (ri.cesp.com.br) and in the consultation of companies listed in B3, prepared in accordance with international financial reporting standards (IFRS), issued by the International Accounting Standards Board (IASB), and in accordance with accounting practices adopted in Brazil that follow the pronouncements issued by the Accounting Pronouncements Committee (CPC).

All relevant information specific to the consolidated and individual condensed interim financial statements is disclosed and is consistent with that used by the Company's Management in the performance of its duties.

The Company's Board of Directors approved the issuance of the consolidated and individual condensed interim financial statements on July 29, 2021.

2.1 Consolidation

The Company obtained authorization from ANEEL to operate as an Electric Energy Trading Agent within the scope of CCEE, through CESP Comercializadora, in early 2020.

The Company consolidates CESP Comercializadora, as it has a 100% stake in its voting capital and has control over the Company, that is, it is exposed or entitled to variable returns from its involvement with the investee and has the ability to significantly direct its activities.



All amounts in thousands of reais unless otherwise stated

Transactions, balances and results of transactions between the subsidiary and the Company are eliminated.

2.2 Significant accounting policies

The condensed interim financial statements were prepared in a manner consistent with the accounting policies disclosed in the annual financial statements for the year ended December 31, 2020.

Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable according to circumstances.

There was no change in estimates and assumptions that presented significant risk, with probability of causing a significant adjustment in the book values of assets and liabilities for the six months ended June 30, 2021, in relation to those detailed in the last annual financial statements for the year ended December 31, 2020, except for the amendment mentioned below regarding the calculation of fair value of energy futures contracts of its subsidiary CESP Comercializadora.

The subsidiary revised the assumptions used in the calculation of the fair value of its energy futures contracts and concluding the full measurement, from June 2021, of its entire contract portfolio previously limited to the 36-month horizon, based on (i) the contractual prices established in the purchase and sale operations and (ii) the market prices for measuring their exposure, both discounted to present value by the estimated IPCA inflation for the period.

The "Statement of Changes in Shareholders' Equity" in the CVM's EmpresasNet System, presents an equity valuation adjustment with does not agree to "Other Comprehensive Results", as such presentation for this transaction in not consistent with the CVM requirement.

2.3 Functional Currency and Presentation Currency

The company's functional and presentation currency is the Brazilian Real/Reais (R\$).





3 Net revenue

								Consolidated
			Qua	arters ended			Sem	esters ended
		6/30/2021		6/30/2020		6/30/2021		6/30/2020
	MWh (*)	R\$ Mil	MWh (*)	R\$ Mil	MWh (*)	R\$ Mil	MWh (*)	R\$ Mil
Gross revenue								
Energy revenues								
Bilateral contracts	1.772.380	401.419	1.996.529	418.960	3.773.164	860.796	3.869.348	813.801
Trading operations	440.891	80.300	159.168	27.269	786.702	138.604	221.808	39.521
Energy Auctions - Energy Distributors	487.942	124.448	490.505	120.562	1.009.027	254.825	1.011.263	247.339
Short-term energy		9.372		6.129		21.200		22.011
	2.701.213	615.539	2.646.202	572.920	5.568.893	1.275.425	5.102.419	1.122.672
Derivative financial instruments (Note 26.3)	-	(19.830)	-	(28.611)	-	(46.221)	-	(38.248)
Other revenues	-	705		596		1.410	-	1.343
	-	(19.125)	-	(28.015)	-	(44.811)	-	(36.905)
	2.701.213	596.414	2.646.202	544.905	5.568.893	1.230.614	5.102.419	1.085.767
Deductions to revenue								
COFINS on operating revenues	-	(46.834)	-	(34.115)	-	(97.040)	-	(84.101)
PIS on operating revenues	-	(10.168)	-	(7.407)	-	(21.068)	-	(18.259)
Financial Compensation for the Use of Water Resources - CFURH	-	(8.916)	-	(11.765)	-	(19.144)	-	(25.221)
Research and development - R&D	-	(3.522)	-	(4.011)	-	(7.706)	-	(7.944)
Electric Power Services Inspection Fee - EPSIF	-	(1.330)	-	(1.210)	-	(2.660)	-	(2.439)
Quota for the global reversal reserve - GRR	-	(446)	-	(844)	-	(892)	-	(1.687)
Service tax - ISS	-	(35)	-	(21)	-	(56)	-	(44)
	-	(71.251)	-	(59.373)	-	(148.566)	-	(139.695)
Net revenue	2.701.213	525.163	2.646.202	485.532	5.568.893	1.082.048	5.102.419	946.072





							Par	ent company
			Qu	arters ended			Sem	esters ended
		6/30/2021		6/30/2020		6/30/2021		6/30/2020
	MWh (*)	R\$ Mil	MWh (*)	R\$ Mil	MWh (*)	R\$ Mil	MWh (*)	R\$ Mil
Gross revenue								
Revenue from electricity								
Bilateral contracts	1.300.054	283.143	1.625.320	309.226	2.888.870	618.950	3.252.763	632.373
Electricity auctions - Electricity distributors	487.942	124.448	490.505	120.562	1.009.027	254.825	1.011.263	247.339
Short-term energy	-	8.714	-	6.129	-	20.542	-	22.011
	1.787.996	416.305	2.115.825	435.917	3.897.897	894.317	4.264.026	901.723
Derivative financial instruments								
(Note 26.3)	-	(10.795)	-	(15.222)	-	(26.149)	-	(20.890)
Other income	-	705	-	596	-	1.410	-	1.343
	-	(10.090)	-	(14.626)	-	(24.739)	-	(19.547)
	1.787.996	406.215	2.115.825	421.291	3.897.897	869.578	4.264.026	882.176
Deductions from revenue								
COFINS on operating revenues	-	(31.693)	-	(32.773)	-	(68.076)	-	(67.439)
PIS on operating revenues	-	(6.881)	-	(7.115)	-	(14.780)	-	(14.641)
Financial Compensation for the Use of Water Resources - CFURH	-	(8.916)	-	(11.765)	-	(19.144)	-	(25.221)
Research and development - R&D	-	(3.522)	-	(4.011)	-	(7.706)	-	(7.944)
Electric Power Services Inspection Fee - TFSEE	-	(1.330)	-	(1.210)	-	(2.660)	-	(2.439)
Quota for the global reversal reserve - RGR	-	(446)	-	(844)	-	(892)	-	(1.687)
Service tax - ISS	-	(35)		(21)		(56)	-	(44)
	-	(52.823)		(57.739)	-	(113.314)	-	(119.415)
Net revenue	1.787.996	353.392	2.115.825	363.552	3.897.897	756.264	4.264.026	762.761

4 Costs and expenses

						Consolidated
						Quarters ended
					6/30/2021	6/30/2020
	Cost of electricity	Cost of operation	General and administrative expenses	Other operating income (expenses), net	Total	Total
Nature of costs and expenses						
Depreciation and amortization	-	(95.736)	(1.615)	(20)	(97.371)	(99.876)
Electricity purchased	(197.214)	-	-	-	(197.214)	(137.133)
Sector charges	(39.468)	-	-	-	(39.468)	(35.427)
Reversal of provision for legal claims	-	-	-	7.937	7.937	134.167
Judicial deposits write-off	-	-	-	-		(23.643)
Electric power futures contracts	-	-	-	(33.696)	(33.696)	(2.599)
Personnel	-	(5.368)	(11.247)	-	(16.615)	(15.423)
Outsourced services	-	(1.907)	(6.664)	-	(8.571)	(7.401)
Management	-	-	(1.670)	-	(1.670)	(1.230)
Maintenance and conservation	-	(3.137)	6	-	(3.131)	(1.145)
Taxes, fees and contributions	-	(26)	(644)	11	(659)	(813)
Insurance	-	-	(1.046)	-	(1.046)	(1.919)
Materials	-	(495)	192	-	(303)	(495)
Post-employment benefits	-	-	(1.314)	-	(1.314)	122
Reversal of provision for PIS/COFINS on indexation of judicial deposits	-	-	-	(51)	(51)	315
Rentals	-	(191)	(147)	-	(338)	(418)
Other operating income (expenses), net		264	(817)	1.183	630	5.310
Total	(236.682)	(106.596)	(24.966)	(24.636)	(392.880)	(187.608)





						Consolidated
					Se	mesters ended
					6/30/2021	6/30/2020
	Cost of electricity	Cost of operation	General and administrative expenses	Other operating income (expenses), net	Total	Total
Nature of costs and expenses						
Depreciation and amortization	-	(191.708)	(3.479)	(39)	(195.226)	(200.271)
Electricity purchased	(416.933)	-	-	-	(416.933)	(219.469)
Sector charges	(78.517)	-	-	-	(78.517)	(69.358)
Reversal of provision for legal claims (Note 22)	-	-	-	210.809	210.809	107.188
Judicial deposits write-off	-	-	-	(39.781)	(39.781)	(23.643)
Electric power futures contracts (Note 20)	-	-	-	(14.436)	(14.436)	22.241
Personnel	-	(10.522)	(26.038)	-	(36.560)	(35.318)
Outsourced services	-	(4.564)	(11.767)	-	(16.331)	(13.587)
Management	-	-	(3.804)	-	(3.804)	(2.470)
Maintenance and conservation	-	(3.914)	(693)	-	(4.607)	(1.283)
Taxes, fees and contributions	-	(52)	(1.852)	-	(1.904)	(1.547)
Insurance	-	-	(2.082)	-	(2.082)	(4.169)
Materials	-	(782)	(59)	-	(841)	(1.012)
Post-employment benefits Reversal of provision for PIS/COFINS on indexation of judicial deposits	-	-	(876)	(319)	(876) (319)	244 300
Rentals	_	(444)	(147)	(5.0)	(591)	(1.081)
Other operating income (expenses), net	-	(954)	(2.130)	2.946	(138)	3.884
Total	(495.450)	(212.940)	(52.927)	159.180	(602.137)	(439.351)

						Parent company
						Quarters ended
					6/30/2021	6/30/2020
	Cost of electricity	Cost of operation	General and administrative expenses	Other operating income (expenses), net	Total	Total
Nature of costs and expenses						
Depreciation and amortization	-	(95.736)	(1.615)	(20)	(97.371)	(99.829)
Electricity purchased	(29.918)	-	-	-	(29.918)	(43.297)
Sector charges	(52.467)	-	-	-	(52.467)	(35.427)
Reversal of provision for legal claims	-	-	-	7.937	7.937	134.167
Judicial deposits write-off	-	-	-	-	-	(23.643)
Personnel	-	(5.368)	(9.596)	-	(14.964)	(14.059)
Outsourced services	-	(1.907)	(6.347)	-	(8.254)	(7.736)
Management	-	-	(1.670)	-	(1.670)	(1.230)
Maintenance and conservation	-	(3.137)	15	-	(3.122)	(1.077)
Taxes, fees and contributions	-	(26)	(528)	11	(543)	(663)
Insurance	-	-	(1.046)	-	(1.046)	(1.919)
Materials	-	(495)	192	-	(303)	(115)
Post-employment benefits Reversal of provision for PIS/COFINS on indexation of	-	-	(1.314)	-	(1.314)	122
judicial deposits	-	-	-	(51)	(51)	315
Rentals	-	(191)	(121)	-	(312)	(461)
Other operating income (expenses), net	-	284	(494)	1.182	972	5.376
Total	(82.385)	(106.576)	(22.524)	9.059	(202.426)	(89.476)





						Parent company
						Semester ended
					6/30/2021	6/30/2020
	Cost of electricity	Cost of operation	General and administrative expenses	Other operating income (expenses), net	Total	Total
Nature of costs and expenses						
Depreciation and amortization	-	(191.708)	(3.479)	(39)	(195.226)	(200.163)
Electricity purchased	(99.099)	-	-	-	(99.099)	(72.993)
Sector charges	(91.516)	-	-	-	(91.516)	(69.358)
Reversal of provision for legal claims (Note 22)	-	-	-	210.809	210.809	107.188
Judicial deposits write-off	-	-	-	(39.781)	(39.781)	(23.643)
Personnel	-	(10.522)	(22.320)	-	(32.842)	(31.857)
Outsourced services	-	(4.564)	(11.221)	-	(15.785)	(13.061)
Management	-	-	(3.804)	-	(3.804)	(2.470)
Maintenance and conservation	-	(3.914)	(660)	-	(4.574)	(1.215)
Taxes, fees and contributions	-	(52)	(1.534)	-	(1.586)	(1.397)
Insurance	-	-	(2.082)	-	(2.082)	(4.169)
Materials	-	(782)	(57)	-	(839)	(634)
Post-employment benefits Reversal of provision for PIS/COFINS on indexation of	-	-	(876)	-	(876)	244
judicial deposits	-	-	-	(319)	(319)	300
Rentals	-	(444)	(121)		(565)	(1.081)
Other operating income (expenses), net	_	(880)	(1.668)	2.945	397	4.079
Total	(190.615)	(212.866)	(47.822)	173.615	(277.688)	(310.230)

4.1 Cost of electricity

				Consolidated
	Quarters ended		Semesters ende	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Electricity purchased				
Energy purchased for resale	(111.015)	(100.865)	(260.818)	(164.562)
Trading operations	(71.968)	(16.345)	(139.111)	(27.620)
Premium on renegotiation of hydrological risk	(6.536)	(3.756)	(12.999)	(7.511)
Short-term energy	(7.695)	(16.167)	(4.005)	(19.776)
	(197.214)	(137.133)	(416.933)	(219.469)
Electricity network usage				
Electricity network usage charges	(39.468)	(35.427)	(78.517)	(69.358)
	(39.468)	(35.427)	(78.517)	(69.358)
	(236.682)	(172.560)	(495.450)	(288.827)

				Parent Company
		Quarters ended		Semesters ended
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Purchased energy				
Energy purchased for resale	(28.686)	(23.374)	(95.094)	(45.706)
Short-term energy	(7.695)	(16.167)	(4.005)	(19.776)
Hydrological risk renegotiation award	(6.536)	(3.756)	(12.999)	(7.511)
	(42.917)	(43.297)	(112.098)	(72.993)
Use of the electricity grid				
Charges for the use of the electricity grid	(39.468)_	(35.427)	(78.517)	(69.358)
	(39.468)	(35.427)	(78.517)	(69.358)
	(82.385)	(78.724)	(190.615)	(142.351)





5 Financial result

				Consolidated
		Quarters ended		mesters ended
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Financial result				
Income from financial investments	3.925	5.677	7.695	14.079
Update of the balance of judicial deposits	1.158	1.920	3.284	4.425
Other financial revenues	1.122	652	1.137	652
(-) PIS and COFINS on finance result	(234)	(308)	(420)	(702)
	5.971	7.941	11.696	18.454
Finance costs	(00,000)	(00.700)	(00 == 4)	(40.007)
Debt charges	(20.663)	(20.763)	(39.774)	(46.367)
Update of debenture balance	(32.142)		(70.492)	
Update of the provision balance for disputes	(62.535)	(46.707)	(128.258)	(115.792)
Updating the balance of post-employment benefits	(39.531)	(14.905)	(79.061)	(29.811)
Update on judicial agreements	(3.077)	(733)	(6.369)	(2.238)
Adjustment to present value on social and environmental obligations	(1.773)	(2.161)	(3.641)	(4.344)
Drop in judicial deposits		(13.527)	(1.832)	(16.033)
Adjustment to present value on UBP - Use of the public good	(1.447)	(2.008)	(2.960)	(4.125)
Indexation of R&D - projects	(123)	(156)	(185)	(371)
Other charges	(2.256)	(1.307)	(4.563)	(2.909)
	(163.547)	(102.267)	(337.135)	(221.990)
Financial result	(157.576)	(94.326)	(325.439)	(203.536)
			Р	arent company
		Quarters ended	Semesters ende	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Financial revenues				
Income on financial investments	3.473	5.235	6.994	13.153
Update of the balance of judicial deposits	1.158	1.920	3.284	4.425
Other financial revenues	999	652	1.014	652
(-) PIS and COFINS on financial results	(208)	(287)	(382)	(659)
	5.422	7.520	10.910	17.571
Financial expenses				
Debt charges	(20.663)	(20.763)	(39.774)	(46.367)
Update of debenture balance	(32.142)	-	(70.492)	-
Update of the provision balance for disputes	(62.535)	(46.707)	(128.258)	(115.792)
Updating the balance of post-employment benefits	(39.531)	(14.905)	(79.061)	(29.811)
Update on judicial agreements	(3.077)	(733)	(6.369)	(2.238)
Present value adjustment for environmental/ social obligations	(1.773)	(2.161)	(3.641)	(4.344)

(13.527)

(2.008)

(1.280)

(102.240)

(94.720)

(156)

(1.447)

(2.247)

(163.538)

(158.116)

(123)

(1.832)

(2.960)

(185)

(4.525)

(337.097)

(326.187)

(16.033)

(4.125)

(371)

(2.851)

(221.932)

(204.361)

Drop in judicial deposits

P&D Update - projects

Other charges

Financial result

Adjustment to present value on UBP - Use of the public good





6 Cash and cash equivalents

	Average rate of	Consolidated			Parent company	
	remuneration	6/30/2021	12/31/2020	6/30/2021	12/31/2020	
Cash						
Bank deposits	_	274	1.579	157	1.473	
Financial investments						
Bank Deposit Certificates ("CDBs")	101,18% of CDI	348.498	539.913	320.186	469.680	
Financial Treasury Bills - LFTs	102,20% of CDI	140.894	155.079	140.894	155.079	
Financial bills - private securities	103,00% of CDI	5.650	16.813	5.650	16.813	
Committed operations	72,80% of CDI	47.561		815		
	_	542.603	711.805	467.545	641.572	
	_	542.877	713.384	467.702	643.045	
	=				<u>'</u>	

7 Accounts receivable

7.1 Balances

	Consolidated			Parent company
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Bilateral contracts	122.815	166.341	67.524	73.382
Bilateral contracts - related parties (Note 22)	4.895	7.562	20.741	40.980
Trading	35.876	-	-	-
Energy actions	55.177	58.360	55.177	58.360
Supply under quota system		2.953		2.953
	218.763	235.216	143.442	175.675
(-) Allowance for loan losses		(6.208)		(6.208)
	218.763	229.008	143.442	169.467
Free Energy (RTE) (b)		13.712		13.712
Short-term energy (CCEE) (c)	20.855	43.809	20.223	43.809
	20.855	57.521	20.223	57.521
(-) Allowance for loan losses	-	(13.712)	-	(13.712)
	20.855	43.809	20.223	43.809
	239.618	272.817	163.665	213.276

The Company no longer has the expectation of receiving past due amounts over 360 days ago, writing off the balance of accounts receivable and corresponding allowance.

7.2 Accounts receivable maturities

		Consolidated	Parent comp		
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	
Due	239.304	272.817	163.351	213.276	
Past due over 3 months	314	-	314	-	
Overdue for more than 360 days	-	19.920	-	19.920	
	239.618	292.737	163.665	233.196	



8 Other assets

		Consolidated		Parent company
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Sundry credits	31.301	31.301	31.301	31.301
(-) Estimated loss with non-performing loans (a)	(31.301)	(31.301)	(31.301)	(31.301)
Project orders - P&D (b)	55.796	52.685	55.796	52.685
Advances to Vivest (Note 24)	12.696	12.536	12.696	12.536
Transfer to receive Nexa (Note 24)	-	3.482	-	3.482
Other	1.175	806	1.129	781
	69.667	69.509	69.621	69.484

9 Judicial deposits and security deposits

	Consolidated and Pare										
							6/30/2021	6/30/2020			
	Civil lawsuits	Labor lawsuits	Tax lawsuits	Environmental actions	Other court deposistd	Collaterals	Total	Total			
Opening balance	163.476	37.340	11.642	43.040	3.267	1.731	260.496	343.979			
Additions	138	483	2.070	60	-	151	2.902	-			
Upgrades	2.110	1.059	45	43	11	16	3.284	4.425			
Converted / Raised	(2.772)	(4.798)	(16)	-	-	-	(7.586)	(15.788)			
(-) Write-offs	(40.405)	(1.208)		_			(41.613)	(39.676)			
Closing balance	122.547	32.876	13.741	43.143	3.278	1.898	217.483	292.940			

The fall in judicial deposits is due mostly due to civil and labor deposits, as judgements progress and settlements are agreed by the Company.

10 Deferred income tax and social contribution

10.1 Balances

						Consolidated
		Assets (a)		Liabilities (b)	1	let assets (a-b)
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Income tax and social contribution						
Effect on profit or loss (a)						
Deferred income tax and social contribution	1.031.273	1.040.974	-	-	1.031.273	1.040.974
Indexation of judicial deposits			66.729	66.781	(66.729)	(66.781)
Provision for legal claims	558.868	594.407	-	-	558.868	594.407
Provision for impairment - CPC 01	508.951	508.951	-	-	508.951	508.951
Provision regulatory assets	461.031	461.031	-	-	461.031	461.031
Hedge accounting	1.769	3.355	-	-	1.769	3.355
Post-employment benefits update	27.083	-	-	-	27.083	-
Electric power futures contracts	12.199	7.291	-	-	12.199	7.291
Other provisions	76.049	85.200	3.608	5.801	72.441	79.399
	2.677.223	2.701.209	70.337	72.582	2.606.886	2.628.627
Effect on other comprehensive income (b)						
Hedge accounting	14.847	32.082	-	-	14.847	32.082
Deemed cost of property, plant and equipment (Note 25.3)	466.250	473.762	-	-	466.250	473.762
Post-employment benefits	820.209	820.209			820.209	820.209
	1.301.306	1.326.053			1.301.306	1.326.053
Total recognized (a+b)	3.978.529	4.027.262	70.337	72.582	3.908.192	3.954.680





	Parent company									
		Assets (a)		Liabilities (b)	b) Net ass					
	2021	2020	2021	2020	2021	2020				
Income tax and social contribution										
Recognized amounts										
Effect on profit or loss (a)										
Deferred income tax and social contribution	1.031.273	1.040.974	-	-	1.031.273	1.040.974				
Indexation of judicial deposits	-	-	66.729	66.781	(66.729)	(66.781)				
Provision for legal claims	558.868	594.407	-	-	558.868	594.407				
Provision for impairment - CPC 01	508.951	508.951	-	-	508.951	508.951				
Provision regulatory assets	461.031	461.031	-	-	461.031	461.031				
Operating hedge accounting	927	2.170	-	-	927	2.170				
Post-employment benefits update	27.083	-	-	-	27.083	-				
Other provisions	75.925	84.960	3.608	5.801	72.317	79.159				
	2.664.058	2.692.493	70.337	72.582	2.593.721	2.619.911				
Effect on other comprehensive income (b)										
Operating hedge accounting	9.918	19.915	-	-	9.918	19.915				
Deemed cost of property, plant and equipment (Note 25.3)	466.250	473.762	-	-	466.250	473.762				
Post-employment benefits	820.209	820.209	<u> </u>	<u> </u>	820.209	820.209				
	1.296.377	1.313.886	-	-	1.296.377	1.313.886				
Total recognized (a+b)	3.960.435	4.006.379	70.337	72.582	3.890.098	3.933.797				

10.2 Recovery of deferred income tax and social contribution balances

The financial projections for the offsetting of temporary differences by the Company and its subsidiary are as below:

	Consolidated									
	2021	2022 and 2023	2024 and 2025	2026 and 2027	2028 and 2029	2030 and 2034	From 2035	Total		
Realization through results										
Deferred income tax and social contribution	41.857	109.347	82.996	132.860	144.590	242.733	276.890	1.031.273		
Indexation of judicial deposits	(12.474)	(21.115)	(21.193)	(11.947)	-	-	-	(66.729)		
Provision for legal claims	102.704	172.790	173.421	109.953	-	-	-	558.868		
Provision for impairment - CPC 01	13.163	35.100	35.100	35.100	35.100	87.750	267.638	508.951		
Provision regulatory assets	65.862	131.723	131.723	131.723	-	-	-	461.031		
Hedge accounting	1.769	-	-	-	-	-	-	1.769		
Post-employment benefits update	27.083	-	-	-	-	-	-	27.083		
Energy futures contracts	12.199	-	-	-	-	-	-	12.199		
Other provisions	46.001	7.783	7.685	7.314	3.658			72.441		
	298.164	435.628	409.732	405.003	183.348	330.483	544.528	2.606.886		
Realization through equity affecting results										
Hedge accounting	9.943	4.904	-	-	-	-	-	14.847		
Assigned asset cost	10.898	32.418	32.418	32.418	32.418	81.045	244.635	466.250		
	20.841	37.322	32.418	32.418	32.418	81.045	244.635	481.097		
	319.005	472.950	442.150	437.421	215.766	411.528	789.163	3.087.983		





							Par	ent company
	2021	2022 and 2023	2024 and 2025	2026 and 2027	2028 and 2029	2030 and 2034	From 2035	Total
Realization through results								
Deferred income tax and social contribution	41.857	109.347	82.996	132.860	144.590	242.733	276.890	1.031.273
Indexation of judicial deposits	(12.474)	(21.115)	(21.193)	(11.947)	-	-	-	(66.729)
Provision for legal claims	102.704	172.790	173.421	109.953	-	-	-	558.868
Provision for impairment - CPC 01	13.163	35.100	35.100	35.100	35.100	87.750	267.638	508.951
Provision regulatory assets	65.862	131.723	131.723	131.723	-	-	-	461.031
Operating hedge	927	-	-	-	-	-	-	927
Post-employment benefits update	27.083	-	-	-	-	-	-	27.083
Other provisions	45.877	7.783	7.685	7.314	3.658		-	72.317
	284.999	435.628	409.732	405.003	183.348	330.483	544.528	2.593.721
Realization through equity affecting results								
Operating hedge	6.729	3.189	-	-	-	-	-	9.918
Assigned asset cost	10.898	32.418	32.418	32.418	32.418	81.045	244.635	466.250
	17.627	35.607	32.418	32.418	32.418	81.045	244.635	476.168
	302.626	471.235	442.150	437.421	215.766	411.528	789.163	3.069.889

10.3 Deferred income tax and social contribution effects on income and comprehensive income

		Consolidated	Parent company			
	6/30/2021	6/30/2020	6/30/2021	6/30/2020		
Opening balance	3.954.680	3.384.873	3.933.797	3.384.873		
Effects on the six-month period	(29.253)	(44.642)	(33.702)	(38.887)		
Effects on other components of comprehensive result						
Hedge accounting operating	(17.235)	82.305	(9.997)	56.642		
Closing balance	3.908.192	3.422.536	3.890.098	3.402.628		

10.4 Reconciliation of income tax expense and social contribution

			Consolidated	
	Quarters ended	Semesters end		
6/30/2021	6/30/2020	6/30/2021	6/30/2020	
(25.293)	203.598	154.472	303.185	
34%	34%	34%	34%	
8.600	(69.223)	(52.520)	(103.083)	
128	-	245	-	
(1.564)	(20)	(4.528)	(973)	
(1.436)	(20)	(4.283)	(973)	
0				
	3.443		(7.518)	
<u> </u>	3.443		(7.518)	
7.164	(65.800)	(56.803)	(111.574)	
(17.384)	(29.855)	(27.550)	(66.932)	
24.548	(35.945)	(29.253)	(44.642)	
7.164	(65.800)	(56.803)	(111.574)	
28,32	32,32	36,77	36,80	
	(25.293) 34% 8.600 128 (1.564) (1.436) 0 7.164 (17.384) 24.548 7.164	6/30/2021 6/30/2020 (25.293) 203.598 34% 34% 8.600 (69.223) 128 - (1.564) (20) 0 3.443 3.443 3.443 7.164 (65.800) (17.384) (29.855) 24.548 (35.945) 7.164 (65.800)	6/30/2021 6/30/2020 6/30/2021 (25.293) 203.598 154.472 34% 34% 34% 8.600 (69.223) (52.520) 128 - 245 (1.564) (20) (4.528) (1.436) (20) (4.283) 0 3.443 3.443 3.443 7.164 (65.800) (56.803) (17.384) (29.855) (27.550) 24.548 (35.945) (29.253) 7.164 (65.800) (56.803)	





Parent company Semesters ended in Quarters ended in 6/30/2021 6/30/2020 6/30/2021 6/30/2020 Profit before income tax and social contribution (19.119) 195.368 153.774 284.498 34% 34% 34% Statutory rates 34% 6.500 (52.283) (96.729) (66.425)Income tax and social contribution at statutory rates Reconciliation to the effective rates Permanent differences (4.069)5.444 471 12.352 Equity accounting 233 Tax incentive 121 (4.526)(981) Other (1.562)(22)5.422 (3.822)11.371 Non recognition of deferred taxes Other tax differences (7.529) 3.433 3.433 (7.529)990 (57.570) (56.105) (92.887) Income tax and social contribution Income tax and social contribution in the statement of income Currents (12.581)(19.993)(22.403)(54.000)Deferred 13.571 (37.577)(33.702)(38.887)(57.570)(56.105) (92.887) Effective rate - % 32,65

11 Asset subject to indemnification

					Consolidated a	Consolidated and parent company			
					6/30/2021	12/31/2020			
	Três Irmãos	Ilha Solteira	Jupiá	Jaguari	Total	Total			
Indemnification asset	3.529.080	2.165.858	642.318	27.589	6.357.027	6.357.027			
Impairment adjustment	-	(1.657.484)	(337.826)	(7.818)	(1.995.310)	(1.995.310)			
Contingent asset adjustment	(1.811.718)	(506.346)	(304.492)		(2.622.556)	(2.622.556)			
Indemnification asset (net)	1.717.362	2.028	-	19.771	1.739.161	1.739.161			

This corresponds to value receivable from the Federal Government for the indemnification of the Três Irmãos, Jupiá, Ilha Solteira and Jaguari plants concession contracts terminated (further details in Note 9 of the financial statements for the year ended December 31, 2020).





12 Investments

12.1 Balances

		Information as	of June 30, 2021		Balance		Parent Company Result equity		
	Equity	Net income (six months)	Percentage of voting and total participation (%)	6/30/2021	12/31/2020	6/30/2021	6/30/2020		
Investments under the equity method									
Parent company									
CESP Comercializadora de Energia S.A.	46.611	1.385	100,00	46.611	31.176	1.385	36.328		
				46.611	31.176	1.385	36.328		

12.2 Changes in balances

	Parent Company		
6/31/2021	6/30/2020		
31.176	51.102		
1.385	36.328		
14.050	(49.814)		
<u> </u>	(24)		
46.611	37.592		
	31.176 1.385 14.050		

All amounts in thousands of reais unless otherwise stated



13 Asset

13.1 Balances and changes in balances

											Consolidated and	parent company
							In operation			n progress	6/30/2021	6/30/2020
	Terrain	Reservoirs, dams and pipelines	Buildings, civil works and improvements	Machinery and equipment	Vehicles	Furniture and utensils	Social and environmental costs	Buildings, civil works and improvements	Machinery and equipment	Others	Total	Total
Cost	310.534	8.935.746	2.361.564	2.394.799	6.119	3.015	148.162	1.541	4.143	2.009	14.167.632	14.362.461
Provision for impairment	(37.248)	(866.551)	(276.149)	(316.966)	-	-	-	-	-	-	(1.496.914)	(1.496.914)
Accumulated depreciation	(15.903)	(3.862.236)	(1.503.146)	(1.295.860)	(4.662)	(996)	(31.486)				(6.714.289)	(6.559.604)
Opening net balance	257.383	4.206.959	582.269	781.973	1.457	2.019	116.676	1.541,00	4.143	2.009	5.956.429	6.305.943
Additions	-	-	-	-	-	-	-	-	2.398	-	2.398	7.379
Losses	(4)	-	(19)	(11)	-	-	-	(1.509)	-	(146)	(1.689)	(488)
Activations	-	-	-	6.142	-	-	-	(32)	(4.737)	(1.373)	-	-
Transfers	-	-	-	-	-	-	-	-	-	(490)	(490)	-
Depreciation	(4.780)	(111.857)	(24.885)	(15.169)	(160)	(61)	(7.292)	-	-	-	(164.204)	(169.684)
Closing balance	252.599	4.095.102	557.365	772.935	1.297	1.958	109.384		1.804		5.792.444	6.143.150
Cost	310.530	8.935.746	2.361.545	2.400.930	6.119	3.015	148.162	-	1.804	-	14.167.851	14.369.352
Provision for impairment	(37.248)	(866.551)	(276.149)	(316.966)	-	-	-	-	-	-	(1.496.914)	(1.496.914)
Accumulated depreciation	(20.683)	(3.974.093)	(1.528.031)	(1.311.029)	(4.822)	(1.057)	(38.778)		-		(6.878.493)	(6.729.288)
Closing net balance	252.599	4.095.102	557.365	772.935	1.297	1.958	109.384	-	1.804		5.792.444	6.143.150
Average annual rates - %	3,3%	2,0%	2,3%	2,9%	5,4%	3,9%	10,0%					

Transfers of assets at June 30, 2021, to intangibles (software class and use license - Note 14.1)



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13.2 Deemed cost

	Consolidated and parent company					
	Deemed cost	Deferred taxes	Equity			
Initial balance - 1/1/2009	3.553.278	(1.208.115)	2.345.163			
Depreciation/amortization/other	(4.946.698)	1.681.877	(3.264.821)			
Balance - 12/31/2020	(1.393.420)	473.762	(919.658)			
Depreciation/amortization/other	22.097	(7.512)	14.585			
Balance - 06/30/2021	(1.371.323)	466.250	(905.073)			

14 Intangible

14.1 Balances and changes in balances

				Consolidated and	I parent company
				In operation	In progress
	Software and use license	Renegotiation hydrological risk	UBP - Use of the public good	Grants	Software and use license
Cost	26.446	26.134	171.966	1.398.703	5.171
Accumulated depreciation	(19.576)	(10.251)	(10.419)	(78.279)	-
Opening net balance	6.870	15.883	161.547	1.320.424	5.171
Additions		-	1.326	-	370
Activations	3.180	-	-	-	(3.180)
Transfers	490	-	-	-	-
Amortization	(2.410)	(1.005)	(2.887)	(23.311)	
Closing balance	8.130	14.878	159.986	1.297.113	2.361
Cost	30.116	26.134	173.292	1.398.703	2.361
Accumulated depreciation	(21.986)	(11.256)	(13.306)	(101.590)	
Closing net balance	8.130	14.878	159.986	1.297.113	2.361
Average annual rates - %	4,9%	8,1%	3,3%	3,3%	

15 Suppliers

		Consolidated		Parent company
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Photo: Street and formation				
Electricity purchased for resale	80.774	68.422	9.409	10.041
Spot market electricity - CCEE	1.203	5.375	1.203	5.375
Electricity purchased for resale - Related parties (Note 24)	2.238	2.312	2.320	-
Charges for the use of the electricity grid	19.454	19.497	19.454	19.497
Suppliers of materials and services	6.315	7.206	6.315	7.199
Suppliers of materials and services - related parties (Note 24)	625	268	610	230
	110.609	103.080	39.311	42.342



16 Debentures

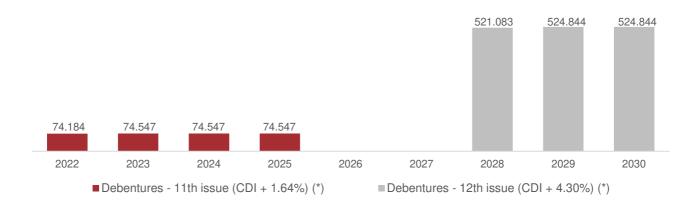
16.1 Balances

					Consolidated and Parental Compar		
						6/30/2021	12/31/2020
	•			Current	Noncurrent		
	Annual financial charges	Charges	Capture cost	Total	Primary	Total	Total
Debentures - 11th placement	CDI + 1.64% p.a.	475	(484)	(9)	298.309	298.300	297.876
Debentures - 12th placement	IPCA + 4,.0% p.a.	25.042	(5.014)	20.028	1.575.785	1.595.813	1.521.198
		25.517	(5.498)	20.019	1.874.094	1.894.113	1.819.074

The negative principal amount in current liabilities of R\$ 5,498 as of June 30, 2021, refers to the debenture issuance costs, which are appropriated to results over the term of the contracts of 7 and 10 years.

At June 30, 2021, the Company was in compliance with its debt contracts clauses and covenants.

16.2 Schedule of principal maturities of loans, financing and long term debentures



16.3 Changes in balances of loans, financing and debentures

	Consolidated and	Parental Company
	6/30/2021	6/30/2020
Opening balance	1.819.074	1.784.125
Interest and debt charges	39.774	46.367
Inflation indexation charges	70.492	-
Appropriations of borrowing costs	2.749	1.573
Amortization of principal	-	(22)
Interest amortization	(37.976)	(47.458)
Closing balance	1.894.113	1.784.585

In the six months ended June 30, 2021, the Company recorded interest related to the 11th and the 12th issuances of debentures, on the nominal unit value, due in February, June, August and December of each year.





17 Sectorial charges

	Consolidated and	Consolidated and Parental Company		
	6/30/2021	12/31/2020		
Current				
Global Reserve for Reversion - RGR	149	149		
Financial Compensation for Use of Water Resources - CFURH	6.857	8.580		
Electric energy service inspection charge - TFSEE	443	620		
Quotas for R&D - FNDCT	957	969		
Quotas for R&D - MME	479	490		
	287			
P&D - Projects	65.012	65.699		
	74.184	76.507		
Noncurrent				
P&D - Projects	1.240	1.240		
,	1.240	1.240		
	75.424	77.747		

18 UBP - Use of the public good

		C	Consolidated and Parental company		
	Use of public assets	(-) Present value adjustment	6/30/2021	6/30/2020	
Opening balance	167.948	(12.584)	155.364	187.630	
Realization of present value adjustment	-	2.960,00	2.960	4.125	
Remeasurement	1.450	(125)	1.325	2.307	
Payments	(21.512)		(21.512)	(7.316)	
Closing balance	147.886	(9.749)	138.137	186.746	
Current	40.940		40.940	45.811	
Non-current	106.946	(9.749)	97.197	140.935	
	147.886	(9.749)	138.137	186.746	

19 Social and environmental obligations

				Consolidated and P	arental company
	Environmental license	Conduct adjustment term (TAC)	(-) Present value adjustment	6/30/2021	6/30/2020
Opening balance	163.734	52.466	(35.025)	181.175	188.010
Payments	(5.195)	(3.238)	-	(8.433)	(4.594)
Realization of present value adjustment	-		3.641	3.641	4.344
Closing balance	158.539	49.228	(31.384)	176.383	187.760
Current	27.126	5.195	-	32.321	31.369
Non-current	131.413	44.033	(31.384)	144.062	156.391
	158.539	49.228	(31.384)	176.383	187.760



20 Energy futures contracts

20.1 Balances and changes in balances

					Consolidated
				6/30/2021	6/30/2020
	Conventional energy	Encouraged energy	Submarket energy	Total	Total
Future energy purchase contract	(147.506)	-	(2.374)	(149.880)	-
Future energy sale contract	126.613	-	1.823	128.436	-
Opening net balance	(20.893)	-	(551)	(21.444)	-
Other operating income (expenses) net (Note 4)	(11.487)	(3.500)	551	(14.436)	22.241
Closing balance	(32.380)	(3.500)		(35.880)	22.241
Current	(24.911)	(1.288)	-	(26.199)	18.686
Non-current	(7.469)	(2.212)	-	(9.681)	3.555
	(32.380)	(3.500)	-	(35.880)	22.241

21 Post-employment benefits

21.1 Balances and changes in balances

a) Reconciliation of assets and liabilities

Consolidated an	Consolidated and parent company		
6/30/2021	12/31/2020		
8.449.397	8.449.397		
(6.037.018)	(6.037.018)		
79.657			
2.492.036	2.412.379		
	6/30/2021 8.449.397 (6.037.018) 79.657		

b) Changes in balances

	Consolidated a	nd parent company
	6/30/2021	6/30/2020
Opening balance	2.412.379	836.995
Current service cost (Note 4)	876	(244)
Interest on actuarial obligation (Note 5)	79.061	29.811
Paid contributions	(280)	(236)
Closing balance	2.492.036	866.326





21.2 Expected expenditure - 2021

The estimated expenditure for the year 2021, based on the actuarial assessment of 2020, is as follows:

			Consolidated	d and Parent company
				2021
	BSPS	BD	CV	Total
Current service cost		1.564	188	1.752
Interest cost on the obligation	451.340	72.250	10.982	534.572
Expected return on plan assets	(310.257)	(60.327)	(5.867)	(376.451)
Estimated for the year	141.083	13.487	5.303	159.873

22 Provision for contingencies

22.1 Balances and changes in balances

					Parent Company	and Consolidated
					6/30/2021	6/30/2020
	Labor lawsuits	Tax lawsuits	Environmental cases	Civil lawsuits	Total	Total
Opening balance	113.388	4.519	14.187	1.616.163	1.748.257	1.814.375
Updates	2.970	27	494	124.767	128.258	115.792
Provision / (reversal)	(635)	955	40.799	(251.928)	(210.809)	(107.188)
(-) Payments	(9.150)	(90)	(3.021)	(9.715)	(21.976)	(40.136)
Closing balance	106.573	5.411	52.459	1.479.287	1.643.730	1.782.843

The changes in balances of the provision is affected by: (i) final decisions; (ii) judicial settlements; (iii) review of the contingency estimates attributed to strategic cases; (iv) new demands received by the Company and (v) correction of the balance of litigation, inflation accruals based on IGP-M and other indices.

22.2 Probable risk of loss

				Probable Loss
	Probable	Possible	Remote	Total
Nature				
Labor lawsuits	106.573	67.972	7.369	181.914
Tax lawsuits	2.443	387.186	147.603	537.232
Environmental cases	55.429	289.685	596.384	941.498
Civil lawsuits	1.479.285	2.135.235	5.296.877	8.911.397
Total as of June 30, 2021	1.643.730	2.880.078	6.048.233	10.572.041
Total as of December 31, 2020	1.748.257	2.913.234	5.549.260	10.210.751





23 Other liabilities

		Consolidated		Parent company
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Current				
Extrajudicial settlement with the State of MS	7.522	6.594	7.522	6.594
Provision for education fund expenses	4.878	5.240	4.886	5.243
Insurance payable	4.238	46	4.239	47
Obligations for court settlement	2.770	-	2.770	-
Various advances	3.370	2.860	3.370	2.860
Provision for services	1.835	5.368	1.835	5.368
Other liabilities	2.351	2.790	2.371	2.794
	26.964	22.898	26.993	22.906
Noncurrent				
Extrajudicial settlement with the State of MS	37.913	39.893	37.913	39.893
Global Reserve for Reversion - RGR (amortization/reversal)	4.311	4.937	4.311	4.937
Provision for PIS/COFINS on indexation of judicial deposits	2.973	2.655	2.973	2.655
	45.197	47.485	45.197	47.485
	72.161	70.383	72.190	70.391





All amounts in thousands of reais unless otherwise stated

24 Transactions with related parties

24.1 Balances

								Consolidated
				Assets			Liabilities	6/30/2021 Profit or loss
Companies	Note	Nature of transaction	Current	Noncurrent	Current	Noncurrent	Equity	Income/ (expense)
Votener - Votorantim Comercializadora de Energia Ltda.	7.1 e 15	Buying and selling energy	4.895	-	2.238	-	-	22.341
PSR Soluções e Consultoria em Energia Ltda.	15	Service providers	-	-	-	-	-	(6)
Compart Serviços e Assessorias Ltda.	15	Service providers	-	# - #	- #	ŧ -	# -	(3)
VTRM Energia Participações S.A.		Dividends payable	-	-	101.575	-	-	-
Votorantim S.A.	15	Service providers	-	-	625	-	-	(1.859)
Vivest	8 and 21	Post-employment benefits	12.696	-	-	-	-	(876)
Banco Votorantim S.A.		Cash and cash equivalents and derivative financial instruments		-	8.579		-	(11.991)
			17.591	-	113.017			7.606

								Consolidated
							31/12/2020	30/6/2020
				Assents			Liabilities	Result
Companies	Note	Nature of the operation	Current	Noncurrent	Current	Noncurrent	Equity	Recipe/ (expense)
Votener - Votorantim Comercializadora de Energia Ltda.	7.1	Buying and selling energy	7.562		2.312	-	-	30.155
Nexa Recursos Minerais S.A.	8	Other assets	3.482	-	-	-	-	-
VTRM Energia Participações S.A.		Dividends payable	-	-	229.213	-	-	-
Votorantim S.A.	15	Service providers	-	-	-	-	-	(1.779)
Vivest	8 and 21	Post-employment benefits	12.536	-	-	-	-	244
Banco Votorantim S.A.		Cash and cash equivalents and derivative financial instruments	85.044	-	25.548	1.579	17.904	(5.090)
			108.624	-	257.073	1.579	17.904	23.530



Parent company

All amounts in thousands of reais unless otherwise stated

							Par	ent Company
							12/31/2020	6/30/2020
				Assents			Liabilities	Result
Companies	Note	Nature of the operation	Current	Noncurrent	Current	Noncurrent	Equity	Recipe/ (expense)
Votener - Votorantim Comercializadora de Energia Ltda.	7.1	Buying and selling energy	7.562	-	-	-	-	30.155
CESP Comercializadora de Energia S.A.	7.1	Buying and selling energy	33.418	-	-	-	-	223.898
Nexa Recursos Minerais S.A.	8	Other assets	3.482	-	-	-	-	-
VTRM Energia Participações S.A.		Dividends payable	-	-	229.213	-	-	-
Votorantim S.A.	15	Service providers	-	-	-	-	-	(1.704)
Vivest	8 and 21	Post-employment benefits	12.536	-	-	-	-	244
Banco Votorantim S.A.		Cash and cash equivalents and derivative financial instruments	85.044	-	2.831	-	1.869	(3.854)
			142.042	-	232.044	-	1.869	248.739

								6/30/2021
				Assets			Liabilities	Profit or loss
Companies	Note	Nature of transaction	Current	Noncurrent	Current	Noncurrent	Equity	Income/ (expense)
Votener - Votorantim Comercializadora de Energia Ltda.	7.1	Buying and selling energy	4.895	-	-	-	-	34.592
CESP Comercializadora de Energia S.A.	7.1 and 15	Purchase and sale of energy and dividends to be received	17.004	-	2.320	-	-	141.251
PSR Soluções e Consultoria em Energia Ltda.	15	Service providers	-	-	-	-	-	(6)
Compart Serviços e Assessorias Ltda.	15	Service providers	-	-	-	-	-	(3)
VTRM Energia Participações S.A.		Dividends payable	-	-	101.575	-	-	-
Votorantim S.A.	15	Service providers	-	-	610	-	-	(1.859)
Vivest	8 and 21	Post-employment benefits	12.696	-	-	-	-	(876)
Banco Votorantim S.A.		Cash and cash equivalents	_					531
			34.595	-	104.505	-		173.630



24. 2 Remuneration of key management staff

The remuneration of the Company's Management, which includes the Board of Directors, Statutory Board and Fiscal Council, in the six months ended June 30, 2021 was R\$ 3,804 (R\$ 2,470 in the six months ended June 30, 2020), of which R\$ 2,990 related to fixed and variable remuneration (R\$ 2,008 in the six months ended June 30, 2020) and R\$ 814 related to social charges (R\$ 462 in the six months ended June 30, 2020) and R\$ 814 related to social charges (R\$ 463 in the six months ended 30 June 2020).

25 Equity

25.1 Share capital

The paid-up share capital of R\$ 5,975,433 is divided into 109,167,801 common shares (CESP3), 7,386,323 class A preferred shares (CESP5) and 210,948,549 class B preferred shares (CESP6).

The Company's main shareholders, as of June 30, 2021, are as follows:

							Number of shares	s - In units
	Ordinary		Preferred		Preferred			
		%	Class A	%	Class B	%	Total	%
Shareholders								
VTRM Energia e Participações S/A	102.091.755	93,52	_		28.928.300	13,71	131.020.055	40,01
	102.091.755	93,52			28.928.300	13,71	131.020.055	40,01
Others								
Treasury shares	25.980	0,02	84.515	1,14	2.560	-	113.055	0,03
Outstanding shares	7.050.066	6,46	7.301.808	98,86	182.017.689	86,29	196.369.563	59,96
	7.076.046	6,48	7.386.323	100,00	182.020.249	86,29	196.482.618	59,99
	109.167.801	100,00	7.386.323	100,00	210.948.549	100,00	327.502.673	100,00
Share capital paid up R\$ thousand	1.991.815		134.767		3.848.851		5.975.433	

25.2 Profit reserve

	Consolidated a	nd parent company
	6/30/2021	12/31/2020
	050 100	050 100
Legal reserve	258.188	258.188
Statutory reserve	597.544	597.544
Profit retention	1.078.890	1.078.783
Additional dividends	<u> </u>	252.622
	1.934.622	2.187.137

On March 30, 2021, the payment of supplemental dividends was approved (Note 1.2 (a)), and the amount classified to the liability, as dividends payable and interest on equity.





25.3 Equity valuation adjustment (deemed cost)

			Consolidate	ed and parent company
			6/30/2021	6/30/2020
	Cost assigned to assets	Deferred taxes	Equity	Equity
Opening balance	(1.393.420)	473.762	(919.658)	(948.623)
Realization in the period (depreciation)	22.097	(7.512)	14.585	19.915
Closing balance	(1.371.323)	466.250	(905.073)	(928.708)

25.4 Other comprehensive results

	Consolidate	d and parent company
	6/30/2021	6/30/2020
Opening balance	(1.965.797)	(895.886)
Hedge Accounting operating		
Provision for Operational Hedge Accounting	29.402	(166.598)
(-) Deferred IRPJ and CSLL	(9.997)	56.643
Hedge Accounting - compensation (Note 12.2)	14.050	(49.814)
	33.455	(159.769)
Closing balance	(1.932.342)	(1.055.655)

25.5 Treasury shares

On October 30, 2019, the Company issued a material fact notice advising that, on the same date, the Board of Directors had approved the program of repurchase of common and preferred class A shares of its issue.

Under the Repurchase Program, the Company may, in its sole discretion, acquire (i) up to 218,000class A preferred shares, book-entry and no nominal value, corresponding to 2.95% of the total of this class of share and 0.07% of the Company's total share capital; ; and (ii) up to 40,000 nominative, book-entry and non-nominal common shares, corresponding to 0.04% of the total of this class of share and 0.01% of the Company's total share capital.

In January 2021, the Company repurchased treasury shares in the amount of R\$ 3,332, referring to 25,977 common shares and 84,514 class A preferred shares.

As of June 30, 2021, the Company held 25,980 common shares, 84,515 class A preferred shares and 2,560 class B preferred shares, totaling 113,055 shares issued by the Company.





26 Financial instruments and risk management

As of June 30, 2021 and December 31, 2020, the market values of the main financial instruments were similar to their book values, as shown below:

		Consolidated		Parent Company	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	
Financial assets					
Measured at amortized cost					
Cash and cash equivalents (Note 6)	542.877	713.384	467.702	643.045	
Trade receivables (Note 7)	239.618	272.817	163.665	213.276	
Indemnification asset (Note 11)	1.739.161	1.739.161	1.739.161	1.739.161	
	2.521.656	2.725.362	2.370.528	2.595.482	
Financial liabilities	<u>-</u>				
Measured at amortized cost					
Debentures (Note 16)	1.894.113	1.819.074	1.894.113	1.819.074	
	1.894.113	1.819.074	1.894.113	1.819.074	
Measured at fair value through other comprehensive income					
Financial instruments - derivatives (Note 26.3)	48.869	104.225	31.897	64.955	
	48.869	104.225	31.897	64.955	
Valued at fair value through profit or loss					
Future energy contracts (Note 20) - Level 2	35.880	21.444			
	35.880	21.444	_	-	
	1.978.862	1.944.743	1.926.010	1.884.029	

The disclosure of fair value measurements of assets valued at fair value through other comprehensive results follows the following measurement hierarchy:

Level 1 - Quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2 - Information, in addition to quoted prices, included in level 1 that is adopted by the market for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e., derivative of prices);

Level 3 - Assets or liabilities that are not based on market-adopted data (i.e. non-observable).

26.1 Financial leverage ratio and maturity of liabilities

		Consolidated		Parent Company
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Debentures (Note 16)	1.894.113	1.819.074	1.894.113	1.819.074
Leases	6.307	6.488	6.307	6.488
Cash and cash equivalents (Note 6)	(542.877)	(713.384)	(467.702)	(643.045)
Derivative financial instruments (Note 26.3)	48.869	104.225	31.897	64.955
Net debt (a)	1.406.412	1.216.403	1.464.615	1.247.472
Adjusted EBITDA (b)	894.766	1.014.104	941.813	1.008.188
Financial leverage index (a) / (b)	1,57	1,20	1,56	1,24

The tables below show the financial liabilities of the Company and its subsidiary by maturity ranges, corresponding to the remaining period up to the contractual maturity date.





						Consolidated
						Due
	2021	2022 and 2023	2024 and 2025	2026 and 2027	2028 and 2030	Total
On June 30, 2021						
Debentures (Note 16)	22.768	139.004	139.004	-	1.593.337	1.894.113
Derivative financial instruments (Note 26.3)	41.559	7.310				48.869
	71.637	139.004	139.004		1.593.337	1.942.982
On December 31, 2020						
Debentures (Note 16)	-	87.722	139.004	64.488	1.527.860	1.819.074
Derivative financial instruments (Note 26.3)	95.084	9.141				104.225
	95.084	96.863	139.004	64.488	1.527.860	1.923.299

						Parent company
						Due
	2021	2022 and 2023	2024 and 2025	2026 and 2027	2028 and 2030	Total
On June 30, 2021						
Debentures (Note 16)	22.768	139.004	139.004	-	1.593.337	1.894.113
Derivative financial instruments (Note 26.3)	27.043	4.854				31.897
	54.665	139.004	139.004		1.593.337	1.926.010
On December 31, 2020						
Debentures (Note 16)	-	87.722	139.004	64.488	1.527.860	1.819.074
Derivative financial instruments (Note 26.3)	58.936	6.019				64.955
	58.936	93.741	139.004	64.488	1.527.860	1.884.029

26.2 Credit quality of financial assets

				Local rating
		Consolidated		Parent company
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Cash and cash equivalents				
AAA	482.234	491.221	407.101	420.924
AA+	28.971	79.988	28.971	79.988
AA	31.672	57.120	31.630	57.078
AA-	-	85.047	-	85.047
Unrated		8		8
	542.877	713.384	467.702	643.045

Ratings are from local and global ratings extracted from rating agencies (Standard & Poor's, Moody's and Fitch). S&P and Fitch Ratings were used for presentation.





26.3 Derivative financial instruments

								Consolidated
	6/30/2021	Principal Amount 12/31/2020	Unit	Fair value at December 31, 2020	Impact on operating income (expenses)	Δ Fair value Other comprehensive income	Realized loss	Fair value at June 30, 2021
<u>Programs</u>								
Hedge of electricity sales transactions								
Non Deliverable Forward	75.000	122.000	USD thousand	(104.225)	(46.221)	50.690	(50.887)	(48.869)
	75.000	122.000		(104.225)	(46.221)	50.690	(50.887)	(48.869)
								Parent company
		Principal Amount	Unit	Fair value at December 31, 2020	Impact on operating income (expenses)	Δ Fair value Other comprehensive income	Realized loss	Fair value at June 30, 2021
	6/30/2021	12/31/2020		,	(4.1.			
Programs								
Hedge of electricity sales transactions								
Non Deliverable Forward	47.000	74.000	USD thousand	(64.955)	(26.149)	29.402	(29.805)	(31.897)





26.4 Sensitivity analysis statement

The scenarios used for June 30, 2021, are as below:

Scenario I - June 30, 2021 base scenario as defined by Management for September 30, 2021

Scenario II - Stressing Scenario I by + or - 25%

Scenario III - Stressing Scenario I by + or - 50%

										С	onsolidated
										Impact on p	rofit or loss
		Principal of	Principal of				Scenario I			Scena	rios II and III
	Cash and cash equivalents	borrowings and debentures	derivative financial instruments	Futures energy contracts	Unit	Impact on curves for 6/30/2021	Results of scenario I	-25%	-50%	+25%	+50%
Interest rates											
BRL - CDI	542.603	300.475	427.298	-	BRL thousand	92bps	7.746	(8.747)	(17.494)	8.747	17.494
BRL - IPCA	-	1.641.777	-	-	BRL thousand	-236bps	(38.746)	(34.272)	(68.544)	34.272	68.544
Exchange rates											
U.S. Dollar	-	-	75.000	-	USD thousand	0,16%	2.349	10.003	20.006	(10.003)	(20.006)
MtM of electricity											
Fair value	-	-	-	35.880	BRL thousand	(35.880)	(35.880)	(32.697)	(29.831)	(39.682)	(43.484)

						nsive income			
				Scenario I		rios II and III			
Risk factors	Principal of derivative financial instruments	Unit	Impact on curves for 6/30/2021	Results of scenario I	-25%	-50%	+25%	+50%	
Interest rates							-	-	
BRL-CDI	427.298	BRL thousand	92bps	(545)	1.036	2.090	(1.018)	(2.019)	
US interest	75.000	USD thousand	-52bps	255	83.331	166.662	(83.331)	(166.662)	
Exchange rates									
US Dollar	75.000	USD thousand	0,16%	19.571	83.331	166.662	(83.331)	(166.662)	



All amounts in thousands of reais unless otherwise stated

									Paren	nt company
									Impact on pr	ofit or loss
		Principal of	Principal of			Scenarios I			Scenari	ios II and III
Risk factors	Cash and cash equivalents	derivative financial instruments	derivative financial instruments	Unit	Impact on curves for 6/30/2021	Results of scenario I	-25%	-50%	+25%	+50%
Interest rates										
BRL - CDI	467.545	300.475	235.103	BRL thousand	92bps	7.056	(7.968)	(15.936)	7.968	15.936
BRL - IPCA	-	1.641.777	-	USD thousand	-236bps	(38.746)	(34.272)	(68.544)	34.272	68.544
Exchange rates										
US Dollar	-	-	47.000	USD thousand	0,16%	1.175	5.001	10.003	(5.001)	(10.003)

				Parent comp						
					Impacts on comprehensive out					
				Scenarios I		rios II and III				
Risk factors	Principal of derivative financial instruments	Unit	Impact on curves for 6/30/2021	Results of scenario I	-25%	-50%	+25%	+50%		
Interest rates			-					-		
BRL - CDI	235.103	BRL thousand	92bps	(342)	651	1.313	(640)	(1.269)		
US interest	47.000	USD thousand	0,16%	12.561	53.482	106.965	(53.482)	(106.965)		
Exchange rates										
US Dollar	47.000	USD thousand	-52bps	166	53.482	106.965	(53.482)	(106.965)		





27 Insurance (not reviewed)

The Company and its subsidiary hold D&O policies, as well as coverage of property risk insurance and general civil liability. Coverage, conditions and limits, are considered by Management to be compatible with the inherent risks of the operation.

28 Subsequent event

a) TUST approval

Resolution No. 2,896 of July 13, 2021, established the value of the Charges for Use of the Electricity Transmission System ("TUST"), components of the National Interconnected System in effect from July 1, 2021 to June 30, 2022. The new tariff applied to HPP Porto Primavera is R\$ 10,815/kW, an increase of 24% in relation to the tariff of the previous cycle (R\$ 8,721/kW).



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Shareholders Companhia Energética de São Paulo - CESP

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Companhia Energética de São Paulo - CESP ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2021, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Emphasis of matter - Indemnification assets

As mentioned in Note 11 to the interim accounting information, the Company has recorded "Indemnification assets" of R\$ 1,739,161 thousand, net of a provision, receivable from the Federal Government. These indemnification rights arose upon termination of the Três Irmãos, Jupiá and Ilha Solteira power plant concessions. The Company is seeking through the courts the determination of the amounts of the indemnifiable assets and manner by which they are to be received. Our review report is not qualified in respect of this matter.



Companhia Energética de São Paulo - CESP

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the six-month period ended June 30, 2021. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, July 29, 2021

PricewaterhouseCoopers Auditores Independentes CRC 2SP000160/O-5

Carlos Eduardo Guaraná Mendonça Contador CRC 1SP196994/O-2