

EARNINGS RELEASE 2021

MESSAGE FROM THE CEO

The last two years have ushered in sweeping transformations. The business world was shaken up and faced unexpected challenges laid down by the Covid-19 pandemic. Energisa displayed its exceptional capacity to deal with adversity and completed financial year 2021 with a performance to be proud of. Our EBITDA was R\$ 5,869.6 million, an increase of 55.3% on FY 2020. This indicator's compound growth rate in the last five years is 75.4% p.a. and is being driven by the grid segment, i.e., distribution and transmission. The net income of R\$ 2,814.8 million exceeded last year's result by 88.8%, breaking the record as the company's highest ever net income (corrected for inflation).

Over the course of its 117 years Energisa's trajectory has been one of overcoming challenges and resilience. Our permanent pursuit of excellence produces consistent results for all stakeholders. Thanks to successive reimbursements and extremely disciplined capital allocation, the company has been presenting solid and consistent growth in its total return for shareholders in the last five years of 134.0 % p.a. We have been simultaneously delivering significant improvements to customer services and is an ally in the economic, social and environmental development of the country and, above all, our communities.

It is with great pride in these achievements that we now share our 2021 milestones and forward-looking information.

CHALLENGES AND ACHIEVEMENTS IN 2021

In light of the pandemic difficulties that persist, which peaked in the first half of 2021, we continue following health and safety measures to protect our people. Energisa placed its resources at the service of Brazil's vaccination service, with initiatives involving our workforce, customer relations, a careful eye on our services in vacation sites and institutional relations in the states where we distribute energy. 100% of our 15,648-strong headcount have been immunized and we contributed R\$ 3.8 million to the vaccination campaign and the fight against hunger. We donated 829 pieces of refrigeration equipment (refrigerators, cold storage chambers and freezers) to preserve vaccines in our concession regions and made available some 15,986 grocery kits for those who needed them. We coordinated the movement United for Vaccinations in the states of Acre, Rondônia, Mato Grosso and Mato Grosso do Sul and posted information on our digital and in-person service channels to raise customer awareness about the vaccine.

Our energy comes from people. Our people are the source of the mission we perform in conjunction with our customers. Despite limits curtailing certain services, since March 2020 we have expanded our personnel levels by 976 people.

In addition to the pandemic, the macroeconomic situation and hydrological risk made life hard for the sector. We accordingly prepared for the energy restriction contingencies, which fortunately were mitigated by government measures implemented in the system's operation and heavy rainfall from October onwards. Furthermore, the effects from raising rates to enable thermal dispatching out of the merit order in record volumes were inevitable. This had negative consequences for receivables management and substantially worsened the financial burden supported by distribution companies. Exceptional measures were adopted and there will be repercussions in the coming years.

Our management of controllable operating costs was hindered by materials inflation, interruptions to the logistics chain and personnel costs. The impact on materials was 27.9% in relation to the previous year, due to the widespread rises in the cost of fuel (41%), grid maintenance and construction materials (17.2%), IT and Telecom equipment and services (29.1%) and our personnel (11.4%). The company's consolidated PMSO rose by 11.2%, compared with IPCA inflation of 10.06% in 2021. Analyzing the company's manageable costs since December 2019 shows they have performed well, accumulating variance of -1.0%.

The quality of electricity sales to consumers set a new record. Thanks to ongoing investments in our distribution companies, the duration of energy supply outages per consumer (DEC) decreased by an average 7.8% (1.15 hours) and the outage frequency (FEC) by 13.7% (1.0 average outage). Electrical losses stood at 12.89% - within the

regulatory requirement. This was our best performance since 2018. In total we invested R\$ 3,079.3 million in distribution in 2021, 34.5% more than in the previous year.

Further noteworthy progress came in the form of digitization, to better serve our customers securely and conveniently. Digital channels accounted for 81% of service calls, compared with 75% in 2020. Gisa, our virtual assistant running on WhatsApp, single-handedly recorded monthly average calls of 846 thousand, a 27% increase on 2020. Use of our self-service kiosks grew 200%.

The improvement of services in Acre and Rondônia in the last three years was a further source of pride, following our acquisition of the energy distribution concession in the states. We put our house in order, made the standardizations necessary and considerably enhanced the quality of supply and the population's living standards. In this period, we invested R\$ 2,720.0 million, of which roughly 34% was allocated to the Group's distribution.

In line with our decarbonization commitment, we expedited the plan to interconnect grids and decommission islanded thermal power plants, which are costlier and dirtier, in Amazônia Legal, especially in the states of Acre, Rondônia and Pará. Eleven have now been decommissioned, a figure which will rise to 19 by 2025.

Our transmission operation also made meaningful progress in 2021. We invested R\$ 821.0 million in asset acquisitions and expansion works, achieving an annual permitted revenue of R\$ 124.0 million, a capacity of 3,521.5 MVA and 889 km of transmission lines in operational assets. By 2023, our ventures will contribute a further R\$ 122.3 million to revenue, 2,800 MVA and 838.7 km of lines - not to mention the acquisition of Gemini, which we will address further on. Our confidence in the transmission segment is solid thanks to its importance to the energy transition and the higher reliability and security of Brazil's electric system.

LOOKING TO THE FUTURE

Looking beyond immediate results, Energisa is also striving to build the future we want, driven by our customer services ecosystem. Our ambition for the next five years is to spearhead the energy transformation, connecting people and companies to the best energy solutions and making the world more sustainable.

In 2021 we evaluated our business platform and outlined unique strategies to make it even more agile and synergic. With entrepreneurship and maintaining the efficient and responsible allocation of capital, our customers lie at the heart of everything. We remain focused on digitizing our stakeholder experience, decarbonization and electrification, decentralizing sources and diversifying our operations. We didn't stop there. We based our strategy around the commitment to sustainable development, as expressed by the ESG (Environmental, Social and Governance) targets we laid down.

The year was hectic for us, and we evolved as a one-stop-shop ecosystem for the electric sector. Our businesses and solutions range from distribution, transmission, trading and distributed and centralized generation to the offering of banking and energy solutions that help our customers get the most out of their energy use.

We announced to the market - and reiterate here - that we wish to diversify our operations by 2026, diminishing our share of the distribution segment and expanding into other areas for up to 25% of our consolidated EBITDA. We accordingly grew in distributed generation through the subsidiary Alsol Energia Renováveis, with investments of some R\$ 191 million in 15 new photovoltaic plants, with an installed capacity of 60 MWp, in 2021, rising to 78 MWp by March 2022. Following the approval of Law 14.300/2022, distributed generation will be fueled by growing Energisa investment through 2024. We took a leap in centralized generation by initiating the construction of two solar farms in Paraíba state, Rio do Peixe 1 and Rio do Peixe 2, with a total installed capacity of 78 MW. Operational start-up is scheduled for the fourth quarter of 2022. The company's portfolio of wind energy ventures under development, of 240 MW in Bahia state, is awaiting issuance of its permit to begin the construction work. The energy produced by this venture will be sold in the free market.

Our fintech that began operating in February 2021, Voltz achieved the milestone of 300 thousand clients in its digital account in March. The company has been capturing opportunities in our other operations and the market.

Grids retain a critical role in supporting our leadership of the energy transition. In the transition sector, we acquired the entire share capital of Gemini Energy S.A. in February this year. The closure of this acquisition is subject to the performance of certain conditions precedent and the consent of the National Electricity Regulatory Agency (Aneel) and Brazil's Anti-trust Authority (Cade). This step will boost the operational revenue of all the Group's transmission assets to R\$ 609.2 million in 2023.

We have announced investment in distribution of R\$ 3,825.0 million for financial year 2022. This is a crucial element so that our 8.2 million customers can continue enjoying reliable quality energy in comfort and safety. Having an adequate regulatory framework for distribution is the best way of achieving the energy transition. Our numerous new pioneering services will only thrive in a grid that continuously involves and modernizes itself.

There are two programs of relevance here: Vila Restauração in the Amazon forest of Acre state and Ilumina Pantanal in Mato Grosso do Sul state. They materialize the essence of our strategy: leadership in the energy transition, innovation, universal energy access and sustainability. With a starring role at the United Nations Climate Change Convention (COP26), these initiatives enable the delivery of clean reliable energy to isolated populations living far from grids, through microgrids running on photovoltaic solar generation that store energy in lithium-ion batteries. State-of-the-art technology, a small environmental footprint and greater durability. Through these successful pioneering experiences, we will provide universal energy access to 30,745 consumer units in Amazônia Legal, via the More Light for the Amazon program, a partnership between the Federal government and distribution companies.

A DIVERSE AND INCLUSIVE WORKPLACE

We have ramped up our initiatives to attract, retain and nurture talent and foster a diverse and inclusive workplace. These are fundamental initiatives for the transformation we desire. We also remain focused on responsible relations with our partners, providing support and analyses on ESG matters in the value chain and with initiatives for society, ranging from universal energy access and energy efficiency projects to investing in social projects.

We acknowledge our staff, partners, investors, shareholders and all other stakeholders for their belief in Energisa. In light of these achievements and so many others in 2021, we are convinced that the future has begun for us and we are on the right path towards maximizing our value creation. We know we have the vision, strategy, structure and the personnel needed to achieve this. Everyday we endeavor to lead Brazil's energy transition, guaranteeing access to reliable energy and connecting people.

Ricardo Botelho

Energisa's Group CEO

Cataguases, January 19, 2024.

2021 Results

Cataguases, January 19, 2024 - The management of Energisa S/A (“Energisa” or “Company”) hereby presents its results for the fourth quarter (4Q21) and the year 2021 (12M21). The following financial and operational information is being presented in accordance with international financial reporting standards (IFRS), except when stated otherwise.

On March 16, 2023, during the approval of the financial statements for the year ended December 31, 2022, which were examined by other independent auditors, the corresponding values related to the year ended December 31, 2021, and the balance sheet as of January 1, 2021, were restated due to the correction of errors related to the same matters indicated in explanatory note 3.3. There is no difference between the values already restated and those being included in these financial statements, as described in explanatory note 3.3, which are being restated due to the potential stock offering, as disclosed in explanatory note 45.

On January 19, 2024, the Board of Directors approved the conclusion and authorized the reissuance of the financial statements for the year ended December 31, 2021, with corresponding values for the year ended December 31, 2020, and the balance sheet as of January 1, 2020.

Quick Facts

Consolidated net income hits R\$ 2.8 billion amid record investments of R\$ 4.2 billion in 2021.

- ✓ **The Company's net income** was R\$ 328.6 million in the quarter, an increase of 336.5% (R\$ 253.3 million) on the same period of 2020. In 2021 the net income of R\$ 2,814.8 million was 88.8% (R\$ 1,324.1 million) higher than the previous year. For non-recurring effects in both periods, there was a loss of - R\$41.4 million in 4Q21 (compared to net profit of R\$194.6 in 4Q20) and year-to-date net profit of R\$1,624.0 million (61 .2% higher than 2020);
- ✓ **Consolidated adjusted EBITDA** amounted to R\$ 1,533.5 million in 4Q21, an increase of 42.6% (R\$ 458.2 million) on 4Q20. In 2021 it amounted to R\$ 6,324.3 million, an increase of 52.0% (R\$ 2,089.8 million). The EBITDA for nonrecurrent effects in both periods was R\$ 1,015.5 million in 4Q21 (or 23.7% more than in 4Q20) and the YTD figure R\$ 4,894.2 million (47.6% more than in 2020);
- ✓ **Energy sales (captive sales + TUSD)** advanced 1.5% in 2021 compared with 2020, to 37,000.7 GWh. When compared with 2019, the pre-pandemic period, this increase amounts to 2.4%, with 10 of the 11 concessions growing. In 4Q21, total sales contracted by 2.6% mainly due to the milder wetter weather in the regions where Energisa operates;
- ✓ **Manageable operating costs (PMSO)** rose 10.9% in the quarter (R\$ 91.5 million), because of the small comparison base with operating costs in 4Q20, reduced due to exceptional measures introduced at the start of the Covid-19 pandemic. The increase in 2021 was 11.2% (R\$ 289.7 million), slightly above accumulated inflation as measured by the IPCA price index (10.1%).
- ✓ The Company's **total losses indicator** in 4Q21 was 12.89% and has diminished for the third consecutive quarter, remaining within the regulatory limit (13.16%);
- ✓ **The DEC/FEC quality indicators** of the Group's DisCos maintained their excellent performance, falling within regulatory limits. EPB and ERO presented their best ever historical series of results for DEC and FEC, with ERO meeting the DEC regulatory limit;
- ✓ **Consolidated net debt** amounted to R\$ 15,252.5 million in December, compared with R\$ 14,627.0 million in September 2021. The ratio between net debt and Adjusted EBITDA of 2.4 was kept in in December 2021;
- ✓ **Consolidated cash, cash equivalents, short-term investments and sector credits** stood at R\$ 8,093.4 million in December, compared with R\$ 6,617.2 million in September 2021, and R\$ 6,898.6 million in Dec/20;

- ✓ **Consolidated investment** of R\$ 1,158.3 million in 4Q21, an increase of 71.0% (R\$ 481.0 million) on the same period of the previous year. Record investment was made in the year of R\$ 4,198.7 million, an increase of 55.0% over 2020. In 2022, the forecast is for record investments in the amount of R\$ 5,590 million.

Financial and operating Headlines

Description	Quarter			Year		
	4Q21	4Q20	Change %	2021	2020	Change %
Financial Indicators - R\$ million						
Gross Operating Revenue	10,061.3	8,772.8	+ 15.3	37,134.4	29,568.9	+ 25.6
Net Operating Revenue, without construction revenue	6,535.4	5,421.9	+ 20.5	23,370.0	17,823.8	+ 31.1
Manageable costs and expenses ⁽¹⁾	770.2	867.6	- 11.2	2,801.1	2,883.4	- 2.9
EBITDA	1,423.7	969.0	+ 46.9	5,869.6	3,779.8	+ 55.3
Adjusted EBITDA	1,533.5	1,075.3	+ 42.6	6,324.3	4,160.6	+ 52.0
Net Income	328.6	75.3	+ 336.5	2,814.8	1,490.7	+ 88.8
Net Indebtedness ⁽²⁾	15,252.5	13,574.3	+ 12.4	15,252.5	13,574.3	+ 12.4
Investment	1,158.3	677.3	+ 71.0	4,198.7	2,709.2	+ 55.0
Consolidated Operating Indicators						
Billed captive energy sales (GWh)	7,715.6	8,185.2	- 5.7	29,777.9	30,252.1	- 1.6
Captive sales + Billed TUSD (GWh)	9,625.2	9,877.3	- 2.6	37,000.7	36,454.3	+ 1.5
Captive sales + Unbilled TUSD (GWh)	9,668.3	9,913.7	- 2.5	37,008.9	36,482.3	+ 1.4
Total Number of Consumers	8,216,059	8,053,803	+ 2.0	8,216,059	8,053,803	+ 2.0
Number of Own Staff				15,649	14,672	+ 6.7
Work Force (own + outsourced staff) ⁽³⁾				21,440	19,946	+ 7.5

(1) Includes PMSO, contingencies and doubtful accounts. | (2) Includes sector credits (CDE, CCC, CVA). | (3) Excludes outsourced construction workers and outsourced workers of the DisCos registered as company staff at the Group's service providers;

1. Corporate structure and profile

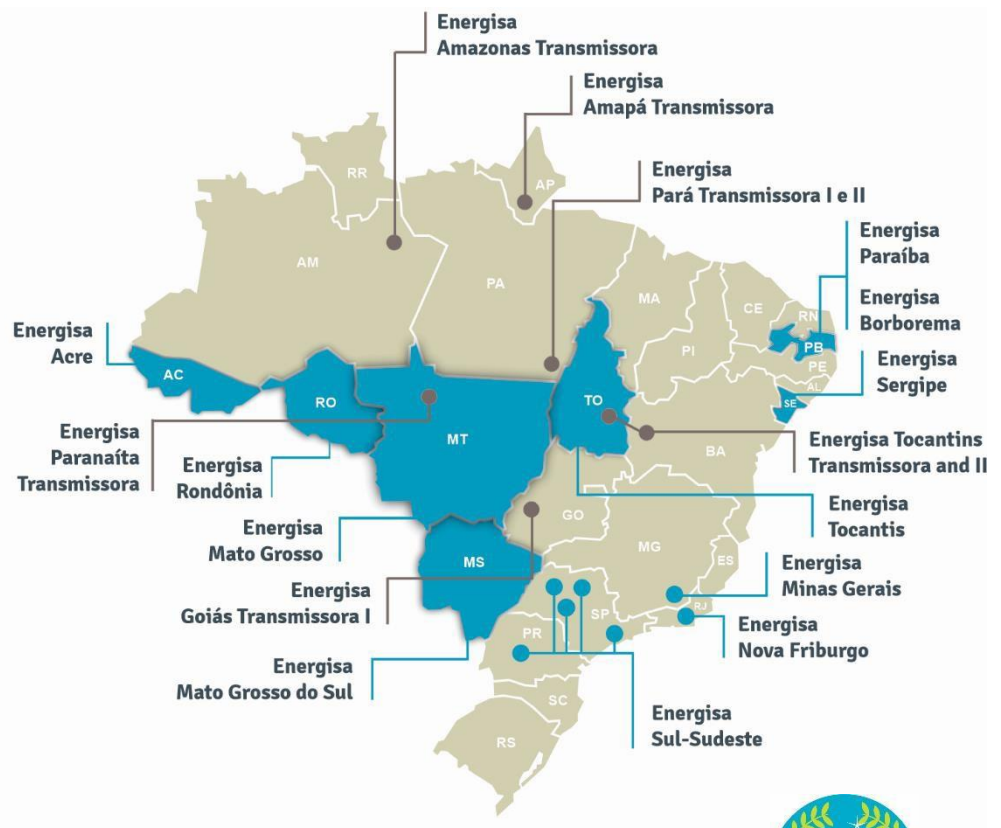
Energisa Group completed 117 years of history on February 26, 2022, and serves approximately 8.2 million consumers in eleven Brazilian states, which accounts for approximately 10% of Brazil's population.

The Company controls 11 DisCos located in the states of Minas Gerais, Sergipe, Paraíba, Rio de Janeiro, Mato Grosso, Mato Grosso do Sul, Tocantins, São Paulo, Paraná, Acre and Rondônia, with a concession area embracing 2,034 thousand Km², equal to 24% of Brazil's landmass.

Energisa Group's activities, In the fiscal year ending on December 31, 2021, also include the trading of energy and the provision of electricity-related services, operating in the distributed energy generation segment with a capacity of 78.4 MWp (mar/22), in addition to energy transmission assets, including assets in operation and under construction, amassing 1,761 km of transmission lines and 7,521.5 MVA of transformation capacity.

ENERGISA GROUP COVERAGE AREA

- 11** power distribution concessions
- 862** municipalities served
- 8.2 million** clients
- 20.0 milhões** people served (10% of Brazil population)
- 2,034,000 km²** total area covered (24% of Brazil's territory)
- 7** service companies
- 8** transmission companies
- 1** distributed generation company

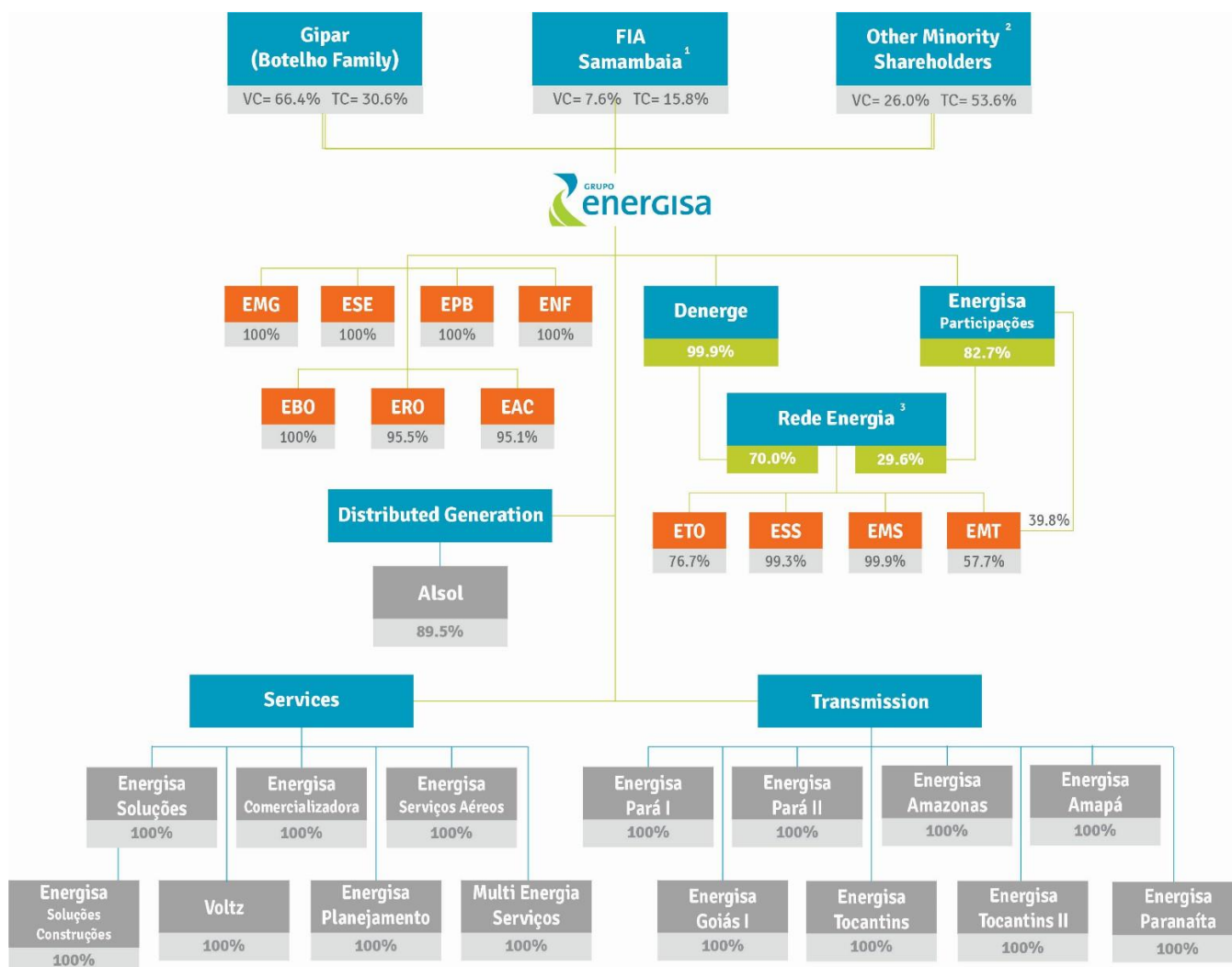


Largest energy distribution group in Brazil

1.1. Corporate Structure of Energisa Group

Energisa Group’s share control is exercised by Gipar S.A., controlled by the Botelho Family. The Company is listed in Level 2 Corporate Governance of B3 and its most liquid shares are traded under the symbol ENGI11 (Units, certificates comprising one common share and four preferred shares). In addition to these securities, it has shares traded under the symbols ENGI3 (common shares) and ENGI4 (preferred shares).

See below the simplified ownership structure of Energisa Group:



Voting Capital | CT - Total Capital

(1) Shareholding held directly and indirectly through investment vehicles.

(2) Share position including Treasury stock.

(3) Energisa holds 94.6% of Rede Energia Participações S/A., indirectly by way of Denerge Desenvolvimento Energético S/A and Energisa Participações Minoritárias S/A and directly via Energisa.

Data for 03/02/2022.

2. Market overview

2021 was marked by macroeconomic impacts and worsening social indicators, still reeling from the effects of the Covid-19 pandemic. Gross Domestic Product (GDP) closed the year up by 4.6%, on the heels of a 3.9% contraction the previous year. The basic interest rate (Selic) rose to 9.25%, compared with 2.0% in 2020, the highest level since 2017, in an attempt to rein in inflation. Income per capita shrank to R\$ 1,367 in the year, 0.94% less than in 2020 (R\$ 1,380).

The Broad Consumer Prices Index (IPCA) closed 2021 at 10.42%, the highest figure for a year since 2015, according to the Brazilian Institute of Geography and Statistics (IBGE). The worst offender in the group housing was electricity, rising by 0.96%.

According to the National Ongoing Household Sampling Survey (Ongoing Pnad), the average annual unemployment rate was 13.2%, 0.6 percentage points lower than last year, but still above pre-pandemic levels (12%). The number of people seeking employment rose to 13.5 million.

Electricity consumption rose by 5.2% in 2021 on the previous year, according to data published by EPE (Empresa de Pesquisa Energética). The main increase was reported by the industrial segment, in excess of 9.2%, followed by commercial (5.5%), other (2,6%) and residential (1.8%). The fastest-growing region was the northeast, with 7%. The North recorded 5.6%; South 5.3%; Southeast 4.9%; and Midwest, 2.1%.

3. Operating performance

3.1. Electricity sales

Sales performance in the 4th quarter:

In the fourth quarter of 2021 (4Q21), Energisa Group's total (free and captive) electricity consumption in the concession areas of Energisa Group's 11 DisCos was 9,625.2 GWh, a decrease of 2.6% on the same period last year. If unbilled consumption is taken into account, the change was -2.5%. The main reasons behind the result in the quarter were the high comparison basis in 4Q20 (+5.2%), the negative calendar effect and warmer weather in 4Q21 in contrast with the dry weather and record heat in 4Q20, especially in Mato Grosso state.

The segments most responsible for the result were the residential (-5.3% or 206.9 GWh), rural, down by 8.4% (-89.6 GWh) and commercial (-1.0% or 17.5 GWh) sectors. More details in section 2.2 below.

The DisCos that most contributed to the Group's quarterly consumption were EMT (-6.3% or 167.8 GWh), EMS (-2.1% or 31.9 GWh) and ESS (-2.5% or 29.5 GWh). EPB, however, managed to buck the trend of consumption decreases experienced by the group, rising 3.0% (34.9 GWh) thanks to residential and commercial consumption.

Sales performance in FY 2021:

Captive and free electricity consumption in 2021 (37,000.7 GWh) grew by 1.5% (546.4 GWh). The factors most driving the result in the year were: The industrial performance of the construction chains and the textile, automotive and food sectors; the warm dry weather in the Northeast and Southeast for most of the year and the easing of sanitary restrictions related to the pandemic. The industrial (+4.5% and 325.1 GWh), commercial (+1.7% and 112.7 GWh) and other (+2.1% or 93.3 GWh) sectors contributed most to this positive result in 2021.

Most of the companies reported healthy industrial consumption, including: ESS, due to vehicles and food and beverages, EMS, due to cold storage, metals, and cement and agricultural inputs production, EPB and ETO, due to nonmetallic minerals and textiles, EMG, due to minerals and textiles, and EBO, due to footwear and nonmetallic minerals. EPB (+7.4% or 53.9 GWh), EMT (+1.8% or 30.6 GWh) and ESE (+5.2% or 28.1 GWh) all experienced good commercial consumption. In the sector others, 8 out of 11 DisCos experienced growth, with 1.8% in government consumption and 2.8% in public lighting.

The residential sector, in turn, remained virtually flat (+0.3% or 41.0 GWh), due to the high comparison basis in 2020 (+7.1%) and abnormal weather. Above all the result was adversely impacted by our Midwest concessions after

nearly 20 consecutive years of growth, which experienced atypical contractions, due to a winter with frosts and a wetter and milder end of year than normal. More specifically, EAC and EMS also suffered from flooding and windstorms respectively, which affected the electricity grid in 1Q21 (AC) and 4Q21 (MS). Meanwhile, positive performances were reported by EPB 4.4% (84.6 GWh), EBO (+2.8% or +7.8 GWh) and ESE (+2.2% or 25.3 GWh) - thanks to the warmer drier weather throughout most of 2021 and the increase in the number of consumers. In this context, Energisa Group's residential consumption rose 7.4% compared with the pre-covid period.

Moreover, the only sector that contracted in 2021 was the rural sector (-0.7% or -25.6 GWh), with over 90% of the contraction caused by EMT (-4.1% or 60.9 GWh) and EMG (-10.9% or 22.4 GWh). This result was mainly due to the high comparison basis in 2020 (dry warmer weather and booming soy and coffee harvests). Positive performances were reported by EPB (+7.3% or 23.8 GWh) and ESE (+7.0% or 8.5 GWh) in 2021, especially due to the higher use of irrigation; ERO (+3.5% or 12.7 GWh) and ETO (+1.8% or 4.7 GWh), whose results in turn were determined by the egg and soy production chain.

8 of our 11 DisCos reported a positive performance in 2021, namely: EPB (+5.1%), ESS (+3.0%), ETO (+2.8%), ESE (+2.4%), EMG (+2.5%), EBO (+5.0%), EMS (0.5%) and ENF (+2.5%). EPB (+5.1%) and EBO (+5.0%) enjoyed the highest growth in 8 years and had the highest rates in the Group, with most sectors growing, especially residential, industrial and commercial. However, ERO (-0.3%), EAC (-0.8%), EMT (-0.4%) and EMS (+0.5) reported weaker performances, which had higher comparison bases in 2020 due to a booming agriculture sector, heat waves at the end of 2020 and lower impacts from COVID as the pandemic took longer to spread into the countryside. In 2021 these concessions were affected by warmer weather in the 2nd half, flooding in state of Acre in the 1st quarter, windstorms in Mato Grosso do Sul state, a slowdown in the food and beverages industry at ERO and the impacts of the 2nd wave of the pandemic.

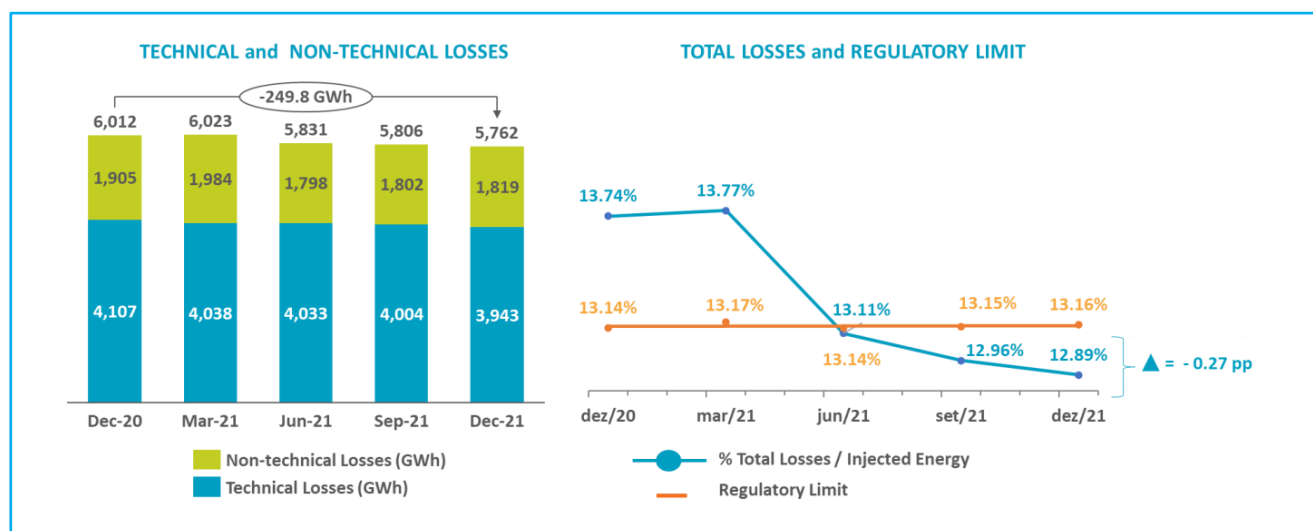
DisCo Energy sales

Description (Amounts in GWh)	Quarter			Year		
	4Q21	4Q20	Change %	2021	2020	Change %
✓ Billed sales to the captive market	7,715.6	8,185.2	- 5.7	29,777.9	30,252.1	- 1.6
✓ Energy transportation to free clients (TUSD)	1,909.6	1,692.2	+ 12.9	7,222.8	6,202.2	+ 16.5
Subtotal (Captive Sales + Billed TUSD)	9,625.2	9,877.3	- 2.6	37,000.7	36,454.3	+ 1.5
✓ Unbilled consumption	43.1	36.4	+ 18.4	8.2	+ 28.0	- 70.8
Subtotal (Captive Sales + Unbilled TUSD)	9,668.3	9,913.7	- 2.5	37,008.9	36,482.3	+ 1.4

3.2. Electricity losses (“losses”)

Energy losses amounted to 5,762 GWh in December 2021, accounting for 12.89% of injected energy. The result is 0.7 percentage points or 40.9 GWh less than that recorded in the third quarter of 2021 and 0.85 percentage points less than in 4Q20. On a consolidated basis, this is the biggest reduction in losses in percentage points since 2014, the year of the acquisition of Grupo Rede. All the concessions had a relevant evolution in the management of losses, and only ERO still remains above the regulatory level, despite the significant reduction of 2.41 percentage points in the period.

The result is the outcome of the intensification of actions to combat non-technical losses, initiated after the easing of sanitary measures related to the pandemic, the reduction of technical losses with the execution of works of the investment plan in networks and favorable seasonal effects. The graph below demonstrates the performance of losses in recent quarters.



Energy Losses (% in past 12 months)

Discos	Technical Losses (%)			Non-Technical Losses (%)			Total Losses (%)			ANEEL	
	% Injected Energy (12 months)			dec/20	sep/20	dec/21	dec/20	sep/20	dec/21		dec/20
EMG	9.43	9.60	9.61	0.21	-0.17	-0.38	9.64	9.43	9.24	10.35	●
ENF	5.10	4.78	4.75	-1.02	-1.03	-1.03	4.07	3.75	3.73	5.46	●
ESE	8.01	7.66	7.57	2.52	2.57	2.58	10.53	10.23	10.16	10.66	●
EBO	5.57	5.60	5.61	0.78	0.62	0.50	6.36	6.21	6.11	6.24	●
EPB	8.82	8.44	8.39	4.71	4.63	4.39	13.53	13.07	12.78	12.88	●
EMT	9.47	8.95	8.94	4.80	4.53	4.68	14.28	13.48	13.62	13.69	●
EMS	10.34	9.74	9.94	2.77	2.68	2.38	13.11	12.42	12.32	13.05	●
ETO	10.94	10.65	10.51	1.50	1.27	1.62	12.45	11.92	12.13	13.75	●
ESS	6.15	6.06	5.97	0.32	0.14	0.07	6.47	6.20	6.05	6.77	●
ERO	12.63	11.67	10.52	14.04	12.97	13.75	26.68	24.65	24.27	22.55	●
EAC	10.03	9.95	9.96	8.20	6.53	6.55	18.23	16.48	16.51	20.14	●
Energisa	9.39	8.94	8.82	4.35	4.02	4.07	13.74	12.96	12.89	13.16	●
Energisa (without ERO and EAC)	8.97	8.58	8.58	3.04	2.87	2.83	12.01	11.45	11.41	11.82	●
Rede Energia	9.24	8.80	8.81	3.08	2.87	2.88	12.32	11.67	11.69	12.12	●

Notes: To calculate the percentages presented above, we considered the values of unbilled energy. The A1 Free Market was included in the calculation of the Total Realized and Regulatory Loss.

Energy Losses (In GWh in past 12 months)

Losses in 12 months	Technical Losses			Non-Technical Losses			Total Losses			
	In GWh	Dec/20	Sep/21	Dec/21	Dec/20	Sep/21	Dec/21	Dec/20	Sep/21	Dec/21
EMG	174.6	178.4	179.5	3.8	-3.1	-7.0	178.4	175.3	172.5	-1.6
ENF	19.1	18.6	18.3	-3.8	-4.0	-3.9	15.3	14.6	14.3	-1.7
ESE	260.7	254.9	253.6	82.0	85.5	86.5	342.7	340.4	340.1	-0.1
EBO	42.6	45.0	45.5	6.0	5.0	4.1	48.6	50.0	49.5	-0.9
EPB	473.8	473.8	476.0	252.7	260.1	249.0	726.5	734.0	725.0	-1.2
EMT	1,106.0	1,065.5	1,053.9	560.8	539.1	551.7	1,666.8	1,604.6	1,605.6	+0.1
EMS	702.8	672.1	686.0	188.5	185.1	164.5	891.2	857.2	850.6	-0.8
ETO	312.3	316.5	311.1	42.9	37.8	47.9	355.2	354.3	359.0	+1.3
ESS	299.3	306.5	300.2	15.7	7.1	3.7	315.0	313.7	303.8	-3.1
ERO	580.4	539.4	486.0	645.3	599.4	635.5	1,225.7	1,138.8	1,121.5	-1.5
EAC	135.7	133.1	132.8	110.9	87.3	87.4	246.5	220.4	220.3	-0.1
Energisa Consolidated	4,107.1	4,003.8	3,942.7	1,904.9	1,799.3	1,819.4	6,012.0	5,803.0	5,762.2	-0.7

(1) Change December 2021 / September 2021.

EMG closed December 2021 with an indicator of 9.24%, 0.40 percentage points lower than in December 2020 and 1.11 percentage points lower than the regulatory limit. This figure diminished by 0.19 percentage points on September 2021.

ENF is operating with small oscillations within a range considered stable, closing December 2021 with an indicator 3.73%, and is 1.73 percentage points within the regulatory limit.

EBO is consolidating its downward trend initiated in 2Q21 and closed 4Q21 with a 0.1 percentage point reduction in comparison with 3Q21. The DisCo remains within the regulatory index, closing 4Q21 with a delta of 0.13 percentage points.

EPB's indicator closed at 12.78%. The result was 0.75 percentage points lower in comparison with December 2020, which demonstrates the plan of measures reinforced for 2021 has been yielding positive results. The total loss 0.10 pp lower than the regulatory limit.

At EMT, the indicator closed at 13.62%, which represents a decrease of 0.66 percentage points on December 2020. The result consolidates the downward trend initiated in 2021 and signals that the additional measures focused on turning around this indicator are effective. The increase observed in comparison with 3Q21 is attributed to the seasonal effects of temperatures and rainfall in the region.

In 4Q21 EMS recorded an index of 12.32%, a decrease of 0.79 percentage points compared with December 2020. The close of December 2021 was impacted by weather changes in the last half of the month driving down required energy, a reduction which was not captured by billing in its entirety. The DisCo closed the last quarter of 2021 with a loss 0.73 percentage points lower than the regulatory limit.

ESE's total loss for December was 10.16%, a decrease of 0.37 percentage points compared with December for 2020. The result consolidates the downward trend and is due to the expansion of inspection actions initiated in 1Q21, which were proven necessary to tackle the rising losses taking place at the time. The December result was also impacted by the same seasonal effects experienced by EMS.

ETO closed 4Q21 with total losses of 12.13%, a decrease of 0.31 percentage points compared with 4Q20 and 1.62 percentage points within the regulatory rate. The positive result was principally due to the lower technical losses, thanks to a connection made with the National Grid. Also note that the end of the year was influenced by climatic and seasonal factors between the months of September and October 2021, which resulted in low monthly losses in these months and impacted the annualized indicator in December.

ESS recorded a decrease in losses in December 2021 and closed at 6.05%, a decrease of 0.16 and 0.42 percentage points in September 2021 and December 2020 respectively. This positive result is thanks to a comprehensive plan of additional measures, inspections and regularizations, initiated in the first quarter of 2021. The company remains within the regulatory limit.

ERO is sustaining its downward trend in losses, closing December 2021 at 24.27%, a decrease of 0.38 and 2.41 percentage points on September 2021 and December 2020 respectively. The result evidences a consistent downward trend initiated in the third quarter of 2019 and is due to a comprehensive plan of actions being carried out since the acquisition.

EAC closed 4Q21 with a total loss rate of 16.51%. The result is 3.45 percentage points lower than the regulatory limit, a decrease of 1.72 percentage points on December 2020. As is the case for ERO, the result for the quarter evidences a consistent downward trend initiated in the second quarter of 2019, that intensified after migration of information and management systems in 4Q20 and 1Q21 at ERO and EAC, respectively.

3.3. Delinquency Management

3.3.1. Delinquency Rate

In 4Q21 Energisa's consolidated delinquency rate for the last 12 months was 0.91%. This represents a decrease of 44.8% or an improvement of 0.73 percentage points on the same period last year. This indicator's performance is a result of the initiatives explained below and the FIDC issuance (item 4.3.3) which produced a reduction of R\$ 103.7 million in the balance in the last 12 months.

The end of restrictions in Oct/21 on disconnecting low-income residential consumers signaled the end of collection restrictions in force. However, as a result of the economic recovery experienced by most sectors, Energisa continued

its strategy of coupling collection discipline with easier payment terms. We kept our focus on collection actions by sending SMS and WhatsApp messages, blacklisting, protests, telephone charging, emails, disconnections, in addition to payment and negotiation via credit card and, finally, disconnections actions. The positive effect of the FIDC issuance on the delinquency rate was a reduction of 0.39 percentage points.

The main delinquency offender in 4Q21 at all the group's companies were the residential sector and low-income subsector.

PPECLD Indicator (% last 12 months)

PPECLD (% of Supply billed)	In 12 months (%)		
	Dec/21	Dec/20	Change in p.p.
EMG	0.28	0.55	-0.27
ENF	0.29	0.85	-0.56
ESE	0.70	0.81	-0.11
EBO	0.30	0.66	-0.37
EPB	0.97	1.45	-0.48
EMT	0.99	2.17	-1.18
EMS	1.17	1.53	-0.37
ETO	0.33	0.98	-0.65
ESS	(0.01)	0.34	-
ERO	1.99	3.40	-1.41
EAC	1.95	2.58	-0.62
Energisa Consolidated	0.91	1.64	-0.73

3.3.2. Collection Rate

Energisa Group's 12-month consolidated collection rate in 4Q21 was 96.52%, 0.09 percentage points better than in 3Q21 (96.41%) and 0.09 percentage points less than in 4Q20 (96.61%). Despite the fact the economy is recovering from the aforesaid pandemic and enjoying higher billing as a result of triggering the water shortage flag over the course of 2H21. Energisa maintained its collection levels in relation to 4Q20.

The actions implemented continue permitting a gradual recovery and the result confirms the expectation that the improvements made will be sustained when compared with 3Q21.

ENF, ESE, EBO and ETO stood out for managing to increase collections in relation to the same period last year. Except for EAC and EMT, the other companies saw collection rates improve on 3Q21. EAC and ERO continue to implement the set of initiatives to improve their indicators to the same level as the group's other companies.

See below the collection rates of Energisa Group's DisCos:

Collection Rate (%)	In 12 months (%)		
	Dec/21	Dec/20	Change in p.p.
EMG	98.27	98.41	- 0.14
ENF	98.39	97.70	+ 0.70
ESE	98.25	97.96	+ 0.29
EBO	98.71	98.46	+ 0.25
EPB	97.00	97.10	- 0.11
EMT	95.56	95.88	- 0.33
EMS	96.99	97.08	- 0.09
ETO	97.65	97.39	+ 0.27
ESS	98.86	98.97	- 0.11
ERO	92.58	93.03	- 0.49
EAC	93.50	93.86	- 0.39
Energisa Consolidated	96.52	96.61	-0.09
Energisa Consolidated (exc. ERO and EAC)	97.00	97.09	-0.09
Rede Energia Consolidated	96.70	96.86	-0.16

3.4. Service quality indicators for distribution services - DEC and FEC

In the main, the Group's DisCos performed well in 4Q21, maintaining an excellent performance and presenting indicators below the DEC and FEC regulatory limits.

The table below presents the results for 2020 and 2021:

Discos 12 months window	DEC (hours)			FEC (times)			DEC Limit	FEC Limit
	dec/1	dec/20	Var.(%)	dec/1	dec/20	Var.(%)		
EMG	8.31	8.92	- 6.9	5.35	4.80	+ 11.5	10.86 ●	7.81 ●
ENF	6.52	6.79	- 3.9	4.28	3.82	+ 12.1	9.30 ●	7.74 ●
ESE	10.55	10.57	- 0.2	4.79	4.99	- 4.0	11.66 ●	7.89 ●
EBO	3.73	3.68	+ 1.5	3.68	2.29	+ 60.8	12.85 ●	8.49 ●
EPB	11.14	14.22	- 21.7	4.38	5.61	- 22.0	15.45 ●	8.97 ●
EMT	20.01	17.48	+ 14.5	8.18	7.77	+ 5.3	20.39 ●	15.86 ●
EMS	10.23	10.00	+ 2.3	4.27	4.31	- 0.9	11.27 ●	7.73 ●
ETO	15.96	18.00	- 11.3	6.18	7.90	- 21.8	22.38 ●	14.88 ●
ESS	5.09	4.94	+ 2.9	3.45	4.29	- 19.6	7.19 ●	6.56 ●
ERO	25.95	35.70	- 27.3	11.41	17.20	- 33.7	27.01 ●	18.54 ●
EAC	27.84	30.49	- 8.7	12.21	16.68	- 26.8	44.15 ●	35.25 ●

Nb: The data presented is obtained from ANEEL databases and can be changed if requested by the regulator.

ERO achieved its best ever historical series for both DEC and FEC. In December 2021, the DEC was 25.95 hours, a significant decrease on the figure for December 2021 (9.75 hours, or 27.3%). The FEC was 11.41 times, a 33.7% decrease, equivalent to 5.97 times. Note that these results meant the company complied with the regulatory limit for both indicators.

EPB presented the best ever historical series of results for DEC and FEC. EMS, ETO, ESS and EAC, in turn, achieved their best ever historical FEC results in December 2021.

In comparison with 2020, EMS saw a modest rise in its DEC as a result of unfavorable climatic conditions, especially in light of the strong storms and gales in October 2021, and EMG, ENF and EBO saw an increase in FEC, mainly due to problems with the supply agent. We emphasize, however, that all these companies' indicators remained better than the regulatory limits.

EMT's DEC and FEC rose in comparison with 2020. This increase was primarily driven by more frequent and heavier rainfall (+27%) and lightning strikes (+39%), mainly from September 2021, associated with a temporary difficulty in forming teams due to COVID-related leave and mobilizing contractors. Nonetheless, the Company complied with the regulatory target and made adaptations in order to return to the previous levels.

3.5. Electricity trading

Energisa Comercializadora (ECO) saw its unbilled energy volume decrease by 15.9% in 4Q21 compared with the same period of 2020. The high volatility of prices over the year and sluggish recovery in economic activity also impacted our performance in 2021, resulting in a 12.8% decrease in billing volume compared with the previous year. Despite this situation, ECO invested in prospecting clients for long-term energy sales, seeing a 30% increase in the client portfolio, focused on end consumers.

Description Amounts in GWh	Quarter			Year		
	4Q21	4Q20	Change %	2021	2020	Change %
Sales to free consumers (ECOM)	1,277	1,519	-15.9%	4,778	5,481	-12.8%

3.6. Transmission

Energisa currently has 8 (eight) lots amounting to Annual Permitted Revenue (RAP) of R\$ 313.4 million (2021-22 round) and a total investment of R\$ 2,899.4 million. After completing the acquisition of Gemini, Energisa's portfolio will contain 11 (eleven) transmission ventures, its Annual Permitted Revenue (RAP) will more than double from R\$ 313.4 million to R\$ 676.3 million (2021-22 cycle) and an estimated total investment of R\$ 3,824.2 million.

The table below summarizes these ventures in the fiscal year ending on December 31, 2021:

Lot	Name	Auction Date	State	Length (Km)	Environmental License Issuance	Operational Start-up (Aneel)	Physical Progress	Estimated Anticip.	Investments estimated ^(a) by Energisa /Acquisition price (R\$ million)	21-22 RAP Cycle (R\$ millions)	Status
3	Energisa Goiás Transmissora I (EGO I)	Apr/17	GO	136 (CD)	09/13/2018	Mar/20	100%	17 months	255.9	44.4	Operational
26	Energisa Pará Transmissora I (EPA I)	Apr/17	PA	296 (CD)	10/02/2018	Nov/20	100%	16 months	318.3	56.1	Operational
19	Energisa Pará Transmissora II (EPA II)	Jun/18	PA	139 (CD/CS)	05/06/2019	Dec/21	100%	12 months	421.2	43.3 ^(c)	Operational
4	Energisa Tocantins Transmissora (ETT)	Dec/18	BA/TO	772 (CS)	10/19/2020	Mar/24	43%	14 months	712.8	71.5	Under construction
11	Energisa Amazonas Transmissora (EAM)	Dec/20	AM	410 (CD/CS)	12/15/2020	Mar/26	30% ^(b)	12/18 months	970.2	71.5 ^(d)	Under construction
4	Energisa Tocantins Transmissora (ETT - II)	Jun/21	TO	-	-	Sep/24	-	-	79.4	4.3 ^(e)	Under construction
5	Energisa Amapá Transmissora (EAP)	Dec/21	AP	10	-	Sep/25	-	8 months	141.7	11.3 ^(e)	Under construction
-	Energisa Paranaíta Transmissora	-	MT	-	-	-	-	-	102.1	10.9	Operational
-	LMTE	-	AP/PA	685	-	-	-	-	-	145.4 ^(f)	Operational
-	LXTE	-	PA	508	-	-	-	-	822.6 ⁽ⁱ⁾	154.1 ^(g)	Operational
-	LTTE	-	RJ/SP	258	-	-	-	-	-	63.4 ^(h)	Operational
Total		-	-	3,212	-	-	-	-	3,824.2	676.3	-

Nb.: Investment data and annual permitted revenue (RAP) restated as of December/2021 - 21/22 round. Physical progress data restated for December/2021. CD - Dual circuit / CS - Single circuit. The figures for EGO I, EPA I and EPA II are actual figures and not projections. The early start-up of EPA II, ETT and EAP is subject to change depending on how long the impacts of the Covid-19 pandemic last. Energisa Amazonas Transmissora's total investment does not include optimizations and is based on amounts estimated by Aneel for the auction in December 2020.

(a) Restated by the IPCA price index from the auction date + capex optimization / (b) Percentage that the operational asset represents of the RAP / (c) Includes additional RAP of R\$ 4.3 million in accordance with REA 10.088/21 / (d) Includes additional RAP of R\$ 3.7 million based on REA 10.382/21 / (e) RAP restated by IPCA on the auction date / (f) Includes additional revenue of R\$ 20.0 million relating to fiber optics contracts / (g) Includes additional RAP of R\$ 7.5 million relating to REA no. 5.149/15 and additional revenue of R\$ 14.4 million relating to fiber optics contracts / (h) Includes additional revenue of R\$ 20.1 million relating to REA no. 6.079/16 and 8.647/20 / (i) the transaction price is subject to change until the closing date. Completion of the acquisition is subject to the performance of certain conditions precedent and the consent of Aneel and CADE.

3.7. ALSOL - Energias Renováveis

Acquired by Energisa group in 2019, ALSOL is engaged in decentralized generation from renewable sources such as solar and biodiesel, connected to existing distribution grids (electric power offset system, REN 482/2012) or combined with storage systems, resulting in islanded micro grids. The Company builds and operates proprietary solar plants, in addition to developing proprietary systems for controlling and monitoring the various generation units, resulting in higher electricity productivity. The power stations participating in the offset system are intended for small- and middle-market businesses, and medium-size businesses purchasing low-voltage energy in the form of a joint-venture.

In 2021 the total investment was R\$ 190.7 million, used to build new power plants and expand existing plants. ALSOL currently has an installed capacity of 78.4 MWp.

Number of operational plants	Capacity (MWp)	Investment	Connection date	State
23	59.8	282.0	2019-2021	MG
3	9.4	42.2	Jan/22	MG
4	9.3	40.1	Feb-Mar/22	MG
30	78.4	364.3	-	-

4. Financial performance

4.1. Gross and net operating revenue

In 4Q21, consolidated net operating revenue (official) excluding construction revenue, amounted to R\$ 6,535.4 million, an increase of 20.5% (R\$ 1,113.5 million) on 4Q20. In the YTD 2021, net operating revenue less construction revenue was R\$ 23,370.0 million, an increase of 31.1% (R\$ 5,546.2 million), on the amount determined in 2020.

See below the net operating revenue by segment:

Operating revenue by segment Description (R\$ million)	Quarter			Year		
	4Q21 (restated)	4Q20 (restated)	Change %	2021 (restated)	2020 (restated)	Change %
(+) Electricity revenue (captive market)	7,120.3	6,071.5	+ 17.3	24,507.4	21,485.0	+ 14.1
✓ Residential	3,568.9	3,133.8	+ 13.9	12,336.4	10,771.8	+ 14.5
• Low income	287.5	258.4	+ 11.2	1,054.2	705.7	+ 49.4
✓ Industrial	457.2	410.9	+ 11.3	1,624.6	1,545.7	+ 5.1
✓ Commercial	1,475.6	1,250.5	+ 18.0	5,022.4	4,530.1	+ 10.9
✓ Rural	755.1	627.9	+ 20.3	2,650.2	2,207.0	+ 20.1
✓ Other sectors	863.7	648.4	+ 33.2	2,873.7	2,430.4	+ 18.2
(+) Electricity sales to distributors*	248.8	476.6	- 47.8	1,291.8	856.1	+ 50.9
(+) Net unbilled sales	(179,8)	(66,3)	+ 171,2	320,1	113,6	+ 181,8
(+) Sales by trading company (ECOM)	287.5	312.0	- 7.9	984.1	1,039.5	- 5.3
(+) Electricity network usage charges (TUSD)	536.0	452.6	+ 18.4	1,975.8	1,604.2	+ 23.2
(+) Construction revenue	576.9	677.9	- 14.9	3,105.5	2,355.1	+ 31.9
(+) Creation and amortization - CVA **	800.0	211.8	+ 277.7	2,559.7	171.2	+ 1,395.6
(+) Subsidies for services awarded under concession	350.2	360.1	- 2.8	1,396.5	1,486.9	- 6.1
(+) Restatement of the concession financial asset (VNR)	240.4	159.8	+ 50.5	686.3	222.6	+ 208.3
(+) Excess demand revenue and surplus reactive energy	22.2	22.3	- 0.4	47.5	81.5	- 41.8
(+) Other revenues	58.6	44.6	+ 31.5	259.7	153.3	+ 69.4
Gross Revenue	10.061,3	8.722,8	+ 15,3	37.134,4	29.568,9	+ 25,6
(-) Sales taxes	2.432,9	2.213,8	+ 9,9	8.728,1	7.759,6	+ 12,5
(-) Rate flag deductions	12.4	(17.4)	-	(17.0)	(42.2)	- 59.8
(-) Sector charges	503,6	426,6	+ 18,0	1.947,8	1.672,6	+ 16,4
(=) Net revenue	7.112,3	6.099,8	+ 16,6	26.475,5	20.178,8	+ 31,2
(-) Construction revenue	576.9	677.9	- 14.9	3,105.5	2,355.1	+ 31.9
(=) Net revenue, without construction revenue	6.535,4	5.421,9	+ 20,5	23.370,0	17.823,8	+ 31,1

* Sale of energy at the Electricity Trading Chamber (CCEE) + Revenue from sales to distributors and other concession operators

** Balance of the CVA account - formation of CVA assets and liabilities

See below the net operating revenue by company:

Net revenue by segment Amounts in R\$ million	Quarter			Year		
	4Q21 (restated)	4Q20 (restated)	Change %	2021 (restated)	2020 (restated)	Change %
I - Distribution of electricity	6,635.5	5,668.1	17.1	24,619.6	18,714.1	+ 31.6
✓ EMG	260.5	221.2	+ 17.8	940.9	805.3	+ 16.8
✓ ENF	47.9	50.3	- 4.8	186.2	183.9	+ 1.3
✓ ESE	562.6	459.8	+ 22.4	1,846.4	1,403.5	+ 31.6
✓ EBO	110.8	91.5	+ 21.0	367.7	282.5	+ 30.2
✓ EPB	825.7	758.7	+ 8.8	2,801.2	2,256.7	+ 24.1
✓ EMT	1.928,2	1.539,2	+ 25,3	7.183,7	5.029,3	+ 42,8
✓ EMS	1.205,5	894,3	+ 34,8	4.122,0	2.891,5	+ 42,6
✓ ETO	473,1	411,8	+ 14,9	1.834,6	1.436,0	+ 27,8
✓ ESS	609,6	524,9	+ 16,1	2.201,7	1.805,6	+ 21,9
✓ ERO	310,4	517,5	- 40,0	2.324,5	1.927,7	+ 20,6
✓ EAC	301,2	198,9	+ 51,5	810,5	692,2	+ 17,1
II - Electricity sales and services	664.1	567.8	16.9	2,469.6	1,974.0	+ 25.1
✓ Energisa S/A (ESA)	62.1	52.5	+ 18.4	237.2	218.5	+ 8.5
✓ Energisa Comercializadora (ECOM)	261.3	283.4	- 7.8	894.5	944.4	- 5.3
✓ Energisa Soluções Consolidated (ESOL Consol.)	71.8	63.9	+ 12.4	230.0	218.3	+ 5.4
✓ Multi Energisa	12.4	11.9	+ 4.0	44.3	43.2	+ 2.5
✓ Energisa Goiás Transmissora I (EGO I)	13.5	25.6	- 47.5	53.5	91.0	- 41.2
✓ Energisa Pará Transmissora I (EPA I)	17.2	59.5	- 71.1	68.3	192.1	- 64.5
✓ Energisa Pará Transmissora II (EPA II)	44.1	38.0	+ 16.1	255.4	175.8	+ 45.3
✓ Energisa Tocantins Transmissora (ETT)	123.1	21.2	480. 4	542.1	47.3	+ 1,047.4
✓ Energisa Amazonas (EAM)	21.1	-	-	49.2	-	-
✓ Alsol	31.4	10.4	201. 8	84.2	36.3	+ 131.8
✓ Other	6.0	1.4	328. 1	11.0	7.1	+ 54.7
(=) Total (I+II)	7.299,5	6.235,9	17,1	27.089,2	20.688,1	+ 30,9
Intercompany eliminations	(187.2)	(136.1)	37.5	(613.7)	(509.3)	+ 20.5
(=) Energisa Consolidated	7.112,3	6.099,8	16,6	26.475,5	20.178,8	+ 31,2
(-) Construction revenue	576.9	677.9	- 14.9	3,105.5	2,355.1	+ 31.9
(=) Energisa Consol. without construction revenue	6.535,4	5.421,9	20,5	23.370,0	17.823,8	+ 31,1

4.2. Operating costs and expense

Consolidated operating expenses and costs excluding construction costs amounted to R\$ 5,555.9 million in 4Q21, an increase of 14.2% (R\$ 689.0 million) over the same period last year. In 2021 this amount is R\$ 19,197.7, 23.7% (R\$ 3,679.2 million) more than the same period last year.

Consolidated operating costs and expenses break down as follows:

Breakdown of operating expenses and costs Amounts in R\$ million	Quarter			Year		
	4Q21	4Q20	Change %	2021	2020	Change %
1 Non-Manageable costs and expenses	4,354.0	3,569.6	+ 22.0	14,969.9	11,264.1	+ 32.9
1.1 Energy purchased	3,929.9	3,142.7	+ 25.0	13,234.6	9,805.8	+ 35.0
1.2 Transmission of electricity	424.2	427.0	- 0.7	1,735.3	1,458.3	+ 19.0
2 Manageable costs and expenses	770.2	867.6	- 11.2	2,801.1	2,883.4	- 2.9
2.1 PMSO	927.8	836.3	+ 10.9	2,877.7	2,588.0	+ 11.2
2.2 Provisions/Reversals	(157.6)	31.4	-	(76.6)	295.3	-
2.2.1 Contingencies	(247.5)	(16.1)	+ 1,440.6	(322.5)	(85.0)	+ 279.3
2.2.2 Expected credit losses	89.9	47.4	+ 89.4	245.9	380.4	- 35.4
3 Other revenue/expenses	431.6	429.6	+ 0.5	1,426.7	1,371.0	+ 4.1
3.1 Amortization and depreciation	325.5	326.8	- 0.4	1,243.0	1,228.7	+ 1.2
3.2 Other revenue/expenses	106.1	102.8	+ 3.2	183.7	142.3	+ 29.0
Total (1+2+3, exc. construction)	5,555.9	4,866.9	+ 14.2	19,197.7	15,518.5	+ 23.7
Construction cost	458.3	590.7	- 22.4	2,651.2	2,109.3	+ 25.7
Total (1+2+3, inc. construction)	6,014.2	5,457.5	+ 10.2	21,848.9	17,627.8	+ 24.8

Nb: Operating costs and expenses by DisCo can be seen in Appendix I.

4.3. EBITDA

EBITDA amounted to R\$ 1,423.7 million in the quarter, an increase of 46.9% (R\$ 454.7 million) on the previous year. This amount is influenced by the following effects:

- EMS: R\$ 133.4 million increase in its B parcel and R\$ 130.8 million in EBITDA;
- ESE: R\$ 44.7 million increase in its B parcel and R\$ 39.3 million increase in EBITDA;
- EAC: increase of R\$ 72.1 million in its B parcel, with EBITDA rising R\$ 0,1 million;
- The Group's other 8 concessions reported a R\$ 476.0 million increase in their B parcel and reduction of R\$ 175.1 million in EBITDA, driven by 2021 rate adjustments and market mix in distributors' net revenue;

YTD EBITDA amounted to R\$ 5,869.6 million, an increase of 55.3 % (R\$ 2,089.8 million) over last year. This amount is influenced by the following non-recurring effects:

- EMT: R\$ 632.5 million increase in its B parcel and R\$ 360.0 million in EBITDA;
- EMS: R\$ 346.6 million increase in its B parcel and a and R\$ 315.3 million in EBITDA;
- ERO: increase of R\$ 319.8 million in its B parcel, with EBITDA rising R\$ 249.9 million;
- The Group's other 8 concessions reported a R\$ 1,879.1 million increase in their B parcel and R\$ 386.7 million in EBITDA, driven by market growth, rate adjustments and rate-setting reviews (see table 3.2.4);

See below the quarterly EBITDA and Adjusted EBITDA figures by subsidiary in the periods:

Description Amounts in R\$ million	EBITDA			Adjusted EBITDA ⁽¹⁾		
	4Q21 (restated)	4Q20 (restated)	Change %	4Q21 (restated)	4Q20 (restated)	Change %
Electricity distribution	1.208,1	1.020,1	+ 18,4	1.317,8	1.126,4	+ 17,0
EMG	22,9	21,9	+ 4,8	26,5	25,9	+ 2,5
ENF	9,0	8,2	+ 9,6	9,8	8,3	+ 18,0
ESE	136,9	89,0	+ 53,8	144,2	97,0	+ 48,6
EBO	29,3	15,3	+ 91,0	31,0	17,1	+ 81,3
EPB	168,4	149,9	+ 12,3	183,7	165,2	+ 11,2
EMT	302,8	363,0	- 16,6	335,6	397,3	- 15,5
EMS	298,4	148,0	+ 101,6	314,5	166,0	+ 89,4
ETO	55,6	87,6	- 36,6	63,6	97,8	- 34,9
ESS	71,5	61,2	+ 16,8	79,2	67,7	+ 16,9
ERO	16,0	65,1	- 75,4	27,7	68,6	- 59,7
EAC	97,4	10,9	+ 797,1	102,1	15,4	+ 562,6
Sales, energy services and other	39,1	66,0	- 40,8	39,1	66,0	- 40,8
ECOM	(25,9)	(16,9)	+ 53,7	(25,9)	(16,9)	+ 53,7
ESOL Consol.	(25,0)	7,8	-	(25,0)	7,8	-
MULTI	3,6	3,2	+ 13,6	3,6	3,2	+ 13,6
EGO	12,0	24,3	- 50,6	12,0	24,3	- 50,6
EPA I	13,2	36,6	- 64,0	13,2	36,6	- 64,0
EPA II	15,1	9,0	+ 68,3	15,1	9,0	+ 68,3
ETT	34,8	5,0	+ 600,4	34,8	5,0	+ 600,4
EAM	11,9	-	-	11,9	-	-
Alsol	6,5	(1,1)	-	6,5	(1,1)	-
Other	(7,1)	(1,7)	+ 306,8	(7,1)	(1,7)	+ 306,8
Holding companies (without equity income)	(21,8)	(29,1)	- 25,0	(21,8)	(29,1)	- 25,0
ESA Parent company	(21,6)	(26,2)	- 17,5	(21,6)	(26,2)	- 17,5
Rede parent company	(0,1)	(0,3)	- 64,9	(0,1)	(0,3)	- 64,9
DENERGE	-	(0,0)	-	-	(0,0)	-
Other holding companies	(0,1)	(2,6)	- 95,4	(0,1)	(2,6)	- 95,4
Business combination	198,4	(88,1)	-	198,4	(88,1)	-
Energisa Consolidated	1.423,7	969,0	+ 46,9	1.533,5	1.075,3	+ 42,6
EBITDA Margin (%)	20,0	15,9	+ 4,1 p.p.	21,6	17,6	+ 3,9 p.p.

(1) Adjusted EBITDA = EBITDA + Interest on Energy Bills

See below the annual EBITDA and Adjusted EBITDA figures by subsidiary in the periods:

Description Amounts in R\$ million	EBITDA			Adjusted EBITDA ⁽¹⁾		
	2021 (restated)	2020 (restated)	Change %	2021 (restated)	2020 (restated)	Change %
Electricity distribution	5.432,3	3.606,0	+ 50,6	5.887,0	3.986,7	+ 47,7
EMG	155,8	122,1	+ 27,7	171,1	135,2	+ 26,6
ENF	33,3	30,6	+ 8,9	34,8	32,4	+ 7,6
ESE	470,3	298,7	+ 57,5	504,9	325,5	+ 55,1
EBO	83,0	48,8	+ 70,3	89,6	54,4	+ 64,6
EPB	665,6	509,7	+ 30,6	728,1	559,5	+ 30,1
EMT	1.775,0	1.106,9	+ 60,4	1.914,6	1.222,7	+ 56,6
EMS	1.052,9	615,9	+ 71,0	1.121,9	676,3	+ 65,9
ETO	398,9	352,9	+ 13,0	433,3	382,3	+ 13,3
ESS	314,0	250,5	+ 25,3	343,2	273,8	+ 25,3
ERO	252,4	157,7	+ 60,1	300,0	200,7	+ 49,4
EAC	231,0	112,2	+ 105,9	245,5	123,8	+ 98,3
Sales, energy services and other	338,5	246,5	+ 37,4	338,6	246,5	+ 37,4
ECOM	(26,2)	(5,5)	+ 377,1	(26,2)	(5,5)	+ 377,1
ESOL Consol.	(4,6)	20,1	-	(4,6)	20,1	-
MULTI	14,6	11,9	+ 22,2	14,6	11,9	+ 22,2
EGO	48,4	53,2	- 9,1	48,4	53,2	- 9,1
EPA I	49,8	112,9	- 55,9	49,8	112,9	- 55,9
EPA II	66,8	38,7	+ 72,7	66,8	38,7	+ 72,7
ETT	165,1	13,7	+ 1,106,9	165,1	13,7	+ 1,106,9
EAM	20,0	-	-	20,0	-	-
Alsol	22,1	2,5	+ 789,5	22,2	2,5	+ 791,7
Other	(17,4)	(1,0)	+ 1,604,2	(17,4)	(1,0)	+ 1,604,2
Holding companies (without equity income)	4,8	12,7	- 62,5	4,8	12,7	- 62,5
ESA Parent company	5,2	16,4	- 68,5	5,2	16,4	- 68,5
Rede parent company	(2,2)	(0,7)	+ 199,2	(2,2)	(0,7)	+ 199,2
DENERGE	(0,0)	(0,1)	- 64,2	(0,0)	(0,1)	- 64,2
Other holding companies	1,8	(2,9)	-	1,8	(2,9)	-
Business combination	94,0	(85,3)	-	94,0	(85,3)	-
Energisa Consolidated	5.869,6	3.779,8	+ 55,3	6.324,3	4.160,6	+ 52,0
EBITDA Margin (%)	22,2	18,7	+ 3,4 p.p.	23,9	20,6	+ 3,3 p.p.

(1) Adjusted EBITDA = EBITDA + Interest on Energy Bills

4.4. Finance result

In the quarter the net finance income reflected net finance costs of R\$ 734.4 million, compared with net finance costs of R\$ 495.7 million in the same period of the previous year, an increase of R\$ 238.7 million. The YTD financial result reflected net financial expenses of R\$ 1,097.5 million, compared with net financial expenses of R\$ 655.8 million in the same period last year, an increase of R\$ 441.8 million.

Finance Income (Loss) Amounts in R\$ million	Quarter			Year		
	4Q21	4Q20	Change %	2021	2020	Change %
Finance revenue	331.1	210.7	+ 57.1	1,430.2	735.3	+ 94.5
Revenue on short-term investments	107.7	39.1	+ 175.7	242.5	105.4	+ 130.1
Interest on overdue energy bills	109.8	106.3	+ 3.3	454.8	380.9	+ 19.4
Financial restatement of regulatory assets (CVA)	41.4	1.1	+ 3,632.9	37.6	33.7	+ 11.5
Restatement of recoverable tax credits	4.5	6.4	- 29.9	14.9	31.1	- 52.2
Monetary restatement of judicial bonds	12.4	6.6	+ 87.0	48.7	27.5	+ 77.0
(-) PIS/COFINS on finance revenue	(25.6)	(16.6)	+ 53.9	(95.9)	(52.9)	+ 81.2
Restatement of effects of reducing ICMS on the PIS and COFINS calculation base	47.1	4.1	+ 1,049.8	602.0	84.2	+ 614.7
Other finance revenue	34.0	63.8	- 46.8	125.7	125.4	+ 0.3
Finance costs	(1,065.5)	(706.4)	+ 50.8	(2,527.8)	(1,391.0)	+ 81.7
Debt charges - Interest	(699.1)	(205.6)	+ 240.1	(1,415.9)	(854.0)	+ 65.8
Debt charges - Monetary and exchange variance	17.7	156.8	- 88.7	(482.0)	(1,362.4)	- 64.6
Derivative financial instruments	155.0	(183.6)	-	510.2	1,312.4	- 61.1
Adjustment to present value	(36.6)	(19.5)	+ 88.1	(78.1)	(5.5)	+ 1,315.0
						+ 1,933.0
Mark-to-market of derivatives	(243.4)	(330.1)	- 26.3	(109.0)	(5.4)	
Mark-to-market of debt securities	78.2	(63.4)	-	354.0	(39.2)	-
Financial restatement of regulatory liabilities	(82.7)	(0.2)	+ 44,344.1	(72.6)	(8.4)	+ 765.4
Monetary restatement of R&D and energy efficiency	(2.1)	(1.2)	+ 79.4	(7.9)	(6.5)	+ 20.7
(-) Transfer of capitalized interest to orders in progress	15.1	6.7	+ 126.0	39.2	20.9	+ 87.5
Bank expenses	(5.3)	(3.7)	+ 43.4	(18.8)	(13.9)	+ 35.2
Incorporation of grids	4.7	(24.6)	-	(45.4)	(49.2)	- 7.8
Endorsement expense	(1.2)	(2.1)	- 46.1	(7.3)	(11.2)	- 35.1
Restatement of effects of reducing ICMS on the PIS and COFINS calculation base	(47.1)	(4.1)	+ 1,049.8	(602.0)	(84.2)	+ 614.7
Other financial expenses	(218.9)	(31.8)	+ 588.9	(592.3)	(284.3)	+ 108.3
Finance income/loss	(734.4)	(495.7)	+ 48.2	(1,097.5)	(655.8)	+ 67.4

In the quarter, the financial revenue increased by R\$ 120.4 million, primarily influenced by the R\$ 68.6 million variance in short-term investments R\$ 43.0 million in the restatement on the effects of ICMS being excluded from the PIS/COFINS base, and R\$ 40.3 million in the financial restatement of regulatory assets (CVA).

Finance costs in this quarter, in turn, rose by R\$ 359.1 million, influenced primarily by: the R\$ 493.5 million variance in debt interest, as a result of the higher volume and debt cost; and the R\$ 187.2 million increase in other expenses (R\$ 79.7 million due to restatement of regulatory liabilities). Contrastingly, there was a positive effect of R\$ 141.6 million on the mark-to-market of the debt.

YTD finance revenue increased by R\$ 695.0 million, primarily influenced by the R\$ 517.8 million change in the restatement on the effects of ICMS being excluded from the PIS/COFINS base. R\$ 137.1 million in short-term investments and R\$ 73.9 million in arrears charges on overdue accounts.

YTD finance costs, in turn, rose by R\$ 1,136.7 million, mainly due to the R\$ 561.9 million increase in debt interest expenses, the recording of ICMS in the PIS/COFINS base of R\$ 602.0 million, an increase of R\$ 517.8 million with a neutral effect on profit or loss. Contrastingly, there was a positive effect of R\$ 393.2 million on the mark-to-market

of R\$ 354.0 million of the debt.

4.5. Net income for the period

The consolidated net income this quarter was R\$ 328.6 million (R\$ 0.18/share or R\$ 0.91/Unit), an increase of 336.5% (+ R\$ 253.3 million) more than in the same period last year.

See below the consolidated net income (loss) of Energisa and its subsidiaries by segment:

Net income (loss) by Company Amounts in R\$ million	Quarter			Year		
	4Q21	4Q20 (restated)	Change %	2021	2020 (restated)	Change %
Electricity distribution	570,6	535,9	+ 6,5	2.862,6	1.732,7	+ 65,2
EMG	(2,4)	7,1	-	57,8	42,4	+ 36,3
ENF	2,4	2,4	- 1.5	11,4	10,8	+ 6,0
ESE	75,2	45,7	+ 64,6	296,4	163,5	+ 81,3
EBO	23,2	10,6	+ 119,5	61,3	34,4	+ 78,5
EPB	97,4	108,0	- 9,8	444,2	366,9	+ 21,1
EMT	130,3	212,5	- 38,7	1.015,5	621,7	+ 63,3
EMS	133,1	77,0	+ 72,9	560,8	322,1	+ 74,1
ETO	(1,8)	65,5	-	220,1	192,1	+ 14,6
ESS	27,1	28,2	- 4,0	142,5	111,5	+ 27,7
ERO	(160,9)	(25,1)	+ 540,8	(239,2)	(177,2)	+ 35,0
EAC	247,1	4,0	+ 6.060,0	291,7	44,4	+ 556,4
Sales, energy services and other	1,4	53,3	- 97,3	188,2	175,9	+ 7,0
ECOM	(18,3)	(11,7)	+ 56,3	(21,5)	(5,5)	+ 291,0
ESOL Consol.	(19,3)	2,7	-	(13,0)	4,5	-
MULTI	2,1	2,0	+ 4,5	8,8	7,0	+ 26,6
EGO	8,9	22,4	- 60,2	39,3	46,6	- 15,6
EPAI	1,0	32,8	- 96,9	19,7	104,4	- 81,2
EPAII	9,9	8,1	+ 22,5	56,3	32,5	+ 73,2
ETT	21,3	3,3	+ 548,3	106,5	9,0	+ 1,081,5
EAM	10,4	-	-	17,6	-	-
Alsol	(1,5)	(1,7)	- 10,1	3,4	(1,4)	-
Other	(13,1)	(4,6)	+ 186,9	(29,0)	(21,1)	+ 37,2
Holding companies (without equity income)	(263,1)	(398,1)	- 35,3	12,8	(135,7)	-
ESA Parent company	(231,7)	(379,5)	- 39,0	98,3	(85,5)	-
Rede parent company	(8,6)	(5,3)	+ 63,5	(29,0)	(17,0)	+ 70,7
DENERGE	(17,0)	(11,3)	+ 49,9	(58,0)	(40,1)	+ 44,6
Other holding companies	(0,4)	(2,0)	- 78,4	1,5	6,9	- 78,5
Business combination - Pro forma adjustments	19,7	(115,8)	-	(248,8)	(282,2)	- 11,9
Energisa Consolidated	328,6	75,3	+ 336,5	2.814,8	1.490,7	+ 88,8

5. Capital structure

5.1. Cash and debt

The consolidated position of cash, cash equivalents, short-term investments and sector credits amounted to R\$ 8,093.4 million as of December 31, against R\$ 6,617.2 million as of September 30, 2021. We emphasize that these balances include credits relating to the Energy Development Account (CDE), Fossil Fuel Consumption Account (CCC) and the Memorandum Account for A parcel amounts (CVA), in the amount of a positive R\$ 2,076.5 million as of December 31, R\$ 1,383.4 million as of September 30, 2021.

The net debt as of December 31 less sector credits amounted to R\$ 15,252.5, compared with R\$ 14,627.0 million in September and R\$ 13,906.4 million in June 2021. As a result, the ratio between net debt and adjusted EBITDA was kept in 2.4 in December 2021. The covenant limits for 2021 are 4.25 times.

See below the short- and long-term debt net of financial resources (cash, cash equivalents, short-term investments and sector credits):

Description Amounts in R\$ million	Parent company			Consolidated		
	12/31/2021	09/30/2021	06/30/2021	12/31/2021	09/30/2021	06/30/2021
Current	2,504.2	2,035.7	1,572.5	5,408.1	4,566.7	4,059.8
Loans and financing	66.8	68.5	69.4	2,014.7	1,808.5	1,785.2
Debentures	1,144.1	1,006.6	992.9	1,863.7	1,696.1	1,705.9
Debt charges	56.6	35.0	12.1	205.3	156.3	130.2
Tax financing and post-employment benefits	1.2	1.5	1.5	88.4	89.0	89.1
Derivative financial instruments, net	1,235.5	924.1	496.7	1,235.9	816.7	349.3
✓ Law 4131 (Swap and MTM)	22.9	14.9	12.9	23.4	(92.4)	(134.6)
✓ MTM 7 th debentures issuance	1,212.5	909.1	483.8	1,212.5	909.1	483.8
Noncurrent	4,455.7	3,634.4	3,838.6	17,937.8	16,677.5	15,504.4
Loans, financing and leasing	1,643.1	1,673.6	959.3	9,539.2	9,332.6	6,725.4
Debentures	3,298.3	2,249.7	2,658.8	9,730.5	8,132.5	8,810.0
Tax financing and post-employment benefits	8.8	13.2	12.9	321.4	571.7	561.9
Derivative financial instruments, net	(494.5)	(302.1)	207.6	(1,653.1)	(1,359.4)	(592.9)
✓ Law 4131 (Swap and MTM)	(494.5)	(302.1)	(276.2)	(1,653.1)	(1,359.4)	(1,076.7)
✓ MTM 7 th debentures issuance	-	-	483.8	-	-	483.8
Total debts	6,960.0	5,670.1	5,411.1	23,345.9	21,244.2	19,564.1
(-) Cash and cash equivalents	4,683.4	3,518.9	3,072.5	6,016.9	5,233.8	4,996.6
Total net debts	2,276.6	2,151.2	2,338.6	17,329.0	16,010.4	14,567.5
(-) CDE Credits	-	-	-	609.7	355.3	317.9
(-) CCC Credits	-	-	-	310.2	290.3	233.2
(-) CVA Credits	-	-	-	1,156.6	737.7	110.0
Total net debts less sector credits	2,276.6	2,151.2	2,338.6	15,252.5	14,627.0	13,906.4
Relative Indicator						
Net debt / Adjusted EBITDA 12 months ⁽¹⁾	-	-	-	2.4	2.4	2.5

(1) Adjusted EBITDA = EBITDA + Interest on Overdue Energy Bills (last 12 months). Each DisCo's debt can be seen in Appendix I.

Total net debt less sector credits increased by R\$ 575.5 million compared with September 2021. In order to finance 2021 investments, the Company has raised a YTD R\$ 7.6 billion.

6. Investments

In 4Q21 Energisa and its subsidiaries made investments of R\$ 1,158.3 million, 71.0% more than in the same period of the previous year. The total investment in 2021 was R\$ 4,198.7 million, 55.0% more than in the same period of the previous year.

The following investments were made:

Investment	Electric Assets			Special Obligations			Non-electric assets			Total Investment		
	Amounts in R\$ million	4Q21	4Q20	Change %	4Q21	4Q20	Change %	4Q21	4Q20	Change %	4Q21	4Q20
EMG	16.5	24.8	- 33.7	4.5	1.1	+ 308.9	1.3	2.0	- 33.4	22.3	27.9	- 20.2
ENF	2.7	3.9	- 31.2	0.0	(0.1)	-	0.3	1.6	- 83.5	3.0	5.4	- 45.4
ESE	54.2	16.7	+ 224.4	1.4	0.6	+ 125.1	1.7	2.6	- 34.1	57.4	20.0	+ 187.1
EBO	4.5	2.4	+ 87.5	0.2	0.2	- 5.7	0.3	0.6	- 37.7	5.1	3.2	+ 59.5
EPB	45.2	50.5	- 10.4	2.1	2.6	- 18.1	3.4	2.5	+ 32.7	50.7	55.6	- 8.8
EMT	165.8	87.3	+ 89.9	5.9	(4.5)	-	4.6	8.7	- 46.9	176.4	91.5	+ 92.7
EMS	150.7	60.5	+ 148.9	9.0	2.5	+ 254.8	1.7	3.9	- 55.6	161.4	67.0	+ 141.1
ETO	72.9	28.0	+ 160.8	5.8	3.7	+ 57.0	(0.6)	3.9	-	78.1	35.5	+ 119.9
ESS	37.7	48.5	- 22.2	3.4	3.8	- 8.5	(1.5)	3.5	-	39.6	55.7	- 28.9
ERO	(238.5)	(130.5)	+ 82.8	477.6	247.3	+ 93.1	1.0	33.8	- 97.1	240.0	150.6	+ 59.4
EAC	83.3	(169.9)	-	0.7	186.2	- 99.6	1.5	15.6	- 90.4	85.5	31.9	+ 168.3
Total DisCos	395.1	22.3	+ 1,673.0	510.7	443.4	+ 15.2	13.7	78.6	- 82.6	919.5	544.3	+ 68.9
EPA I	-	22.2	-	-	-	-	-	0.1	-	-	22.2	-
EPA II	28.3	29.0	- 2.5	-	-	-	0.0	0.0	- 89.5	28.3	29.0	- 2.6
EGO I	-	-	-	-	-	-	-	-	-	-	-	-
ETT	88.5	16.0	+ 452.0	-	-	-	-	-	-	88.5	16.0	+ 452.0
EAM	6.5	-	-	-	-	-	0.0	-	-	6.5	-	-
ALSOL	-	-	-	-	-	-	54.1	40.9	+ 32.4	54.1	40.9	+ 32.4
ESOL Consolidated	-	-	-	-	-	-	10.9	3.8	+ 188.3	10.9	3.8	+ 188.3
Other	30.9	(0.3)	-	-	-	-	19.6	21.4	- 8.0	50.6	21.1	+ 139.5
Total	549.3	89.2	+ 515.8	510.7	443.4	+ 15.2	98.4	144.8	- 32.0	1,158.3	677.3	+ 71.0

Investment	Electric Assets			Special Obligations			Non-electric assets			Total Investment		
	Amounts in R\$ million	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %	2021	2020
EMG	66.8	88.0	- 24.1	8.5	4.7	+ 82.1	2.8	8.1	- 65.3	78.1	100.7	- 22.4
ENF	9.1	15.1	- 39.9	0.3	0.1	+ 252.0	0.3	2.5	- 87.3	9.7	17.7	- 45.0
ESE	147.4	77.5	+ 90.3	6.1	3.0	+ 106.3	2.8	7.7	- 64.1	156.3	88.2	+ 77.2
EBO	15.7	14.9	+ 5.4	1.7	0.8	+ 116.8	0.5	1.0	- 56.4	17.9	16.8	+ 6.8
EPB	171.4	181.5	- 5.5	13.6	5.8	+ 136.5	5.0	10.5	- 52.3	190.1	197.8	- 3.9
EMT	579.7	332.5	+ 74.4	4.3	112.1	- 96.2	12.0	21.7	- 44.8	595.9	466.2	+ 27.8
EMS	466.4	193.6	+ 140.8	43.8	19.1	+ 129.2	5.4	12.7	- 57.6	515.5	225.4	+ 128.7
ETO	253.0	118.2	+ 114.0	30.1	44.5	- 32.2	2.3	11.0	- 79.1	285.4	173.7	+ 64.3
ESS	118.9	176.1	- 32.4	22.1	13.1	+ 68.5	5.3	12.0	- 56.2	146.3	201.2	- 27.3
ERO	299.2	293.0	+ 2.1	523.7	292.9	+ 78.8	14.8	48.1	- 69.2	837.7	634.0	+ 32.1
EAC	237.0	(67.0)	-	3.2	204.2	- 98.5	6.2	30.6	- 79.7	246.3	167.8	+ 46.8
Total DisCos	2,364.6	1,423.3	+ 66.1	657.5	700.2	- 6.1	57.3	165.9	- 65.5	3,079.3	2,289.4	+ 34.5
EPA I	-	77.9	-	-	-	-	-	0.1	-	-	78.0	-
EPA II	186.8	137.0	+ 36.4	-	-	-	0.3	0.0	+ 718.4	187.1	137.0	+ 36.6
EGO I	-	33.8	-	-	-	-	-	-	-	-	33.8	-
ETT	376.6	33.3	+ 1,029.9	-	-	-	0.0	-	-	376.6	33.3	+ 1,029.9
EAM	256.0	-	-	-	-	-	1.3	-	-	257.3	-	-
ALSOL	-	-	-	-	-	-	190.7	85.4	+ 123.4	190.7	85.4	+ 123.4
ESOL Consolidated	-	-	-	-	-	-	29.8	10.8	+ 176.4	29.8	10.8	+ 176.4
Other	31.0	(0.4)	-	-	0.2	-	46.9	41.6	+ 12.6	77.9	41.4	+ 87.9
Total	3,214.9	1,704.9	+ 88.6	657.5	700.4	- 6.1	326.3	303.8	+ 7.4	4,198.7	2,709.2	+ 55.0

7. Capital market

7.1. Stock Performance

Traded on B3, the Energisa shares with the greatest liquidity ENGI11 - Units (consisting of 1 common share and 4 preferred shares) gained -11.9% in 4Q21, and closed the year quoted at R\$ 42.17 per Unit. Over the same period, the main stock exchange index, Ibovespa, dropped 11.9%, while the IEE index dropped 7.9%. See below the market indicators of Energisa's shares at the end of the quarter.

See below the market indicators of Energisa's shares at the end of the year:

	December 2021	December 2020	Change %
Market indexes			
Enterprise value (EV - R\$ million) ⁽¹⁾	30,506.52	30,938.55	-1.4%
Market value at the end of the year (R\$ million)	15,304.02	17,364.25	-11.9%
Average daily volume traded - Units (R\$ million)	80.58	81.91	-1.6%
Share prices			
ENGI11 (Unit) closing price at the end of the year (R\$ /Unit)	42.17	47.85	-11.9%
ENGI3 (ON) closing price at the end of the year (R\$ /share)	13.23	16.08	-17.7%
ENGI4 (PN) closing price at the end of the year (R\$ /share)	7.23	7.64	-5.4%
Relative indicators			
Dividend yield of ENGI11 (Units) Paid- % ⁽²⁾	4.15%	1.25%	2.89 p.p.
Dividend yield of ENGI11 (Units) declared in the year - % ⁽³⁾	6.74%	2.88%	3.86 p.p.
Dividend payout	38.5%	35.9%	2.7 p.p.
Total return to Units shareholder (TSR) - UDM %	-8.21%	0.24%	-8.45 p.p.
Market Value / Equity (times)	1.61	2.31	-30.5%
Net Income per Unit	7.76	4.11	+88.8%

(1) EV = Market value (R\$/share vs. number of shares) + consolidated net debt.

(2) Dividends paid in the last four quarters / closing price of the Units.

(3) Dividends declared in the last four quarters / closing price of the Units.

8. Dividends

Based on the results achieved in 2021, Energisa management allocated R\$ 1,031.7 million for payment of dividends (R\$ 0.57 per common and preferred share or R\$ 2.85 per Unit) from the account for the year, with the following having been paid: (i) R\$ 235.3 million on September 29, 2021 (R\$ 0.13 per common and preferred share or R\$ 0.65 per Unit) and (ii) R\$ 796.4 million on March 02, 2022 (R\$ 0.44 per common and preferred share or R\$ 2.20 per Unit).

9. Corporate Governance

Energisa's corporate governance practice is underpinned by the concepts of transparency and equal access to information. Its structure comprises the Board of Directors, Fiscal Council and Executive Board, as well as advisory committees.

In 2021 the structure supporting the Board of Directors was enhanced by creating the Sustainability Committee, tasked with analyzing environmental, social and governance topics, so as to instill Sustainability into our strategy, decision-making and definition of the Group's guidelines. This means the Board can now draw on the advice of six committees: Audit, Financial Risk Management Policy, Reporting, Compensation and Succession, Ethics and Sustainability.

The Company maintains the following policies for governance practices, approved by the Board of Directors: Controls and Reporting, Related-Party Transactions, Allocation of Income, Donations & Sponsorship, and Management Appointments and Compensation, all of which are available on the Company's Investor Relations website.

Risk Management

Energisa and its subsidiaries have a Risk Management Policy and Risk Management Manual, as well as a specific Financial Risk Management Policy, which provides guidelines for mitigating, remediating and monitoring the risks facing the Company.

Risk management is informed by the three lines of defense model created by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Audits, in turn, embrace the organizational processes deemed critical and are based on standard ISO 31000 - Risk-Based Auditing (ABR).

The mapped risks are compiled into a matrix that cross-references the vulnerability of internal processes against the risk and possible impacts thereof on the Company. Operational, regulatory, security, reputation, environmental and other risks are analyzed as is the potential for financial loss. The main risks analyzed in the period are related to going concern status, outsourcing, collections and delinquency, procurements, environmental controls, environmental licensing and sector regulations.

The efficiency of processes is measured monthly and recommendations and actions are proposed by the risk department - involving internal processes, compliance, contracts, controls, personnel and systems - to reduce process vulnerability and mitigate risk. These results are presented quarterly to the Audit Committee.

To comply with Brazil's General Data Protection Act (LGPD), the Company has initiatives including systems access security, implementation of DLP (data loss protection), monitoring, encryption and anonymization of data and the Energisa Mais Segura project. We introduced a Privacy Policy in 2021 and acquired a tailored market tool to serve customers in related topics. Customer service processes were also reviewed to meet LGPD requirements.

Ethics and Integrity

Ethics and integrity in business and relations with our various stakeholders are core values for Energisa. To advise stakeholders on our values, in 2021 the Board of Directors approved an Integrity Program, which bolsters our commitment to national and international initiatives related to ethics and integrity, including preventing and fighting corruption in accordance with Law 12.846/2013 (Anti-corruption Act). The Code of Ethics and Conduct was revised in the year in order to align the document with the Company's Anti-corruption Policy and Integrity Program.

To handle internal and external demands regarding the matters addressed in its Code of Ethics and Conduct and Integrity Program, Energisa has a Hotline, available to staff and the general public via its site, e-mail, telephone, letter and WhatsApp, with the use of a chatbot.

32 whistleblowing reports related to corruption and fraud were submitted in 2021, of which: 5 were shelved as there was insufficient information; 3 were considered groundless; 8 were inconclusive; 2 were substantiated and 14 are under investigation. Three cases led to the staff involved being punished.

10. Inovação e P&D

Energisa views innovation as a lever for maximizing value creation. It therefore invests in projects and initiatives that contribute to its strategic goals, in addition to the digitization, decentralization, decarbonization and diversification of the Company and the electric sector.

Our innovation strategy, projects and investments ranked Energisa amongst the most innovative companies in Brazil. In 2021 the Company was recognized in the 2021 Valor Innovation awards, coming second in the sector ranking, in addition to the Época Negócios 360 and Abradee Innovation Awards.

In 2020 Energisa launched an artificial intelligence and advanced analytics center of excellence, called Energisa Digital Labs, with a mission to create a data-driven culture within the Company. By developing customer-centric

products and services, advancing data transformation through advanced analytics intelligence, and cultivating an agile mindset, the center supports data-driven decision-making across all areas of the company, from operations to revenue protection. An initial 18 initiatives have been implemented so far, including 12 in 2021. Examples of these initiatives include predictive asset monitoring algorithms that allow asset managers to anticipate transformer faults, and worksite planning optimization algorithms that improve operational efficiency and logistics in construction work.

To help drive internal innovation at Energisa, we have an ongoing collaboration program, called E-nova, that is focused on incremental innovation—2,169 ideas were pitched and 178 projects were implemented within the program in 2021. And to decentralize our innovation efforts, we are currently working to train employees as data scientists in partnership with the Air Force Technological Institute (ITA)—one of Brazil’s top engineering universities. We expect to train 30 data scientists through the partnership by 2022.

Our Research & Development (R&D) program prioritizes projects with the potential to develop new products or process improvements that create value for society and for the future of the industry. R\$ 36.5 was invested in 2021 in R&D initiatives, an increase of 53.3% more in relation to the 2020.

One of our flagship initiatives is MoovAlsol, a program that offers a network of mobile electric vehicle charging stations, electricity storage services, and parcel transportation using 100% solar-powered vehicles. In 2021 we launched the first pilot battery-powered mobile power supply, used to provide service to large loads in the Energisa Paraíba service area.

11. Human Resources

At the end of 2021, Energisa had a workforce of 33,025 people, including 15,649 registered employees, 294 interns and 5,791 third-party employees (including construction contractors). In the last five years the Group has created 3,076 direct jobs, an increase of 24.5%.

Insourcing is prioritized for internal recruitment for filling vacancies, as a means of valuing our people and cultivating our culture. Created in 2014, our Succession Program does just that and in 2021 a further 450 employees were promoted to leadership positions.

To mitigate the turnover, in 2021 the Company structured a plan providing for compensation rises, merit promotions and pay rises. A retention plan was also put together including factors like compensation, development and career paths and increasing insourcing. Our turnover rate in the period was 33.9%.

Energisa was one of the first companies in the sector to use a hybrid model policy, called Here&There (Lá&Cá), on a 3x2 basis (three days at the office and two telecommuting) and weeks alternating between coming into work and working from home.

Energisa draws great pride from the diversity amongst its staff and the myriad accents and cultures found in all corners of Brazil. To maximize inclusion in its workforce, the Company has adopted multiple affirmative actions and policies, such as signing up to the Positive Women project, a virtual platform shared by more than 40 companies that aims to nurture the professional and personal development of women by way of information services, and which includes over 100 training courses. These actions also address unconscious bias in selection and succession processes. The Human Resources cycle addresses possible barriers preventing women, black people and people with disabilities from being included and accessing vacancies.

The Company provided 889,773 hours of employee training in the year, an average of 58.86 hours per employee. Educativa Online, a platform consisting of a path-based training model, remained an important source of expertise in 2021. It encourages a self-development mindset through education and training covering our business. Several courses were provided online and others in person, especially practical disciplines.

12. Health and Safety

More than ensuring the health and safety of its employees, Energisa cherishes the life of each individual. To provide even greater visibility to the topic and above all greater scope, the Company revised its values in 2021, which included: Human life comes first.

Energisa's flagship safety initiative is Operar Seguro, which has the goal of recognizing risks and identifying behavioral barriers and opportunities for operational improvements to safety. In 2021 initiatives involving matters such as risk perception training conduct and Golden Rules took place, in addition to the Third Operar Seguro, for contractor personnel.

There are 1,028 courses in the educational path for health and safety training, including regulatory standards, always in plain and simple language. All employees and contractors have to undergo training, after which the participant and their direct manager have to complete a training efficiency assessment form.

Despite our best efforts, there were five fatalities involving our employees and three others involving contractors, which raised our rate of recordable work-related injuries from 2.72 to 10.49 for employees and from 3.45 to 5.90 for contractors.

There are multiple health promotion and prevention programs and initiatives for quality-of-life and well-being. The leading initiatives include Viva Energia, where employees receive advice from occupational physicians who identify the need for periodical checkups or other specific procedures. There is a schedule for disease prevention and health promotion campaigns based on the recommendations of the World Health Organization (WHO) and programs for pregnant women, chronic illness, emotional problems and musculoskeletal disorders.

13. Social and Environmental Responsibility

Increasing proximity with local society, through cultural initiatives and expressing regional values, are a part of Energisa's commitments. The Company is therefore investing in actions to stimulate the economic development of communities, cultural output and heritage in its concession areas.

In 2021 the Group allocated R\$ 22.8 million to social initiatives in the fields of education, culture, sport and combating hunger and food security, amongst others.

The Group sponsors Fundação Cultural Ormeo Junqueira Botelho (FOJB), a foundation that supports local cultural activities and manages supported cultural venues in Minas Gerais, Rio de Janeiro and Paraíba. One of the leading initiatives in 2021 was the Colors are Beautiful Collective Exhibition which took place at the Humberto Mauro Cultural Center (Cataguases-MG), and also virtually through the site: <https://galeriacchm.360app.com.br/>, where you can browse through the exhibits created by artists who received an honorable Mention at Arte PocketFest 2021.

Energy efficiency

In 2021 the distribution companies invested a total of R\$ 50.3 million in energy efficiency initiatives, compared with R\$ 62.5 million in 2020. This decrease was due to the regulatory change introduced by Law 14/120/21, which began allocating 30% of the Energy Efficiency Program (PEE) funds to the Energy Development Account (CDE), a sector charge used to foster energy development in Brazil. A total of 117,278 consumer units were benefited by Energisa's PEE and energy savings were 32,983 MWh/year.

The flagship project is Our Energy, which promotes the efficient use of electricity in low-income communities by replacing obsolete refrigerators and bulbs with other more efficient items and educational awareness raising campaigns geared towards conscientious energy consumption and combating waste. In 2021, the program organized the exchanging of 671,877 bulbs and 2,605 refrigerators. More than R\$ 8 million was also invested in reducing the energy consumed by public lighting, providing savings upwards of R\$ 14 million in various municipalities.

Energia Do Bem

In light of new waves of the Covid-19 pandemic in 2021, Energisa continue supporting society through the Energia do Bem Movement, a solidarity network headed by the company in partnership with several entities with a presence in the 11 states the Group is active in. As a participant of the United by the Vaccine Movement, we donated 745 refrigerators, 61 cold storage chambers and 23 freezers to preserve vaccines in our concession regions.

In the year R\$ 3.8 million was allocated to these initiatives, which also included the provision of 23 new intensive-care beds at the Intensive Medical Assistance Unit (AMI) in Porto Velho (Rondonia state), and delivering 100 oxygen tanks to Mato Grosso state and donating 14.3 thousand grocery kits.

The Company also carried out initiatives for families victimized by the flooding in the cities Rio Branco, Cruzeiro do Sul, Sena Madureira, Tarauacá and Manoel Urbano, in Acre state. 2 thousand grocery kits and 11.6 thousand hygiene kits were donated. Support was also provided by Energisa volunteers.

Universal electricity access

In 2021 the company continued implementing the Light for All Program, which provides universal energy access to rural populations with a view to social and economic development. 9 thousand connections were made to the energy grid in Rondônia, 1.8 thousand in Mato Grosso and 775 in Acre.

More than 17,376 connections should be made under the Light for All Program in Rondônia and Acre, in addition to 30,745 under the More Light for the Amazon Program, benefiting populations in the states of Acre, Mato Grosso, Rondônia and Tocantins. This is a result of an arrangement with the Ministry of Mining & Energy, and will provide a photovoltaic solar generation solution in the region in order to further integration, improve living standards and reduce social and economic vulnerability in these communities.

A further 731 units will be connected in Mato Grosso do Sul state by way of the Ilumina Pantanal program. By 2022 the program will provide continuous light to more than 2000 consumer units. The initiative was considered project of the year at the international Solar & Storage Live Awards 2021, which addresses solar generation and innovation, which took place in Birmingham, UK.

Professional training

The School of Energy is a training program for electricians and technicians in the electric sector, available to the community. In 2021 two classes from the School of Energy began their training in Cataguases (MG), in partnership with Senai. Training was provided to call center operators in Ceará in order to insert young people into the labor market. Moreover, two classes from the Energy Generation Program for young disabled people were completed in Acre and Rondônia. Energy Generation also began to be structured for Mato Grosso state.

Vila Restauração

Initiated in 2020, the project is a Company milestone as it links innovation and sustainability to guarantee remote populations have access to clean reliable energy. By implementing the photovoltaic generation plant (320 kWp) and the energy storage system (800 kWh), 180 families in the Vila Restauração community, in the Alto Juruá Extractivist Reserve, now have access to clean energy instead of having to rely on diesel generation. This consists of a microsystem for solar generation and storage in lithium-ion batteries, boasting state-of-the-art technology, a small environmental footprint and greater durability. The project amounts to an investment of R\$ 20 million and is being developed in partnership with Alsol - an Energisa Group company specializing in generation.

Environmental initiatives

Energisa strives to be a leading player in the energy transformation and achieving carbon neutrality by 2050 by investing in energy efficiency projects, decommissioning thermal power plants, privatizing renewable sources in trading and initiatives to drive down greenhouse gas (GHG) emissions. In 2021 the Company compiled its first GHG inventory in accordance with the GHG Protocol.

These emission reduction initiatives include decommissioning diesel-fired thermal power plants in the states of Rondônia and Acre. In 2021 five more thermal generation plants were disconnected in Rondônia (on top of the three disconnected in 2020), reducing carbon equivalent GHG emissions by 85.46 thousand tonnes. Our goal for 2022 is to achieve more than 200 thousand tonnes. In Acre, the decommissioning of two thermal plants in 2020 kept approximately 10.12 thousand tonnes of CO₂ in the ground. Two more thermal power plants will be replaced by 2023 and won one in 2025. The total recorded by both distribution companies is the equivalent of planting 682 thousand trees to neutralize the emissions volume.

This commitment is bolstered by our active participation in the Global Compact's Brazil Network's Climate Action Platform, based on SDG 7, which seeks to guarantee reliable, sustainable, modern and affordable access to energy for all and SDG 13, which is the initiative against climate change, by developing activities and projects geared towards climate mitigation, adaptation and finance.

An important initiative in 2021 was launching the project to reduce internal energy consumption, in order to minimize the impacts caused by the dry season in Brazil. Savings measures including using air-conditioning between 7:30 AM and 6 PM, with temperatures limited to 20°; turning off lights on facades and signs and in gardens, motion sensors in restrooms and changing rooms and the use of more efficient LED bulbs, amongst other things.

To protect biodiversity, another important topic, Energisa uses insulated cables in areas where adjacent trees can be affected by contact with low-voltage power lines. Protected cables are also used in medium-voltage power line sections near trees, avoiding the need for trimming and helping to maintain ecological balance. Any required clearing for construction is offset by reforestation in accordance with Brazilian environmental regulations.

14. Subsequent events

14.1. Acquisition of Companies

The Energisa Group made the following acquisitions, the details of which are described in the financial statements of the corresponding periods:

Company	Date of Purchase and Sale Agreement	Amount Paid (in thousand reais)
ALSOL	January 28, 2022	75.608
SPE Paranaíta	February 11, 2022	102.086
Gemini	February 17, 2022	822.614
ESGAS	March 31, 2023	1.438.429

14.2. Capital increase

Holding Company

At the Annual General Shareholders' Meeting held on April 27, 2022, the increase in the Company's share capital in the amount of R\$843,500 was approved, due to reaching the legal limit of the profit reserve balance. The capital increase was carried out through the capitalization of part of the profit reserve balance, without the issuance of new shares and will not imply a change in the nominal value of the currently existing shares (which will remain without an assigned nominal value), in accordance with Article 169, §1, combined with Article 199 of Law 6404/76. The share capital will now be R\$4,207,444, representing 1,814,642,740 nominative shares, with 756,010,104 common shares and 1,058,632,636 preferred shares, with no nominal value.

Subsidiaries

ERO

On January 26, 2022 the Board of Directors of Energisa Rondônia (direct subsidiary of the Company) approved a capital contribution within its authorized capital of R\$ 868,343, via the issuance of 0.9 shares for each existing share, totaling 3,775,405 new common registered shares with no par value, at the issuance price of R\$ 0.23 per

share, with (i) 0.0023 per share allocated to the share capital corresponding to the total allocation of R\$ 8,683 to the share capital; and (ii) R\$ 0.2277 per-share to form the capital reserve account corresponding to the total allocation of R\$ 859,660 to the capital reserve. The issuance price was determined by the fair value published in the appraisal report issued by the specialist firm engaged. The capital increase was fully subscribed and paid in by the Company by capitalizing the balance of credits held under the private financial loan for shareholders with an interest in the Company on January 28, 2022, subject to the other shareholders' pre-emptive right. At the end of the 30 (thirty) day term awarded to the subsidiary's shareholders to exercise their pre-emptive rights, as from publication of the shareholder notice, no noncontrolling shareholder had matched the capital contribution; e

On April 24, 2023, the Board of Directors of the subsidiary ERO approved the increase in the share capital by R\$1,967,427, through the issuance of 1.401013089717750 new shares for each existing share, totaling 11,159,540 new common shares, at the issuance price of R\$176.30 per share. It was specified that from the Total Issuance Price, the amount of R\$19,674 will be allocated to the increase in the subsidiary's share capital, bringing the total share capital to R\$3,468,700. The remaining amount of R\$1,947,753 will be allocated to the capital reserve. The increase was fully paid by the parent company Energisa S.A. through the capitalization of credit balances arising from the private instrument of financial mutual loan and advances for future capital increases, subject to the exercise of the preferential rights by the other shareholders of the Company. The shares subject to the Capital Increase to be subscribed by minority shareholders of the Company must be fully paid at the time of subscription, in the national currency.

EAC

On January 26, 2022 the Board of Directors of Energisa Acre (direct subsidiary of the Company) approved a capital contribution within its authorized capital of R\$ 145,186, via the issuance of 0.25 new shares for each existing share, totaling 60,494,286 new registered of which 43,906,044 are common shares with 16,588,241 preferred shares, at the issuance price of R\$ 0.0024 per share, with (i) R\$ 0.000024 per share allocated to the share capital corresponding to the total allocation of R\$ 1,452 million to the share capital; and (ii) R\$ 0.002376 per share to form the capital reserve account corresponding to the allocation of R\$ 143,734 million to the capital reserve. The issuance price was determined by the fair value published in the appraisal report issued by the specialist firm engaged. The capital increase was fully subscribed and paid in by the Company by capitalizing the balance of credits held under the private financial loan for shareholders with an interest in the Company on January 28, 2022, subject to the other shareholders' pre-emptive right. At the end of the 30 (thirty) day term awarded to the subsidiary's shareholders to exercise their pre-emptive rights, as from publication of the shareholder notice, no noncontrolling shareholder had matched the capital contribution.

Alsol

At an Extraordinary General Meeting on January 28, 2022 Alsol's shareholders (direct subsidiary of the Company) representing its entire share capital approved the share capital increase of R\$ 482,000 to be subscribed and paid in three tranches in the following amounts and on the following dates: (i) R\$ 172,000 to be subscribed and paid in by March 01, 2022 ("Tranche 1"); (ii) up to R\$ 172,000 to be subscribed and paid in by June 30, 2022 ("Tranche 2"); and (iii) up to R\$ 138,000 to be subscribed and paid in by January 27, 2023 ("Tranche 3"). The capital contributions for Tranche 1 were fully subscribed and paid in, in local currency, by the shareholder (a) Energisa S/A in the amount of R\$ 154,278; and (ii) Algar S/A Empreendimentos e Participações in the amount of R\$ 17,722; through the issuance of 58,214 and 6,687 new common shares respectively; and

On January 16, 2023, the shareholders of the subsidiary Alsol approved, at an Extraordinary General Meeting, an increase in the share capital in the amount of R\$250,999 to be subscribed and paid in two tranches on the following amounts and dates: (i) R\$181,000 was subscribed and paid in full on February 15, 2023 ('1st Tranche') and (ii) R\$69,999 to be subscribed and paid in full by December 31, 2023 ('2nd Tranche'). The capital contributions, to be subscribed and paid by the Company's shareholders, respecting the preemptive rights under the terms of Article 171 of the Corporations Law, may be paid with net, certain, and due credits that the shareholders may have against the Company.

EPM

At an Extraordinary General Meeting on February 10, 2023, the increase in the share capital of the subsidiary Energisa Participações Minoritárias S/A was approved through the issuance of 55,915,722 new preferred shares, nominative, book-entry, and without nominal value, at the issuance price of R\$24.68 per share, totaling R\$1,380,000. The price was set without unjustified dilution of the current shareholders, based on the perspective

of future profitability of the subsidiary EPM, in accordance with Article 170, paragraph 1, item I, of the Corporations Law, as per the Appraisal Report prepared by the Appraisal Company, duly approved unanimously by the shareholders present at the Assembly, filed at the headquarters of the subsidiary EPM. The shares were fully paid upfront by the shareholder Itaú Unibanco S.A. in the national currency. From the total issuance price, the amount of R\$690,000, corresponding to R\$12.34 for each new preferred share, will be allocated to the formation of the subsidiary's share capital, increasing it from R\$5,209,168 to R\$5,899,168. The remaining amount of R\$690,000, corresponding to R\$12.34 for each new preferred share, will be allocated to the formation of the capital reserve account, in accordance with Article 182, §1, item "a" of the Corporations Law.

ETE

On April 27, 2023, through the Ordinary and Extraordinary General Meeting, an increase in the share capital of the subsidiary ETE in the amount of R\$990,675 was approved, through the issuance of 990,674,654 new common shares, nominative and without nominal value, at the issuance price of R\$1.00 (one real) per share, bringing the subsidiary's share capital to R\$1,053,979. The new common shares, nominative and without nominal value, are fully subscribed and paid on this date by the shareholder Energisa S.A. in the following manner: (i) 441,085 new shares are paid through the capitalization of the total amount available in the Future Capital Increase Advance Account (AFAC) carried out by the subscribing shareholder until December 31, 2022; and (ii) 549,590 new shares are paid through the capitalization of the amount of the loan agreement granted by the subscribing shareholder to the Company on March 31, 2023.

14.3. Issuance of Debentures

Holding Company

On April 15, 2022, the Company carried out the 16th issuance of debentures in the amount of R\$750,000, distributed as follows: (i) R\$309,383 for the 1st Series, maturing on April 15, 2029, with a remuneration of IPCA plus 6.1566% per annum; (ii) R\$190,617 for the 2nd Series, maturing on April 15, 2032, with a remuneration of IPCA plus 6.2770% per annum; and (iii) R\$250,000 for the 3rd Series, maturing on April 15, 2027, with a remuneration of 100% of CDI plus 1.50% per annum. The funds were made available in the bank account on May 10, 2022. The proceeds from the 1st and 2nd Series will be allocated to the future financing of infrastructure investment projects in the distribution and transmission of electrical energy owned by the controlled projects. The proceeds from the 3rd Series will be allocated to the Company's ordinary business management.

On October 20, 2022, Energisa S/A carried out the 17th issuance of debentures in the amount of R\$750,000, distributed as follows: (i) R\$550,000 for the 1st Series, maturing on October 20, 2027, with a remuneration of CDI plus 1.50% per annum; (ii) R\$200,000 for the 2nd Series, maturing on October 20, 2029, with a remuneration of CDI plus 1.65% per annum. The funds were made available in the bank account on October 20, 2022, and were allocated to the ordinary business management of the Company.

On September 15, 2023, the Company carried out the 19th issuance of debentures in the amount of R\$1,837,000, distributed as follows: (i) R\$184,299 for the 1st Series, maturing on September 15, 2030, with a remuneration of IPCA plus 6.1666% per annum; (ii) R\$1,152,701 for the 2nd Series, maturing on September 15, 2033, with a remuneration of IPCA plus 6.4526% per annum; (iii) R\$500,000 for the 3rd Series, maturing on September 15, 2038, with a remuneration of CDI plus 1.45% per annum. The funds were made available in the bank account on October 19, 2023. The proceeds from the 1st and 2nd Series will be allocated to the future financing of investment projects in the infrastructure of distribution, transmission, and generation of electrical energy owned by the controlled projects. The proceeds from the 3rd Series will be allocated to the ordinary business management of the Company.

Subsidiaries

EPB

On January 15, 2022, the direct subsidiary Energisa Paraíba Distribuidora de Energia S/A carried out the 11th issuance of debentures in the amount of R\$63,000, with maturity on January 15, 2031, and remuneration of IPCA plus 6.0123% per annum. The funds were made available in the bank account on February 11, 2022, and will be allocated to the financing of infrastructure investment projects in the distribution of electrical energy owned by the issuer.

ESE

On January 15, 2022, the direct subsidiary Energisa Sergipe Distribuidora de Energia S/A carried out the 11th issuance of debentures in the amount of R\$68,000, with maturity on July 15, 2027, and remuneration of IPCA plus 5.7360% per annum. The funds were made available in the bank account on February 11, 2022, and will be allocated to the financing of infrastructure investment projects in the distribution of electrical energy owned by the issuer.

ESS

On January 15, 2022, the indirect subsidiary Energisa Sul Sudeste Distribuidora de Energia S/A carried out the 7th issuance of debentures in the amount of R\$81,000, with maturity on January 15, 2032, and remuneration of IPCA plus 6.0996% per annum. The funds were made available in the bank account on February 11, 2022, and will be allocated to the financing of infrastructure investment projects in the distribution of electrical energy owned by the issuer. On February 15, 2023, the indirect subsidiary Energisa Sul Sudeste Distribuidora de Energia S/A carried out the 9th issuance of debentures in the amount of R\$150,000 in a single series, with maturity on February 15, 2026, and remuneration of CDI plus 1.50% per year. The funds were made available in the bank account on March 6, 2023, and were allocated to the ordinary management of the subsidiary's business.

EMT

On April 15, 2022, the subsidiary EMT carried out the 15th issuance of debentures in the amount of R\$260,000, with (i) R\$164,437 referring to the 1st Series maturing on April 15, 2029, with remuneration of IPCA plus 6.1566% per annum; and (ii) R\$95,563 referring to the 2nd Series maturing on April 15, 2032, with remuneration of IPCA plus 6.2770% per annum. The funds were made available in the bank account on May 10, 2022, and will be allocated to the future financing of infrastructure investment projects in the distribution of electrical energy owned by the subsidiary.

ERO

On April 15, 2022, the subsidiary ERO carried out the 7th issuance of debentures in the amount of R\$410,000, with (i) R\$253,694 referring to the 1st Series maturing on April 15, 2029, with remuneration of IPCA plus 6.1566% per annum; and (ii) R\$156,306 referring to the 2nd Series maturing on April 15, 2032, with remuneration of IPCA plus 6.2770% per annum. The funds were made available in the bank account on May 10, 2022, and will be allocated to the future financing of infrastructure investment projects in the distribution of electrical energy owned by the subsidiary.

ETO

On April 15, 2022, the subsidiary ETO carried out the 8th issuance of debentures in the amount of R\$90,000, with (i) R\$55,689 referring to the 1st Series maturing on April 15, 2029, with remuneration of IPCA plus 6.1566% per annum; and (ii) R\$34,311 referring to the 2nd Series maturing on April 15, 2032, with remuneration of IPCA plus 6.2770% per annum. The funds were made available in the bank account on May 10, 2022, and will be allocated to the future financing of infrastructure investment projects in the distribution of electrical energy owned by the subsidiary. On February 15, 2023, the indirect subsidiary Energisa Tocantins Distribuidora de Energia S/A carried out the 9th issuance of debentures in the amount of R\$200,000 in a single series, with maturity on February 15, 2025, and remuneration of CDI plus 1.40% per year. The funds were made available in the bank account on March 6, 2023, and were allocated to the ordinary management of the subsidiary's business.

EMS

On February 15, 2023, the indirect subsidiary Energisa Mato Grosso do Sul Distribuidora de Energia S/A carried out the 18th issuance of debentures in the amount of R\$200,000 in a single series, with maturity on February 15, 2025, and remuneration of CDI plus 1.40% per year. The funds were made available in the bank account on March 6, 2023, and were allocated to the ordinary management of the subsidiary's business. On July 4, 2023, the indirect subsidiary Energisa Mato Grosso do Sul Distribuidora de Energia S/A carried out the 19th issuance of debentures in the amount of R\$250,000, with maturity on July 4, 2026, and remuneration of 100% of CDI plus 1.60% per year. The funds were made available in the bank account on July 11, 2023, and were allocated to the ordinary management of the subsidiary's business.

14.4. Commercial Note Issuance

Parent Company

On July 3, 2023, the Company carried out the 1st issuance of a private commercial note in the amount of R\$1,091,938, maturing on December 30, 2023, with a remuneration of 100% of CDI plus 1.25% per annum. The funds were made available in the bank account on July 3 and 4, 2023, and were allocated to the ordinary management of the Company's business.

Subsidiaries - EMG and ESS

On July 6, 2022, the subsidiaries Energisa Minas Gerais Distribuidora de Energia S/A and Energisa Sul Sudeste Distribuidora de Energia S/A carried out the 1st issuance of Commercial Note in the amount of R\$100,000 and R\$150,000, respectively, maturing on July 6, 2026, with a remuneration of CDI plus 1.55% per annum. The funds were made available on July 6, 2022, and were allocated to the ordinary management of the subsidiary's business.
Subsidiary - EMS

On July 11, 2022, the indirect subsidiary Energisa Mato Grosso do Sul Distribuidora de Energia S/A carried out the 1st issuance of Commercial Note in the amount of R\$400,000, with (i) R\$200,000 referring to the 1st Series maturing on July 11, 2025, and remuneration of CDI plus 1.40% per year; (ii) R\$200,000 referring to the 2nd Series maturing on July 11, 2026, and remuneration of CDI plus 1.55% per year. The funds were made available in the bank account on July 11, 2022, and were allocated to the ordinary management of the subsidiary's business.

14.5. Credit Enablement for ICMS Exclusion in PIS and COFINS Calculation Base

The Brazilian Federal Revenue Service approved the total credit enablement request for PIS/COFINS arising from the final and unappealable judicial decision in favor of subsidiaries ERO and EAC on July 13, 2022, and EMS and EMT on July 14, 2022. These subsidiaries have chosen to recover the tax credits through offsetting the receivable balance with amounts of debts to be collected, a process initiated in July 2022, to be completed within the 5-year statutory prescription period.

14.6. Conversion of Subscription Bonus from the 7th Private Issuance of Simple Debentures of Energisa S.A.

During a meeting held on August 11, 2022, the Board of Directors of Energisa approved the capital increase of R\$621 through the issuance of 188,600 new shares. This increase resulted from the exercise of 420 subscription bonus rights granted as an additional benefit to debenture subscribers, as per the 7th Private Issuance Deed of Simple Debentures, Non-Convertible into Shares, with Real and Fidejussory Guarantee, Combined with Subscription Bonus, executed on September 30, 2015. Additionally, the Board received a notification on August 11, 2022, for the exercise of 499,401 subscription bonus rights, leading to a future issuance of 44,851,042 common shares and 179,404,160 preferred shares. A new capital increase of R\$738,311 was approved, changing the Company's capital from R\$4,208,064 to R\$4,946,375 upon the upcoming homologation.

14.7. Energisa Joins B3's Efficient Carbon Index

On January 4, 2023, the Company was selected to be part of the Efficient Carbon Index (ICO2 B3). The new portfolio will be effective from January 2, 2023, to April 30, 2023, with rebalancing every four months, following IBrX 100 updates. The ICO2 comprises shares of companies in the IBrX 100 that commit to transparent practices regarding greenhouse gas emissions, demonstrating concern for global warming. This achievement reinforces Energisa's commitment to sustainable growth, reflecting the adoption of best practices in environmental, social, and corporate governance matters.

14.8. Merger - Subsidiary

The corporate merger of Energisa Borborema Distribuidora de Energia S/A ("EBO") by the direct subsidiary Energisa Paraíba Distribuidora de Energia S/A ("EPB") was approved in the extraordinary general meetings of both distributors on April 30, 2023. The Corporate Reorganization was authorized by the National Electric Energy Agency ("ANEEL") through Authorizing Resolution No. 12,687, dated September 13, 2022, involving the consolidation of EBO and EPB's concession areas into a single concession owned by EPB.

14.9. Transmission Line - Controlled Company LMTE

On April 18, 2023, ANEEL, through Resolution No. 14,314, authorized Linhas de Macapá Transmissora de Energia S/A - LMTE, concession contract No. 09/2008, to implement reinforcements in its transmission installation and established the values of the corresponding portions of the Allowed Annual Revenue in the amount of R\$6,750.

14.10. Investment Memorandum of Understanding

On October 26, 2023, the Company entered into a non-binding Memorandum of Understanding ("MoU") with Banco Bradesco S/A, regulating the general terms and conditions for (i) the subscription and payment, by the Company, of 100% of the common shares, nominative and without nominal value, issued by Energisa Participações Nordeste S/A ("EPNE"), a holding company controlled by the Company, through the contribution by the Company of all EPB's and ESE's shares in EPNE's ownership; and (ii) the subscription and payment, by Bradesco, of all new preferred shares to be issued by EPNE, in an amount equivalent to up to R\$2,000,000, after which Bradesco will indirectly hold a minority and non-controlling interest in EPB and ESE. The transaction is subject to the satisfaction of certain precedent conditions, including approvals from the Administrative Council for Economic Defense ("CADE") and the National Electric Energy Agency ("ANEEL"). The rights and obligations of the Company and Bradesco as EPNE shareholders will be governed by a shareholders' agreement to be negotiated and executed between the parties. This transaction aims to strengthen the financial capacity and enhance the capital structure of Energisa.

15. Services provided by the independent auditor.

The total remuneration for the independent auditors Ernst & Young Auditores Independentes for the audit review of the financial statements of the Company and its subsidiaries in 2021 amounted to R\$ 10.3 million.

The Company's hiring policy adheres to principles that preserve the auditor's independence, in accordance with current standards. These standards stipulate, above all, that the auditor should not audit their own work, nor undertake managerial functions for the client or promote their interests.

Management.

Appendix I - Financial Statements

1. Statement of Financial Position

Note	Parent Company			Consolidated			
	2021 (restated)	2020 (restated)	01/01/2020 (restated)	2021 (restated)	2020 (restated)	01/01/2020 (restated)	
Assets							
Current							
Cash and cash equivalents	6.1	17.408	18.629	68.423	773.505	1.062.102	663.103
Money market and secured funds	6.2	2.934.167	795.302	710.030	5.149.162	5.423.948	2.016.399
Clients. consumers. concession operators and other	7	32.681	25.582	40.640	4.366.634	4.196.112	3.673.093
Credit receivables	8	25	25	76	3.900	13.591	16.116
Inventory		270	286	183	134.558	118.761	122.975
Recoverable taxes	10	54.450	58.370	99.837	1.356.604	733.222	1.045.496
Dividends receivable	9	45.427	74.789	10.614	-	-	-
Derivative financial instruments	38	-	64.986	15.756	473.525	683.965	186.303
Sector financial assets	12	-	-	-	1.652.491	368.033	1.175.623
Public service concession- contract asset	16.2	-	-	-	151.135	87.063	-
Other accounts receivable	13	52.387	42.699	39.673	2.047.563	1.167.201	873.156
Total current		3.136.815	1.080.668	985.232	16.109.077	13.853.998	9.772.264
Non-current							
Long-term assets							
Money market and secured funds	6.2	1.731.793	1.841.025	1.776.332	94.189	137.333	356.795
Clients. consumers and concessionaires	7	-	-	-	1.461.924	1.260.878	1.050.572
Credit receivables	8	-	-	-	99.847	11.762	10.457
Sector financial assets	12	-	-	-	988.122	904.543	913.347
Related-party credits	14	2.432.573	1.277.925	668.380	-	-	-
Recoverable taxes	10	130.564	100.616	35.427	3.718.883	1.470.208	1.022.230
Tax credits	15	-	-	-	1.423.762	1.425.626	1.449.351
Escrows and secured bonds	28	1.177	741	382	1.003.852	767.415	576.694
Derivative financial instruments	38	495.848	-	19.481	2.025.932	1.329.233	1.004.467
Concession financial asset	16.1	-	-	-	7.618.313	6.062.396	5.130.960
Public service concession- contract asset	16.2	-	-	-	2.450.614	1.357.582	957.074
Other accounts receivable	13	200.000	150.497	62.020	589.856	569.312	308.380
		4.991.955	3.370.804	2.562.022	21.475.294	15.296.288	12.780.327
Contractual asset - Infrastructure under construction	17	-	-	-	1.247.877	933.924	1.468.913
Investment	18	9.503.617	9.016.209	8.068.815	64.755	64.154	86.730
Property. plant and equipment	19	70.698	66.164	63.922	717.518	417.640	284.567
Intangible assets	20	71.895	46.257	26.010	14.643.479	14.776.847	14.840.924
Total noncurrent		14.638.165	12.499.434	10.720.769	38.148.923	31.488.853	29.461.461
Total assets		17.774.980	13.580.102	11.706.001	54.258.000	45.342.851	39.233.725

2. Statement of Financial Position - Liabilities

Note	Parent Company			Consolidated		
	2021 (restated)	2020 (restated)	01/01/2020 (restated)	2021 (restated)	2020 (restated)	01/01/2020 (restated)
Liabilities						
Current						
Trade payables	21	6.094	12.643	17.462	2.573.437	1.988.149
Debt charges	22	56.584	27.323	12.232	205.337	70.813
Loans and financing	22	66.833	790.368	162.958	2.014.714	1.342.978
Debentures	23	1.144.143	968.050	969.384	1.863.714	1.167.067
Taxes and social contributions	25	19.602	13.501	13.021	875.909	629.813
Tax financing	26	-	-	-	28.803	17.555
Sector charges	27	-	-	-	323.370	244.911
Incorporation of grids	29	-	-	-	349.863	48.239
Derivative financial instruments	38	1.235.453	547.963	350.243	1.709.426	466.128
Post-employment benefits	39	1.229	1.452	2.127	59.607	72.416
Dividends payable		798.743	389.891	78.839	808.562	127.582
Estimated obligations		14.233	12.520	9.949	134.479	106.114
Sector financial liabilities	12	-	-	-	803.480	659.380
Public lighting fee		-	-	-	112.188	105.010
Operating leases	24	86	168	112	12.934	22.407
Other liabilities	30	88.356	79.056	76.739	775.557	454.613
Total current		3.431.356	2.842.935	1.693.066	12.651.380	7.523.175
Non-current						
Trade payables	21	-	-	-	116.851	100.025
Loans and financing	22	1.643.093	399.790	613.133	9.539.154	6.836.190
Debentures	23	3.298.260	2.803.788	2.565.631	9.730.454	7.771.559
Sector financial liabilities	12	-	-	-	680.510	360.048
Deferred income and social contribution taxes	15	482.016	320.008	318.635	4.828.052	4.463.107
Provision for equity interest losses	18	412.545	147.085	-	-	-
Operating leases	24	326	715	607	39.613	30.061
Taxes and social contributions	25	4.087	2.279	564	859.499	472.923
Tax financing	26	-	-	-	15.554	33.412
Debts to related parties	14	426.139	-	-	-	-
Sector charges	27	-	-	-	129.878	240.741
Provision for labor, civil, tax and regulatory risks	28	5.405	108	3.164	1.870.119	2.169.725
Incorporation of grids	29	-	-	-	-	150.283
Derivative financial instruments	38	1.371	549.154	701.541	372.796	906.341
Post-employment benefits	39	8.842	12.144	8.686	305.803	678.297
Effects of excluding ICMS from the PIS and Cofins calculation base	30	-	-	-	3.708.305	658.796
Other liabilities	30	24.389	23.970	168.859	324.472	451.709
Total noncurrent		6.306.473	4.259.041	4.380.820	32.521.060	25.323.217
Equity						
Share capital	31.1	3.363.685	3.363.685	3.363.685	3.363.685	3.363.685
Stock issuance cost	31.1 e 31.2	(65.723)	(65.723)	(65.723)	(65.723)	(65.723)
Capital reserve	31.2	263.834	373.551	413.246	263.834	413.246
Profit reserves	31.3 a 31.6	5.050.072	3.263.561	2.224.611	5.050.072	2.224.611
Additional dividends proposed	31.7	-	10.756	41.298	-	41.298
Other comprehensive income	31.9	(574.717)	(467.704)	(345.002)	(574.717)	(345.002)
		8.037.151	6.478.126	5.632.115	8.037.151	5.632.115
Noncontrolling interests	31.10	-	-	-	1.048.409	755.218
Total equity		8.037.151	6.478.126	5.632.115	9.085.560	6.387.333
Total liabilities and equity		17.774.980	13.580.102	11.706.001	54.258.000	39.233.725

3. Statements of Income

Note	Parent company		Consolidated		
	2021 (restated)	2020 (restated)	2021 (restated)	2020 (restated)	
Continued operations					
Net operating revenue	32	237,156	218,500	26,475,504	20,178,830
Cost of the electricity service	33	-	-	(14,969,934)	(11,264,093)
Costs of operations and services provided to third parties	33	(139,418)	(126,714)	(5,807,908)	(5,408,595)
Gross profit		97,738	91,786	5,697,662	3,506,142
General and administrative expenses	33	(110,339)	(88,411)	(887,410)	(812,739)
Other revenue	35	456	726	299,106	131,665
Other expenses	35	-	-	(482,774)	(274,000)
Share of profit (loss) of equity-accounted investees	18	2,493,239	1,450,000	-	-
Net income before finance revenue (costs)		2,481,094	1,454,101	4,626,584	2,551,068
Finance revenue	36	506,860	228,703	1,430,243	735,250
Financial expenses	36	(284,604)	(405,146)	(2,527,789)	(1,391,046)
Net finance costs		222,256	(176,443)	(1,097,546)	(655,796)
Profit or loss before tax on profit		2,703,350	1,277,658	3,529,038	1,895,272
Current income and social contribution taxes	15	-	-	(615,654)	(340,994)
Deferred income and social contribution taxes	15	(160,317)	(1,658)	(147,044)	(152,050)
Net income for the year from continued operations		2,543,033	1,276,000	2,766,340	1,402,228
Net income for the year from discontinued operations	44	48,467	88,477	48,467	88,477
Net income for the year	31.7	2,591,500	1,364,477	2,814,807	1,490,705
Profit attributable to:					
Shareholders of parent		2,591,500	1,364,477	2,591,500	1,364,477
Noncontrolling shareholders		-	-	223,307	126,229
Basic and diluted net income per common and preferred share - R\$	44	143	75	139	75
Basic and diluted net income per common and preferred share from continued operations - R\$	44	143	75	139	75

4. Statement of Comprehensive Income

Note	Parent company		Consolidated		
	2021 (restated)	2020 (restated)	2021 (restated)	2020 (restated)	
Net income for the year		2,591,500	1,364,477	2,814,807	1,490,705
Items that will not be reclassified to the income statement					
Other comprehensive income	31.9	119,665	47,909	128,799	50,729
Items that might be reclassified to the income statement					
Other comprehensive income		-	-	-	-
Total comprehensive income for the year. net of tax		2,711,165	1,412,386	2,943,606	1,541,434
Attributable to:					
Controlling shareholders		2,711,165	1,412,386	2,711,165	1,412,386
Noncontrolling shareholders		-	-	232,441	129,048

5. Statement of cash flows

Note	Parent company		Consolidated		
	2021 (restated)	2020 (restated)	2021 (restated)	2020 (restated)	
Operating activities					
Net income for the year from continued operations	40	2,543,033	1,276,000	2,766,340	1,402,228
Net income for the year from discontinued operations		48,467	88,477	48,467	88,477
Current and deferred income and social contribution taxes	13	160,317	1,658	762,698	493,044
Expenses on interest and monetary and exchange variance - net		134,830	217,974	2,039,774	2,128,195
Reversal of the provision for credit losses and monetary restatement - discontinued operations		-	(88,477)	-	(88,477)
Adjustment to fair value of concession financial asset		-	-	(686,306)	(222,606)
Construction margin. operation and compensation of the Transmission contract asset	14.2	-	-	(222,712)	(115,739)
Depreciation and amortization	30	17,327	12,348	1,242,986	1,228,702
Allowance for doubtful accounts	30	-	-	245,917	380,390
Provision for labor. civil. tax and regulatory risks	30	5,693	497	(147,796)	53,331
(Gain) loss on the sale of PP&E and intangible assets	32	-	(726)	95,184	98,131
Compensation of contract asset	14	-	-	(185,427)	(117,246)
Applications in power transmission lines		-	-	-	-
Mark-to-market of traded energy purchase/sale contracts	32	-	-	(19,212)	21,814
Share of profit (loss) of equity-accounted investees	16	(2,493,239)	(1,450,000)	-	-
Mark-to-market of debt securities	33	(9,521)	(1,880)	(354,000)	38,784
Mark-to-market of derivatives	33	(322,240)	47,076	108,988	5,764
Derivative financial instruments	33	(32,041)	(110,872)	(510,190)	(1,312,367)
Variable compensation program - ILP		2,034	2,525	(510)	10,170
Changes in current and noncurrent assets					
(Increase) decrease in consumers and concessionaires		(7,099)	15,037	(562,177)	(1,071,696)
Decrease (increase) in credit receivables		-	51	(107,812)	5,483
Decrease (increase) in inventory		16	(103)	(15,797)	4,214
(Increase) decrease in recoverable taxes		(15,665)	(11,836)	(197,568)	363,371
(Increase) in escrow and secured bonds		(436)	(320)	(187,715)	(163,202)
(Increase) decrease in financial sector assets	10	-	-	(2,453,698)	117,440
Funds from the Itaipu trading account		-	-	339,817	-
ANEEL Dispatch Receipts - COVID ACCOUNT		-	-	7,980	1,351,408
Fair value of receivables assigned to the FIDC		9,660	-	-	-
Decrease (increase) in other accounts receivable		140,809	27,062	(708,733)	(223,687)
Changes in current and noncurrent liabilities					
(Decrease) increase in suppliers payable		(6,549)	(4,819)	76,220	597,388
Increase in taxes and social contributions		9,600	1,910	503,778	309,876
Income and social contribution taxes paid		-	-	(601,216)	(323,316)
Payment recovery of ICMS credits - State REFIS		-	-	(370,478)	-
Increase in estimated obligations		1,713	2,571	15,905	12,460
(Decrease) in financial sector liabilities	10	-	-	(106,015)	(139,750)
Tax. civil. labor and regulatory proceedings paid		(522)	(3,575)	(201,422)	(144,719)
Increase in other accounts payable		13,255	3,105	266,470	18,648
Net cash produced by operating activities		199,442	23,683	881,740	4,806,513
Investment activities					
Capital increase and acquisition of shares in subsidiaries and other investments		(167,955)	(7,666)	-	-
Goodwill paid in the acquisition of subsidiaries		-	(1,501)	-	(1,501)
Short-term investments and secured funds		(1,687,860)	(1,623)	550,796	(3,082,688)
Investments in PP&E. intangible assets and contractual asset - Infrastructure under construction	15.17 e 18	(47,873)	(34,482)	(2,619,244)	(2,132,968)
Applications to electricity transmission lines		-	-	(609,118)	(290,403)
Cash and cash equivalents on the acquisition of FIDC shares		-	-	(239,300)	-
Cash and cash equivalents paid under business combination	15.17 e 18	-	20	123,244	133,080
Sale of PP&E and intangible assets		(70,227)	-	-	-
Receipt of dividends and interest on equity		2,586,337	457,475	-	-
Net cash produced by (used in) investment activities		612,422	412,223	(2,793,622)	(5,374,480)
Financing activities					
New loans. financing and debentures	20 e 21	2,403,728	1,646,755	8,447,443	5,897,485
Loans and debentures payments - principal	20 e 21	(1,713,950)	(1,194,146)	(5,419,338)	(4,248,858)
Loans and financing payments - interest	20 e 21	(263,696)	(234,193)	(963,322)	(752,486)
Related parties		(609,873)	(553,778)	-	-
Receipt of settled derivative financial instruments		52,585	67,357	509,621	411,544
Capital increase through share subscription		-	-	206,308	-
New tax financing		-	-	921	44,914
Payment of dividends		(633,571)	(217,431)	(893,564)	(303,038)
Payment of grid incorporation	26	-	-	(149,361)	(49,220)
Payment under Financial Lease		(167)	(264)	(19,824)	(13,694)
Payment of tax financing		-	-	(47,458)	(19,681)
Costs to acquire treasury shares		(48,141)	-	(48,141)	-
Net cash (used by) generated in financing activities		(813,085)	(485,700)	1,623,285	966,966
Net cash variation		(1,221)	(49,794)	(288,597)	398,999
Opening cash and cash equivalents	6	18,629	68,423	1,062,102	663,103
Closing cash and cash equivalents	6	17,408	18,629	773,505	1,062,102
Net cash variation		(1,221)	(49,794)	(288,597)	398,999

6. Statement of Added Value - DVA

Note	Parent company		Consolidated		
	2021 (restated)	2020 (restated)	2021 (restated)	2020 (restated)	
Generation of added value:					
Revenue					
Revenue from energy sales and services	32	268,133	247,100	34,454,021	27,489,030
Other revenue	35	456	726	299,106	131,665
Revenue relating to construction of company assets	32	-	-	2,736,607	2,143,007
Allowance for doubtful accounts	33	-	-	(245,917)	(38,039)
(-) Consumables acquired from third parties		-	-	-	-
Cost of electricity sold		-	-	16,466,454	12,383,244
Materials and outsourced services		63,718	62,915	1,123,937	1,028,959
Other operating costs		7,317	(1,829)	2,910,292	2,452,711
		71,035	61,086	20,500,683	15,864,914
Gross value added		197,554	186,740	16,743,134	13,518,398
Depreciation, amortization and realization of goodwill	33	17,327	12,348	1,242,986	1,228,702
Net added value		180,227	174,392	15,500,148	12,289,696
Transferred value added					
Share of profit (loss) of equity-accounted investees	18	2,493,239	1,450,000	-	-
Finance revenue	36	532,422	242,120	1,526,157	788,174
Total added value to be distributed		3,205,888	1,866,512	17,026,305	13,077,870
Distribution of added value:					
Personnel					
Direct compensation		107,983	94,197	992,585	862,219
Benefits		20,002	19,878	292,093	297,469
FGTS		6,722	5,711	74,924	69,693
Taxes and contributions					
Federal		232,660	55,674	2,338,120	2,120,937
State		199	256	6,005,364	5,201,319
Municipal		6,235	5,923	28,200	26,000
Intra-sector Obligations		-	-	1,947,748	1,672,637
Interest expenses					
Interest	33	284,605	405,146	2,567,031	1,411,972
Rent		4,449	3,727	13,900	13,395
Interest on equity					
Dividends	31.7	1,031,667	485,382	1,031,667	485,382
Additional dividends proposed	31.7	-	10,756	-	10,756
Legal reserve	31.7	140,909	73,447	140,909	73,447
Profit Retention		1,645,602	899,360	1,645,602	899,360
Net income for the year from discontinued operations		(48,467)	(88,477)	(48,467)	(88,477)
Minority interests in profits		-	-	250,655	126,229
Accumulated Profit (Loss)		(226,678)	(104,468)	(254,026)	(104,468)
		3,205,888	1,866,512	17,026,305	13,077,870

7. Statements of Changes in Equity

Note	Capital	Stock issuance cost	Other capital reserves	Profit reserves			Additional dividends proposed	Retained earnings (accumulated losses)	Other comprehen- sive income	Total attributed to controlling shareholders	Noncontrollin- g Interest	Consolidated total
				Legal reserve	Profit retention	Retention of retained earnings due to a change in the accounting practices						
Balances at January 01, 2020 (restated)	3,363,685	(65,723)	413,246	229,611	1,998,604	62,539	41,298	(66,143)	(345,002)	5,632,115	755,218	6,387,333
Dividend payments	31.7	-	-	-	-	-	(41,298)	-	-	(41,298)	-	(41,298)
Expired dividends from subsidiaries	31.7	-	-	-	-	-	-	3,721	-	3,721	40	3,761
Reversal of other comprehensive income of subsidiaries - net of tax	31.7	-	-	-	-	-	-	960	-	960	-	960
Transactions with investments	31.2	-	(27,921)	-	-	-	-	-	-	(27,921)	(5,101)	(33,022)
PUT investment	31.2	-	(21,403)	-	-	-	-	-	-	(21,403)	-	(21,403)
Variable compensation program (ILP)	31.2	-	9,629	-	-	-	-	-	-	9,629	541	10,170
Net income for the year	31.7	-	-	-	-	-	-	1,364,477	-	1,364,477	126,229	1,490,706
Proposed allocation of net income:												
. Legal Reserve	31.3	-	-	73,447	-	-	-	(73,447)	-	-	-	-
. Dividends	31.7	-	-	-	-	-	-	(490,063)	-	(490,063)	(33,859)	(523,922)
. Additional dividends proposed	31.7	-	-	-	-	-	10,756	(10,756)	-	-	-	-
. Profit retention	31.4	-	-	-	89,936	-	-	(89,936)	-	-	-	-
Other comprehensive income, net of tax	31.9	-	-	-	-	-	-	-	47,909	47,909	2,820	50,729
Balances at December 31, 2020 (restated)	3,363,685	(65,723)	373,551	303,058	2,897,964	62,539	10,756	(170,611)	(297,093)	6,478,126	845,888	7,324,014
Capital increase	-	-	-	-	-	-	-	-	-	-	206,308	206,308
Payment of additional dividends	31.7	-	-	-	-	-	(10,756)	-	-	(10,756)	-	(10,756)
Transactions with investments	31.2	-	(70,976)	-	-	-	-	-	-	(70,976)	5,013	(65,963)
Treasury Stock Acquired	-	-	(40,431)	-	-	-	-	-	-	(40,431)	-	(40,431)
Gain on assignment to ILP Prog. of treasury stock	-	-	576	-	-	-	-	-	-	576	-	576
PUT investment	31.2	-	2,002	-	-	-	-	-	-	2,002	(2,864)	(862)
Variable compensation program (ILP)	31.2	-	(888)	-	-	-	-	-	-	(888)	378	(510)
Net income for the year	31.7	-	-	-	-	-	-	2,591,500	-	2,591,500	223,307	2,814,807
Proposed allocation of net income:												
. Legal Reserve	31.3	-	-	140,909	-	-	-	(140,909)	-	-	-	-
. Dividends	31.7	-	-	-	-	-	-	(1,031,667)	-	(1,031,667)	(238,755)	(1,270,422)
. Profit retention	31.4	-	-	-	1,645,602	-	-	(1,645,602)	-	-	-	-
Other comprehensive income, net of tax	31.9	-	-	-	-	-	-	-	119,665	119,665	9,134	128,799
Balances at December 31, 2021 (restated)	3,363,685	(65,723)	263,834	443,967	4,543,566	62,539	-	(397,289)	(177,428)	8,037,151	1,048,409	9,085,560

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Note

Energisa S/A Notes to the financial statements for the year ended December 31, 2021 (In thousands of Reais, unless stated otherwise).

1. Operations

Energisa S/A (“Energisa” or “Company”) is a publicly traded company with the core activity of being a holding company. Its head office is in Cataguases, Minas Gerais state and it also provides administrative services to its electricity distribution subsidiaries, transmission companies and other direct and indirect subsidiaries.

Activities:

Energisa is indirectly entitled to operate electricity distribution, transmission, generation and sale concessions and/or authorizations. Its main contracts are:

Electricity distribution	Locations	Concession date	Date of maturity
Direct subsidiaries:			
Energisa Minas Gerais - Distribuidora de Energia S/A (“EMG”)	Cataguases (MG)	07/07/2015	07/07/2045
Energisa Nova Friburgo - Distribuidora de Energia S/A (“ENF”)	Nova Friburgo (RJ)	07/07/2015	07/07/2045
Energisa Sergipe Distribuidora de Energia S/A (“ESE”)	Aracaju (SE)	12/23/1997	12/23/2027
Energisa Borborema - Distribuidora de Energia S/A (“EBO”)	Campina Grande (PB)	02/04/2000	02/04/2030
Energisa Paraíba - Distribuidora de Energia S/A (“EPB”)	João Pessoa (PB)	03/21/2001	03/21/2031
Energisa Rondônia - Distribuidora de Energia S/A (“ERO”)	Porto Velho (RO)	10/30/2018	10/29/2048
Energisa Acre - Distribuidora de Energia S/A (“EAC”)	Rio Brando (AC)	12/07/2018	12/06/2048
Indirect subsidiaries:			
Energisa Mato Grosso - Distribuidora de Energia (“EMT”) (*)	Cuiabá (MT)	12/11/1997	12/11/2027
Energisa Mato Grosso do Sul - Distribuidora de Energia S/A (“EMS”)	Campo Grande (MS)	12/04/1997	12/04/2027
Energisa Sul Sudeste - Distribuidora de Energia S/A (“ESS”)	Presidente Prudente (SP)	07/07/2015	07/07/2045
Energisa Tocantins - Distribuidora de Energia S/A (“ETO”)	Palmas (TO)	01/01/2020	12/31/2049

(*) The indirect subsidiary EMT has Generation Concession Agreement 04/1997 for 1 thermal power plant, with associated substation, expiring on December 10, 2027 for serving the islanded system; the subsidiary EMT’s core activity is the distribution of electricity. Management of the subsidiary EMT therefore considers the minor generation activity to be an integral part of the core business.

The direct and indirect subsidiary distribution companies are privately and publicly held companies, without shares traded on the stock exchange, except Energisa Mato Grosso whose core activity is operating and maintaining facilities in order to ensure the continuity and efficiency of the electricity distribution services through the use of distribution lines and grids in its operating areas.

The information regarding adjustments, rate reviews, extraordinary rate reviews, rate tiers and other regulatory matters, overcontracting, sector financial assets and liabilities, other credits, concession financial assets, contractual assets - infrastructure under construction and infrastructure construction revenue can be seen in notes 11, 12, 13, 16.1, 17 and 32 respectively.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Electricity transmission	Description	Site	Concession date	Date of maturity	Start of Operation
Energisa Goiás Transmissora de Energia I S/A ("EGO I")	230 kV Rio Verde Norte - Jataí transmission line, with 136 kilometers in a dual electricity circuit, and the Rio Verde Norte substation. The works were completed 31 months after the award date and the operation began 17 months ahead of the operational start-up date established in the concession agreement.	Goiás	08/11/2017	08/11/2047	03/14/2020
Energisa Pará Transmissora de Energia I S/A ("EPA I")	230 kV Xinguara II - Santana do Araguaia transmission line, with 296 kilometers in a dual electricity circuit, and the Santana do Araguaia substation. The works were completed 38 months after the award date and the operation began 16 months before the operational start-up date established in the concession agreement.	Pará	08/11/2017	08/11/2047	11/02/2020
Energisa Pará Transmissora de Energia II S/A ("EPA II")	500 kV, 66.5 km Serra Pelada Transmission Line in a dual electricity circuit, the 230 kV, 72.3 km Integradora Sossego - Xinguara II Transmission Line, and the Serra Pelada and Integradora Sossego substations. The works were completed 39 months after the award date and the operation began 12 months before the operational start-up date established in the concession agreement.	Pará	09/21/2018	09/21/2048	12/21/2021
Energisa Tocantins Transmissora de Energia S/A ("ETT")	255-km, 230-kV Dianópolis II - Barreiras II Transmission Line; 256-Km, 230-kV Dianópolis II - Gurupi Transmission Line and 261-km, 230-kV Dianópolis II - Palmas Transmission Line.	Bahia and Tocantins	03/22/2019	03/22/2049	Under construction
Energisa Amazonas Transmissora de Energia S/A ("EAM")	- Lechuga-Tarumã 230 kV transmission line, including a 9km overhead double-circuit section and a 3 km underground section with C1 and C2; - Tarumã 230/138 kV Substation: 6+1Res transformers x 100 MVA; Presidente Figueiredo 230/69 kV substation: 2 transformers x 50 MVA; - 230 kV transmission line sections between the Presidente Figueiredo substation and sectioning points of the Balbina-Cristiano Rocha transmission line, C1, with two 4.5 km circuits. Revitalization of the Manaus, Cristiano Rocha and Lechuga 230 kV substations (a sector assigned to AmGT); - Replacement of the Balbina 230kV kV breaker-and-a-half substation with a new 230kV substation with a double-bus, 4-breaker arrangement; - Replacement of the Manaus 69kV substation ring configuration with a new 69kV DB4 configuration.	Amazonas	03/31/2021	03/31/2051	Under construction ^(a)
Energisa Tocantins Transmissora de Energia II S/A ("ETT II")	Expansion of SE 230/138kV Gurupi - 200MVA	Tocantins	09/30/2021	09/30/2051	Under construction ^(b)
Energisa Amapá Transmissora de Energia S/A ("EAP")	230kV Macapá - Macapá III C1 TL SE 230/69kV Macapá III SE Macapá 3: Implementation of 2 simple 69 kV circuits, with an approximate length of 2 km each, between the sectioning points of the 69 kV distribution line Santana - Macapá C1 and the Macapá III substation, in the 69 kV sector. SE Macapá: New section of the 230 kV line, in a simple circuit, with a length of approximately 500 meters to enable the connection of the Ferreira Gomes - Macapá C1 230kV line.	Amapá	Scheduled for 03/31/2022	03/31/2052	Under construction ^(c)

(a) **Transmission Auction 001/2020** - on December 17, 2020, Energisa S.A., via its parent company of ETE successfully bid at auction for lot 11, consisting of transmission assets, as explained below:

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Lot	Location (State)	Extension course	Estimated Aneel Investment (R\$ thousand)	Maximum RAP ¹ (R\$ thousand)	Proposed RAP (R\$ thousand)	Negative Goodwill	Applicable Tax Benefit
11	AM	33 Km new and 385 km existing	882,240	119,713	63,000	47.37%	SUDAM

The package includes the incorporation of service assets assigned to Amazonas Geração e Transmissão (AmGT) under MME Ordinance no. 776 of December 15, 2016, the revitalization and continued provision of public transmission service with existing assets, and the expansion of transmission assets serving the metropolitan area of Manaus and Presidente Figueiredo, in the northern state of Amazonas, as follows:

- (i) **New Ventures:** - Lechuga-Tarumã 230 kV transmission line, including a 9km overhead double-circuit section and a 3 km underground section with C1 and C2; - Tarumã 230/138 kV Substation: 6+1Res transformers x 100 MVA; Presidente Figueiredo 230/69 kV substation: 2 transformers x 50 MVA; - 230 kV transmission line sections between the Presidente Figueiredo substation and sectioning points of the Balbina-Cristiano Rocha transmission line, C1, with two 4.5 km circuits; and
- (ii) **Existing ventures which have been incorporated and will be revitalized:** - Incorporation of service assets assigned to AmGT under MME Ordinance 706 (December 15, 2016); - Revitalization of the Manaus, Cristiano Rocha and Lechuga 230 kV substations (a sector assigned to AmGT); - Replacement of the Balbina 230kV kV breaker-and-a-half substation with a new 230kV substation with a double-bus, 4-breaker arrangement; - Replacement of the Manaus 69kV substation ring configuration with a new 69kV DB4 configuration.

As of March 31, 2021 the concession agreement was entered into by EAM (transmission concession operator) and ETE (controlling shareholder) with the Concession Authority, where the existing incorporated ventures that will be upgraded began operating and the new ventures listed in items i and ii above will be created in the terms established in the concession agreement.

^(b) **Transmission Auction 001/2021** - on June 30, 2021, the direct subsidiary ETE successfully bid for lot 4 in auction 001/2021 organized by the power sector regulator, ANEEL. Permitted Annual Revenue (RAP) for the project is R\$ 4,095. On September 30, 2021 the concession agreement was entered by Energisa Tocantins Transmissora de Energia II - ETT II (transmission concession operator) and ETE (controlling shareholder) with the Concession Authority. This lot is located in Tocantins state and consists of expanding a 230/138kV 200MVA substation. The term for building the works is 36 months as from the signing of the concession agreement.

^(c) **Transmission Auction 002/2021** - on December 17, 2021, the direct subsidiary ETE successfully bid for lot 5 in auction 02/2021 organized by the power sector regulator, ANEEL. Permitted Annual Revenue (RAP) for the project is R\$ 11,300. The concession agreement is scheduled to be signed on March 31, 2022 by EAP (transmission concession operator) and ETE (controlling shareholder) with the Concession Authority. This lot is located in Amapá state and consists of the construction of the Macapá III - Macapá I 230kV transmission line in a simple circuit, with an approximate length of 10 km, as part of the construction of the new Macapá III 230/69kV 300MVA substation. The term for building the works is 42 months as from the signing of the concession agreement.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The indirect TransCo subsidiaries, are privately held companies, not listed on stock exchanges, with the core activity of building, implementing, operating and maintaining electricity transmission facilities.

Electricity generation	Description	Activity	Site
Hydraulic Generation:			
Energisa Geração Usina Mauricio S/A			
CGH Usina Hans	CGH has an installed capacity of 298 KW and an average physical guarantee of 0.264 MW.	Hydraulic generation	Nova Friburgo (RJ)
SHP Rio Vermelho	The SHP has installed capacity of 2,560 KW.	Hydraulic generation	Vilhena (RO)
Usina Mauricio	The Plant has an installed capacity of 1,280 KW.	Hydraulic generation	Leopoldina (MG)
Generation Distributed:			
Alsol Energias Renováveis S.A. ("Alsol")	The subsidiary has approximately 57.1 MWp of grid-connected photovoltaic systems in operation, and another 46.5 MWp under development, for a total portfolio of 104.5 MWp, including 77 MWp from ALSOL-owned solar farms.	Distributed generation	Uberlândia (MG)
Wind Generation Project:			
Complexo Parque Eólico Sobradinho:			
EOL Alecrim	A nonoperational wholly-owned subsidiary with the core activity of wind farm installation projects.	Wind Farms	Sobradinho (BA)
EOL Umbuzeiro Muquim	A nonoperational wholly-owned subsidiary with the core activity of wind farm installation projects.	Wind Farms	Sobradinho (BA)
EOL Mandacaru	A nonoperational wholly-owned subsidiary with the core activity of wind farm installation projects.	Wind Farms	Sobradinho (BA)
EOL Boa Esperança	A nonoperational wholly-owned subsidiary with the core activity of wind farm installation projects.	Wind Farms	Sobradinho (BA)
Solar Farm:			
Energisa Geração Central Solar Rio do Peixe I	The subsidiary was founded to develop and operate a solar power plant, and to sell the energy produced by the venture.	Solar Farm	Paraíba (PB)
Energisa Geração Central Solar Rio do Peixe II	The subsidiary was founded to develop and operate a solar power plant, and to sell the energy produced by the venture.	Solar Farm	Paraíba (PB)

The direct generation subsidiaries are privately held companies, without shares traded on the stock exchange, with the core activities of producing and selling electricity and implementing and maintaining ventures and equipment associated with energy efficiency and generation distributed via photovoltaic systems, and energy storage.

Electricity trading	Description	Site	Authorization date
Energisa Comercializadora de Energia Ltda. ("ECOM")	A wholly-owned subsidiary that trades electricity in the free negotiation market and intermediates in energy transactions.	Rio de Janeiro (RJ)	03/21/2006

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Other Services	Nature
Energisa Soluções S/A (“ESOL”)	Operating and maintenance services and services related to electricity distribution generation, commission, preparation, remote and local operation and electrical and mechanical maintenance of plants, substations, transmission lines and facilities.
Energisa Soluções Construções e Serviços em Linhas e Redes S/A	Constructions, operations, maintenance and services related to the generation and distribution of electricity.
Multi Energisa Serviços S/A (“MULTI”)	Construction, operation, maintenance and services related to electricity distribution and generation, tele-services and personal services for electricity consumers.
Energisa Serviços Aéreos de Aeroinspeção S/A (“ESER”)	Aerial surveying services (SAE), mainly supporting companies operating high-voltage lines, oil pipelines and reforestation engineering works.
Voltz Capital S.A.	Offers financial products and optimizes payment systems and financial services through technological solutions.

Judicial Reorganization of subsidiaries:

On November 26, 2012 the subsidiary Denerge Desenvolvimento Energético S/A, Rede Energia Participações S/A (“REDE”) and other subsidiaries announced they had filed for Judicial Reorganization (“Rio de Janeiro”). On the same date applications for judicial reorganization were submitted by Companhia Técnica de Comercialização de Energia (“CTCE”), QMRA Participações S/A. (“QMRA”), Empresa de Eletricidade Vale Paranapanema S/A. (“EEVP”), subsequently taken over by Denerge on 11/22/2019, and Denerge Desenvolvimento Energético S/A. (“Denerge”). In February 2016 the trustee filed a petition stating that the reorganization plan was being duly performed, requesting the termination of the Judicial Reorganization. In August 2016, the trustee’s opinion was accepted, and a decision delivered declaring the judicial reorganization over, since all of the obligations established in the Judicial Reorganization Plan had been performed, within the suitable period. A number of creditors submitted motions for clarification against this decision, which were duly rejected by the reorganization court. One of the creditors subsequently filed an appeal against the termination decision. Despite the appeal, the reorganization court authorized the term “under judicial reorganization” be removed from the name of the companies under judicial reorganization, a change which was registered at the respective board of trade. In a judgment on 7/29/2019, the São Paulo Court of Appeal denied the Appeal, upholding the closing award. The creditor filed a Special Appeal, which was not entertained when examined by the São Paulo Court of Appeal. The creditor filed a special appeal, which Energisa answered and which is pending judgment by the Court of Appeal.

The position as of December 31, 2021 of the remaining balance of the debts qualified under the Judicial Reorganization is R\$ 643,662, where R\$ 498,463 consists of loans, R\$ 74,158 of debentures and R\$ 71,041 of trade payables and other accounts payable as follows:

Description	Rede Energia	Denerge	CTCE	Total
Balances in 2019	208,714	283,982	56,205	548,901
(+) Restatement (1)	4,466	29,654	(626)	33,494
Reversal of the provision for adjustment to present value (2)	27,307	7,152	25,789	60,248
(-) Settlement/Assignment of Credits	(4,456)	(29,573)	(961)	(34,990)
Balances in 2020	236,031	291,215	80,407	607,653
(+) Restatement (1)	4,457	29,492	961	34,910
Provision for (reversal of) adjustment to present value (2)	31,395	8,646	(4,033)	36,008
(-) Settlement/Assignment of Credits	(4,456)	(29,492)	(961)	(34,909)
Balances in 2021	267,427	299,861	76,374	643,662

(1) Restatement: adjustments made to other finance revenue in the statement of profit or loss of Rede Energia, Denerge and CTCE. At Energisa these amounts were recorded in finance income in profit or loss for the year.

(2) Adjustment to Present Value: denotes the adjustment to present value recorded by the subsidiaries Rede Energia, Denerge and CTCE, for the credits of the creditors who chose to receive their credits in accordance with options A and B in the Judicial Reorganization Plan. A rate of 15.19% p.y was used to discount the amount to present value, which the Company believes is an adequate rate of return for realizing the credits. This rate is compatible with the nature, tenor and risk for similar transactions on market, economic and financial conditions in the transaction scenario. Company Management believes this discount rate adequately denotes the capital cost at the companies’ acquisition date.

Current Capital - parent company:

As of December 31, 2021 the Company had a working capital deficiency of R\$ 1,386,244 (R\$ 2,242,170 in 2020) at

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

the parent company, which was a positive R\$ 2,811,675 in the consolidated statement (R\$ 1,192,781 in 2020). Management also believes that the flow of future dividends from the subsidiaries' earnings and the process of lengthening the debt, settling the short-term debt and new funding will generate sufficient funds to honor the remaining financial short-term financial commitments of the parent company.

Effects of COVID-19:

Background

On March 11, 2020 the World Health Organization (WHO) declared that the COVID-19 outbreak was a pandemic, due to the widespread contagion of the virus around the world. The ease with which the virus spreads led the authorities in various countries to implement physical distancing as a measure to contain the virus, a measure also adopted in Brazil. There has been a major impact on the global economy, due to the interruption or slowdown of supply chains and significant escalation in economic uncertainty, given the greater volatility of asset prices, exchange rates and decrease in long-term interest rates.

The world's leading economies and economic blocs are rolling out economic stimulus packages to overcome the economic effects caused by the pandemic.

In Brazil, the federal government's executive and legislative branches have issued normative acts to prevent and contain the pandemic and mitigate the respective impacts on the economy, especially Legislative Decree 6 published on March 20, 2020, declaring a state of public calamity. State and municipal governments have also published several normative acts to restrict the free circulation of people and commercial activities and services, in addition to providing emergency investments in health care.

Impacts observed in the year

In 2021, the COVID-19 pandemic in Brazil set new records in terms of deaths and cases, above all in the first six months of the year, continuing to unleash widespread disruption in both the economy and society. Government authorities have continued to implement shelter-in-place measures and vaccination campaigns.

In recent months the Omicron variance has been rearing its ugly head, but has not severely disrupted the global economy.

As vaccination rates have increased in Brazil, industrial and business activity is gradually returning to normal. At the end of 2021 new waves of deaths and contamination caused rising concern in the main global markets, reigniting discussions in the international scientific community about the consequences of controlling the pandemic in terms of possible effects from the economic recovery and low levels of worldwide vaccination.

Management of the Company and its subsidiaries continue to monitor the possible impacts of the COVID-19 pandemic on their operations and are continuously evaluating the efficacy of the protective measures adopted to mitigate these risks. The main such initiatives adopted are as follows:

- Monitoring over contracting levels in order to roll out timely and swift actions in order to minimize the risks posed by this exposure, as the status of the pandemic has led to over contracting in Brazil's distribution sector reaching levels beyond regulatory limits, primarily due to Brazil's economic slowdown;
- Adopting remote work, conducive with this type of arrangement and engagement and mental health programs for the leadership team and employees during the pandemic. For employees where remote work is unfeasible, rotations have been adopted based on alternate shifts to avoid any exposure to agglomeration;
- Monitoring loans and borrowings contracts to properly identify opportunities for settlements or new funding in order to ease any liquidity risks;
- Monitoring for any increase in delinquency on electricity bills due to economic contraction in Brazil and, especially, the temporary ban on disconnecting delinquent customers within certain groups under ANEEL Resolution 928 (March 26, 2021) as amended by ANEEL Resolution 936 (June 15, 2021). The subsidiaries have rolled out initiatives to enhance the efficiency of collecting overdue bills, including actions by sending SMS messages, telephone contact, blacklisting, emails and awareness raising campaigns related to the importance of paying bills promptly and publishing debit financing plans for clients and facilitating access to negotiations via digital channels;
- Constant supervision of works in progress at subsidiaries with prompt actions at suppliers to prevent delays due to the adverse situation caused by the pandemic. Management of the subsidiaries has not identified material impacts on its operations caused by delays in works in progress;

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- In order to mitigate the effects of the pandemic in Brazil and aware of its responsibilities towards society, Energisa Group created the movement *Energia do Bem*, a nationwide initiative including various initiatives in the states where the subsidiaries distribute energy, primarily by: donating mechanical ventilators, funding works in hospitals to increase the number of beds, distributing face masks to the high-risk population, financial sponsorship of economic development programs and social programs.
- Virtually all Energisa Group employees have received the second dose of the COVID-19 vaccine.

No impacts other than those mentioned above were identified. Energisa Group remains committed to the safety of its personnel, clients, partners, suppliers, shareholders and communities in its geographies, and underpins its operations on transparency and good corporate governance practices.

2. Presentation of the financial statements

2.1 Statement of compliance

The individual and consolidated financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (“IFRS” issued by the *International Accounting Standards Board* (“IASB”)), comprising the standards issued by the Brazilian Securities Commission (“CVM”) and the pronouncements, instructions and interpretations issued by the Accounting Pronouncement Committee (“CPC”) and when applicable the regulations of the regulatory agency, the National Electricity Regulatory Agency - ANEEL.

Management also took into account the guidelines issued in OCPC Technical Guidance 07 by the CPC in November 2014 when preparing its financial statements, so that all material information related to the financial statements is being disclosed, which corresponds to that used by it in its management.

The Company and its subsidiaries have evaluated their operations in terms of the effects from the COVID-19 pandemic, as detailed in note 1.1, and concluded that there have been no significant impacts on the Company’s operations. Management has therefore continued to use the going concern basis of accounting in its financial statements.

On March 16, 2023, during the approval of the financial statements for the year ended December 31, 2022, which were examined by other independent auditors, the corresponding values related to the year ended December 31, 2021, and the balance sheet as of January 1, 2021, were restated due to the correction of errors related to the same matters indicated in explanatory note 3.3. There is no difference between the values already restated and those being included in these financial statements, as described in explanatory note 3.3, which are being restated due to the potential stock offering, as disclosed in explanatory note 45.

On January 19, 2024, the Board of Directors approved the conclusion and authorized the reissuance of the financial statements for the year ended December 31, 2021, with corresponding values for the year ended December 31, 2020, and the balance sheet as of January 1, 2020.

2.2 Functional currency and basis of measurement

These individual and consolidated financial statements are being presented in Brazilian Reals, which is the Company and its subsidiaries’ functional currency.

Foreign-currency transactions were translated to the functional currency at the exchange rates on the dates of each transaction. Monetary assets and liabilities in foreign currencies are translated into the functional currency of the Company and its subsidiaries at the exchange rate on the reporting date. Foreign exchange gains and losses resulting from the restatement of these assets and liabilities are recognized as finance income and costs in profit or loss.

The financial statements have been prepared based on historical cost, except for certain financial instruments measured at fair value when required by the standards, as described in note 38.

2.3 Judgment, estimates and assumptions

The preparation of the financial statements in conformity with the accounting practices adopted in Brazil and the International Financial Reporting Standards (“IFRS”) issued by the Accounting Standards Board - IASB, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The results of such transactions when actually realized in subsequent years may differ from these estimates. Revisions to accounting estimates are recognized in the period in which they are revised and in future periods affected.

The main estimates and judgments related to the financial statements refer to the recording of effects deriving

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

from:

- I. Note 7 - Clients, consumers, concession operators and other (unbilled electricity sales to consumers) and the allowance for doubtful accounts;
- II. Note 12 - Sector financial assets and liabilities;
- III. Note 15 - Tax credits, deferred taxes and current income tax and social contribution expenses
- IV. Note 16 - Concession financial asset and public service concession (contract asset);
- V. Note 19 - Property, plant and equipment;
- VI. Note 20 - Intangible assets;
- VII. Note 28 - Provisions for labor, civil, tax and regulatory risks;
- VIII. Note 34 - Energy purchased for resale - consolidated;
- IX. Note 38 - Financial instruments and risk management; and
- X. Note 39 - Post-employment benefits.

3. Significant accounting policies

The main accounting policies have been applied consistently to all the years presented in these individual and consolidated financial statements.

3.1 Significant accounting policies

a. **Cash and cash equivalents** are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Group considers cash equivalents to be a short-term investment readily convertible into a known amount of cash and subject to an insignificant risk of impairment. Therefore, an investment normally qualifies as a cash equivalent when it has a short maturity of, for example, three months or less from the date of acquisition.

b. Financial instruments and hedge operations

Financial assets:

Initial recognition and measurement - classified upon initial recognition as subsequently measured at amortized cost at fair value through other comprehensive income or at fair value through profit or loss plus transaction costs, in the case of a financial asset not measured at fair value through profit or loss.

Financial instruments are classified upon initial recognition depending on the features of the financial asset's contractual cash flows and the business model for managing these financial assets.

In order to be classified and measured at amortized cost or at fair value through other comprehensive income, a financial asset must generate the cash flows that solely constitute payments of principal and interest on the outstanding principal. This assessment is executed at each instrument level.

Acquisitions or sale of financial assets that require the delivery of assets within a term established by regulations or market convention are recognized at the trade data, i.e. the date on which the Company and the subsidiaries undertake to buy or sell the asset.

A financial asset is derecognized when the contractual rights to the asset's cash flows expire or when the Company transfers the rights to receive the contractual cash flows of a financial asset in a transaction where essentially all the risks and rewards of ownership of financial assets are transferred to the buyer.

Subsequent measurement - for the purpose of subsequent measurement, financial assets are classified as financial assets at amortized cost (debt instruments); financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments); financial assets at fair value through other comprehensive income without reclassification of accumulated gains and losses upon derecognition (equity instruments); and financial assets at fair value through profit or loss.

This Company and its subsidiaries measure the financial assets at amortized cost if the financial asset is maintained within a business model with the objective of maintaining financial assets in order to receive contractual cash flows, and for which the contractual terms of the financial asset originate, on specific dates, principal cash flows and interest on the outstanding principal amount.

The financial assets at amortized cost are subsequently measured using the effective interest method and are

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

subject to impairment. Gains and losses are recognized in profit or loss when the asset is written off, modified or incurs impairment.

As regards debt instruments, the Company and its subsidiaries measure their fair value through other comprehensive income if the financial asset is maintained within a business model with the objective of maintaining financial assets in order to receive contractual cash flows, and for which the contractual terms of the financial asset originate, on certain specific dates, principal cash flows and interest on the outstanding principal amount.

For debt instruments at fair value through other comprehensive income, interest revenue, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and calculated in the same way as financial assets measured at amortized cost. Other changes in fair value are recognized in other comprehensive income.

Upon derecognition, the accumulated change in fair value recognized in other comprehensive income is reclassified to profit or loss.

See below the classification and measurement - CPC 48/IFRS 9:

Classification and Measurement - CPC 48/IFRS 9	
Financial assets at amortized cost	These assets are measured at the amortized cost using the effective interest rate method. The amortized cost is reduced for impairment. Revenue from interest, exchange variance gains and losses and impairment is recognized in profit or loss. Any gain or loss resulting from derecognition is recorded in profit or loss.
Financial assets stated at FVTPL	These assets are stated at fair value. The net result, including dividend revenue or interest, is recognized in profit or loss.
Debt instruments at FVOCI	These assets are stated at fair value. Interest yields calculated by the effective interest rate, exchange variance gains and losses and impairment are recognized in profit and loss. Other net income is recognized in OCI. Upon initial recognition of an investment in an equity instrument that is not held for trading, the company can elect to make irrevocable subsequent changes to the fair value of the investment in OCI. This choice is made for each investment. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVOCI	These assets are stated at fair value. The dividends are recognized as a gain in profit or loss, unless the dividend clearly represents a recovery of part of the investment cost. Other net income/loss is recognized in OCI and never reclassified to profit or loss.

Assessment of the business model:

The Company assesses the objective of the business model in which a financial asset is maintained in the portfolio as it better reflects how the business is managed and the information is provided to Management. The information considered includes (i) the policies and objectives stipulated for the portfolio and the practical functioning of these policies, including the question of ascertaining whether the Management strategy is focused on obtaining contractual interest revenue, maintaining a given interest rate profile, the correspondence between the duration of financial assets and the duration of related liabilities or expected cash flows, or the realization of cash flows through the sale of assets; (ii) how the portfolio's performance is assessed and reported to Company Management; (iii) the risks affecting the performance of the business model (and the financial asset maintained in said business model) and how such risks are managed; (iv) how business managers are compensated - for example, if the compensation is based on the fair value of the assets managed or the contractual cash loans obtained; and (v) the frequency, volume and timing of the financial asset sales in previous periods, the reasons for these sales and expectations for future sales.

The transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, in a way consistent with the ongoing recognition of the Company and its subsidiaries' assets. Financial assets held-for-trading or managed with performance assessed based on fair value are measured at fair value through profit or loss.

Assessment as to whether the contractual cash flows are merely payments of principal and interest:

For the purpose of assessing cash flows, the principal is defined as the cost value of the financial asset upon initial recognition. The interest is defined as a payment for the value of the money over time and the credit risk posed by the outstanding principal over a given period of time and the other underlying loan costs and risks (for example liquidity risk and administrative cost), in addition to a spread.

The Company and its subsidiaries examine the instrument's contractual terms to determine whether the contractual cash flows only entail payments of the principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or value of the contractual cash flows so that it would no longer meet this condition. When making this assessment the Company takes into account the contingent events modifying the value or timing of the cash flows; the terms that could adjust the contractual rate, including variable fees; prepayment and extending the term; and the terms limiting the

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Company's access to specific cash flows from specific assets based on an asset's performance.

Financial asset impairment:

Additional disclosures for financial asset impairment are also provided in the following notes:

- Judgments, estimates and assumptions - Note 2.3;
- Clients, consumers, concession operators and other - Note 7; and
- Financial instruments and risk management - Note 38.

The Group recognizes a loss allowance for expected credit losses on all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Group expects to receive, less an effective interest rate approximating the original rate under the transaction. The expected cash flows shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognized in two steps. For credit exposures for which there have been significant increases in credit risk since initial recognition, the expected credit losses are provisioned for credit losses that result from default events within the 12 months after the reporting date (12-month expected credit losses). For credit exposures for which there have been significant increases in credit risk since initial recognition, a provision for expected credit losses is necessary during the remaining life of the exposure, regardless of the time of default.

For trade accounts receivable, consumers, concession operators and other and contract assets, the Group applies a simplified approach to calculate the expected credit losses. The Group does not therefore monitor credit risk changes, but recognizes a provision for losses based on the expected lifetime credit losses at each reporting date. The Company established a provision matrix based on historical credit losses as a metric for measuring expected losses. Material future delinquency conditions are also analyzed by the Company to calculate final expected losses.

Financial liabilities:

Measured at amortized cost using the effective interest rate method, they consist of loans and financing, debentures and operational leases, trade payables and other accounts payable.

Initial recognition and measurement - financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost or as derivatives designated as hedging instruments, as appropriate.

All financial assets are recognized initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, transaction costs directly attributable to the financial liability's issuance.

Subsequent measurement - financial liabilities are measured as follows:

Financial liabilities at fair value through profit or loss - financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities initially recognized at fair value through profit or loss. Financial liabilities are classified as held for trading if they are undertaken for the purpose of buyback in the near term. This category also includes derivative financial instruments taken out by not designated as hedge instruments in the hedge relations established by CPC 48. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date, if and only if the criteria of CPC 48 has been met. The Company did not designate any financial liability at fair value through profit and loss.

Financial liabilities at amortized cost - after initial recognition, debentures issued and interest-bearing loans and financing are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are written off, and the process of amortization of the effective interest rate. The amortized cost is calculated by taking into account any gain or losses and rates or costs that are an integral part of the effective interest rate. Amortization by the effective interest method is included in finance costs in the statement of profit or loss for the year. This category generally applies to loans and borrowings awarded and taken out, that incur interest.

Derecognition:

A financial liability is derecognized when the obligation under the liability no longer exists, i.e. when the contractual obligation is discharged, canceled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss for the year.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Offsetting of financial instruments:

Financial assets and liabilities are offset and the net amount recorded in the statement of financial position when there is a legal right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Derivative financial instruments:

The Company and its subsidiaries' derivative financial instruments consist of swaps, solely aiming to hedge foreign-exchange risks associated with positions in the statement of financial position, acquisition of goods for intangible assets and property, plant and equipment, in addition to cash flows from capital contributions at the subsidiaries projected in foreign currency.

Measured at fair value, with changes recorded in profit or loss for the year, except when designated as a hedging cash flow, whose fair value changes are recognized in other comprehensive income in equity.

The fair value of derivative financial instruments is calculated by an independent company specialized in cash and debt risk management, which means that the main macroeconomic metrics and their impact on results are monitored on a daily basis, in particular derivative transactions.

Derivative financial instruments and hedge accounting

The Company and its subsidiaries classify certain hedge instruments related to exchange variance risk and interest rate risk posed by loans as fair value hedge. At the start of the hedge, the Company and its subsidiaries document the relationship between the hedge instrument and the hedge item, according to financial strategy and risk management goals. At the start of the hedge and on an ongoing basis, they document whether the hedge instrument used is highly effective in offsetting the changes in fair value or cash flow of the hedged item, attributable to the hedged risk. Note 38 provides more information about the fair value of the derivative instruments used for hedge purposes.

This documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio). A hedge relationship qualifies for hedge accounting if it meets all the following effectiveness requisites:

- There is an economic relationship between the hedged item and the hedge instrument.
- The credit risk effect does not influence the changes in value resulting from this economic relationship.
- The hedge index of the hedge relationship is the same as that resulting from the number of items hedged that the entity effectively hedges and the number of hedge instruments the entity effectively uses to hedge this amount of hedged items.

The hedges meeting all the hedge accounting qualification criteria are recorded as described below:

Fair value hedges: the change in fair value of a hedge instrument is recognized in profit or loss as other expenses. The change in the fair value of the hedged item attributable to the covered risk is recorded as part of the carrying amount of the hedged item and is also recognized in profit or loss for the year as other expenses. For fair value hedges related to items measured at amortized cost, any adjustment to the carrying amount is amortized through profit and loss during the remaining hedge term, using the effective interest rate method. Amortization of the effective interest rate can commence as soon as there is an adjustment and at the latest when the hedged item is no longer adjusted for changes to fair value attributable to the hedged risk.

If the hedged item is derecognized, the fair value not amortized is immediately recognized in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the accumulated subsequent change in fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability and the corresponding gain or loss is recognized in profit and loss.

- c. **Clients, consumers, concession operators and other** - primarily includes the provision of billed and unbilled electricity, the latter by estimate, recognized on the accrual basis of accounting, based on individual average daily consumption, between the latest reading date and the close of the financial statements, services provided, interest on energy bills, and others recognized on the accrual basis of accounting, up to closure of the financial statements;

The allowance for doubtful accounts is made based on expected losses, using a simplified recognition approach, historic loss rates, future delinquency probability and management's best expectations.

- d. **Inventory** - valued at the average acquisition cost not in excess of market value or acquisition cost.
- e. **Electricity distribution and transmission concession arrangement** - denotes the public electricity transmission and distribution concession agreements between the Concession Authority and the direct and indirect subsidiaries. These agreements establish and determine for the electricity distribution segment that the estimated portion of capital invested in public service infrastructure not completely amortized by the end

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

of the concession will be an unconditional right to receive money or other financial asset from the concession authority, as compensation for the infrastructure investment, while for the electricity transmission segment it will provide its infrastructure to transport the energy and is compensated through the Annual Permitted Revenue (RAP) during the contract term.

The concession arrangement characteristics lead Management to believe that the conditions have been met to apply ICPC Technical Interpretation ICPC 01 (IFRIC 12) - Concession Arrangements and CPC Technical Pronouncement 47 - Revenue from Contracts with Customers to the distribution and transmission companies, in order to reflect the energy distribution and transmission business. and take into account the guidelines of Circular CVM/SNC/SEP/no. 04/2020 specific to electricity transmission companies.

- **Electricity distribution:**

The electricity distribution companies' concession agreements state that at the end of the concession the infrastructure assets will return to the Concession Authority in exchange for compensation, that the price practiced is regulated by a rate mechanism in accordance with parametric formulas for parcels A and B and the periodical rate reviews to cover costs, amortize investments and remunerate the invested capital. Estimated portion of the investments made and not amortized or depreciated by the end of the concession, classified as financial assets due to being an unconditional right to receive cash or another financial asset directly from the Concession Authority.

The financial assets related to the distribution concession agreement are classified and measured as at fair value through profit or loss, were valued based on BRR - Regulatory Remuneration Base, the replacement value concept, which is the criteria used by ANEEL to determine the distribution companies' electricity rates. The compensation is also recognized of the portion of assets comprising the compensation base, including the portion not yet ratified by ANEEL, where the latter is calculated based on estimates, taking into account expected disallowance is based on Management's experience and the history of disallowances in previous ratifications, in addition to the IPCA price index, which presents the best estimate of the asset's fair value.

The electricity distribution subsidiaries record the restatement of the compensable financial asset of the concession under operating revenue as it better reflects its energy distribution business model and its financial and equity position, corroborating paragraph 23 of OCPC 05 - Concession Agreements. These assets are detailed in note 16.

- **Electricity transmission:**

As stated in the concession agreement, an energy transmission firm is responsible for transporting energy from the generation plants to the distribution points. To perform this responsibility, the transmission company has two distinct performance obligations: (i) to build and (ii) maintain and operate transmission infrastructure.

Upon performing these two performance obligations, the energy transmission company maintains its transmission infrastructure available for users in exchange receives Annual Permitted Revenue (RAP) throughout the term of the concession arrangement. These receipts amortize investments made in this transmission infrastructure. Any investments not amortized create an entitlement to compensation from the concession authority, which receives the entire transmission infrastructure at the end of the concession agreement.

The contractual asset originates to the extent that the concessionaire fulfills the obligation to build and implement the transmission infrastructure, and revenue is recognized throughout the project time, but the receipt of the cash flow is conditioned to the performance obligation of operation and maintenance. On a monthly basis, as the subsidiaries operate and maintain their infrastructure, a portion of contract assets equivalent to that month's consideration for the satisfaction of the construction performance obligation becomes a contract asset.

The value of the subsidiaries' contractual assets is formed by the present value of their future cash flows. The future cash flow is estimated at the beginning of the concession, and the assumptions of its measurement are reviewed in the Periodic Rate Review (RTP).

Cash flows are calculated based on Annual Permitted Revenue (RAP), which is the consideration that

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

transmission companies receive for the provision of public transmission services to users. This revenue is used to amortize investments in transmission infrastructure, and any investments that are not amortized (reversible assets) generate a right to receive an indemnity from the concession authority at the end of the contract, depending on the type of concession. These revenue flows are remunerated at an implicit rate between 8% and 11% established at the start of each project, representing the financial component of the business and indexed to the IPCA.

Consideration for construction of infrastructure is dependent on performance obligations relating to the completion of the works and subsequent operation and maintenance, and not only the passage of time, and the revenue from and costs of construction of these assets are recognized based on expenses incurred.

To estimate the Construction Revenue, the Company used a model that determines the cost of financing the client (in this case, the concession authority). The rate applied to the present net value of the construction and operation margin is defined at the start of the project and is not subsequently changed. It is determined according to the client's credit risk and financing term, in addition to recognition of the operating and maintenance revenue resulting from the necessary costs incurred to perform the operating and maintenance performance obligations established in the concession agreement. Remuneration revenue is also recognized on the contractual asset using the implicit rate determined at the start of each project obtained after allocating the construction and operating and maintenance margins.

- f. **Financial sector assets and liabilities** - denote assets and liabilities dating from temporary differences between the ratified costs of the A Parcel and other financial components, which are included in the rate at the start of the rate period and those which are effectively incurred throughout the period the rate is in force. This difference constitutes a receivable from subsidiaries for electricity distribution whenever the ratified costs included in the rate are lower than the costs effectively incurred, or an obligation under the ratified costs is greater than the costs incurred. These amounts are effectively settled during the coming rate periods, or in the event the concession is terminated with balances that have not been recovered, they will be included in the compensation base that exists in the case of termination for any reason of the concession;
- g. **Investments** - investments in subsidiaries are recorded at the value established by the equity method of accounting in the individual financial statements, based on these investees' shareholders' equities at the reporting date. The other investments are recorded at acquisition cost less a provision for devaluation, when applicable.
- h. **Business combinations** are recorded based on the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred, which is valued based on fair value at the acquisition date and the value of any noncontrolling interests in the acquiree. For each business combination, the acquirer measures the noncontrolling interests in the acquiree at fair value or based on a proportionate share of the acquiree's net assets. Costs directly attributable to the acquisition are expensed when incurred. When acquiring a business, the Company values the financial assets acquired and the liabilities assumed in order to classify and allocate them pursuant to the terms of the agreements, economic circumstances and the conditions prevailing at the acquisition date, which includes segregation by the acquired company of any embedded derivatives existing in host agreements in the acquired company.

Any contingent consideration to be transferred by the acquiring company is recognized at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration considered as an asset or liability should be recognized in accordance with CPC 48 in profit or loss.

Goodwill is initially measured as the excess of the consideration paid over the fair value of the net assets acquired (identified assets and liabilities assumed). If the consideration is lower than the fair value of the net assets acquired, the difference is recognized as a gain in profit or loss.

After initial recognition, the goodwill is measured at cost, less any accumulated impairment losses. For the purposes of impairment testing, the goodwill resulting from a business combination is allocated to each one of the Group's cash generating units expected to benefit from the combined synergies, regardless of other assets or liabilities of the acquired company being attributed to these units.

When goodwill comprises a cash generating unit and a portion of this unit is sold, the goodwill associated with the sold portion shall be included in the operation's cost if a gain or loss is determined on the sale. The goodwill sold in these circumstances is determined based on the proportional values of the portion sold in relation to

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

the cash generating unit maintained.

Equity interests acquired are valued at fair value of the assets and liabilities held by the entities subject to the transaction and differences from the amount paid are classified as: (i) intangible assets (goodwill) when the amount paid exceeds the fair value of the assets and liabilities; (ii) net income for the year (favorable acquisition) when the amount paid is lower than the fair value of the assets and liabilities. The goodwill referring to entities subject to an economic exploration arrangement and/or concession for a fixed term are amortized over the exploration term.

- i. **Property, Plant and Equipment** - Items of property, plant and equipment are measured at the historical cost of acquisition or construction, less accumulated depreciation and impairment, when applicable.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labor.
- Any other costs to bring the asset to its location and condition necessary so it can be fully operated.
- The disassembly costs, and the restoration of the site where these assets are located, and
- Loan costs on qualifiable assets.

When parts of an item of property, plant and equipment have different useful lives, these items are recorded as separate items (principal constituents) of property, plant and equipment.

The gains and losses deriving from the sale of property, plant and equipment (determined by comparing the funds obtained through the sale against the carrying amount value of the property, plant and equipment), are recorded net amongst other revenue/expense figures in profit or loss for the year, less the calculated depreciation expense by the straight-line method in profit or loss for the year, based on the estimated useful economic life of each component and/or according to the term of the concession/arrangement.

- j. **Intangible assets** - primarily comprise assets related to the public electricity service concession arrangements, CPC 06 (R2) rights-of-use and software. These are stated at the total cost of acquisition, less accumulated amortization. These are based on the consumption pattern of the benefits expected during the arrangement term, minus accumulated impairment losses, when applicable.

The concession usage right entails amounts paid on acquisitions of the share control of the distribution subsidiaries. The amortization is taking place over the concession term of the subsidiaries ESE, EPB, EBO, EMT, EMS, ERO and EAC, as cited in notes 1 and 20. The fair value of the net assets (companies acquired on April 11, 2014, October 30 and December 06, 2018) is amortized over the asset's useful life, limited to the concession terms;

- k. **Contractual asset - Infrastructure under construction** - The contractual asset is the right to payment in exchange for goods or services transferred to consumers. As determined by CPC 47 - Revenue from contracts with customers, assets related to the concession under construction recorded in accordance with the scope of ICPC 01 (R1) - Concession Agreements ("ICPC 01"), should be classified as contractual assets because the Company is entitled to charge for the services provided to the public service consumers or to receive money or other financial assets for investing in the public service infrastructure, only after the assets under construction (contractual asset) have been transferred to concession intangible assets, with the nature of the remuneration paid by the concession authority to the concession operator is determined according to the terms of the concession agreement.

- l. **Leases** - lease liability contracts are assessed at inception to see whether they contain a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In this case, the Company and its subsidiaries recognize lease liabilities to make lease payments and right-of-use assets that denote the right to use the underlying assets. However, as permitted by the existing accounting standard, CPC 06 (R2), for short-term payments (contracts with a term of less than 12 months) and low-value leases (maximum of USD 5,000) they are recognized by the straight-line method as an expense over the lease term.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- **Right-of-use assets:** right-of-use assets are recognized on the inception of the lease at present value. Right-of-use assets are measured at cost, less accumulated amortization and impairment losses, and adjusted for any new remeasurement of the lease liabilities. Right-of-use assets are amortized on a straight-line basis for the shorter of the lease term and the estimated useful life of the assets.
 - **Lease liability:** lease liabilities are recognized at the lease inception date at present value of the lease payments to be made over the lease term. After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. In addition, the lease liability is remeasured if there is a change, a new lease term or a change in future lease payments;
- m. Interest and financial charges** - works in progress are capitalized at the effective average borrowing rate, limited to the regulatory WACC according to the capitalization procedure established in the accounting standard (CPC 20). Electric transmission subsidiaries adopt full capitalization of debt contract costs;

n. Impairment

Nonfinancial assets:

Company and its subsidiaries' management review the net carrying amounts of their tangible and intangible assets in order to evaluate events or changes in operational and technological economic circumstances to determine whether such assets have incurred impairment. If there are signs of impairment, the asset's recoverable value is estimated in order to measure the impairment.

When an asset's recoverable value cannot be estimated individually, the Company and its subsidiaries calculate the recoverable value of the cash generating unit the asset belongs to. When a reasonable and consistent allocation basis can be identified, the assets are also allocated to the individual cash generating units or the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

For the purpose of assessing impairment via value in use, assets are allocated to the smallest asset group for which there are separately identifiable cash flows (cash generating units - CGUs). Impairment is recognized in profit or loss at the amount by which the carrying amount of the asset exceeds its recoverable value.

An impairment loss previously recognized is reversed in the event of a change in the assumptions made to determine the recoverable value of the asset or CGUs, since the last impairment loss was recognized. The reversal is limited, so that the carrying amount of the asset does not exceed its recoverable value, nor the carrying amount determined, net of depreciation, if no impairment had been recognized for the asset in previous years. This reversal is recognized in profit and loss, when applicable.

The following criteria are used to assess the recoverable value of the following assets:

. **Goodwill:** goodwill is tested for impairment annually at the end of the year or before this if circumstances indicate impairment has arisen. An impairment loss is recognized when the recoverable value is less than the carrying amount. Goodwill impairment losses cannot be reversed in future years.

. **Intangible assets:** indefinite-lived intangible assets are tested annually for impairment at the end of the year, either individually or at cash generating unit level, as the case may be, or when circumstances indicate impairment.

. **Value-in-use assessment:** the main assumptions used in value-in-use estimation are:

- (i) **Revenue** - revenue is projected based on the growth in customer base, historical revenues for a market and the company and its subsidiaries' share of that market;
- (ii) **Operating costs and expenses** - variable costs and expenses are projected based on customer base dynamics, and fixed costs are projected to reflect the historical performance of the Company and its subsidiaries, and historical revenue growth; and
- (iii) **Capital expenditure** - capital expenditure is estimated based on the infrastructure required to deliver power supply and services.

Key assumptions are based on market projections, the historical performance of the Company and its subsidiaries, and macroeconomic assumptions that have been documented and approved by Management. Impairment tests performed on the property, plant and equipment and intangible assets of the Company and its subsidiaries did not reveal the need to recognize impairment for the financial years 2021 and 2020, as recoverable amounts exceed the relevant carrying amounts on the valuation date.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- o. Loans, financing and debentures** - stated net of transaction costs incurred, and subsequently stated at the amortized cost using the effective interest rate method.

Foreign-currency loans and financing subject to swaps is recognized at fair value through profit and loss for the year;

- p. Derivatives** - derivative financial instruments to hedge against foreign currency (subsidiaries) and interest rate (Company and subsidiaries) risks. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, the derivatives are measured at fair value and any changes therein are recorded in profit or loss for the year. Details can be seen in note 38.

- q. Income tax and social contribution expense** comprises current and deferred income tax and social contribution. Current taxes are measured at the expected amount to be paid to the tax authorities at the applicable rates while deferred tax is recorded in profit or loss unless it is related to items recorded in other comprehensive income in equity. The deferred tax is recognized in relation to temporary differences between the values of assets and liabilities for accounting purposes and the corresponding amounts used for tax purposes.

Income tax was calculated at the rate of 15% over the taxable income, plus the surcharge of 10% over taxable income in excess of R\$ 240 thousand. The social contribution was calculated at the rate of 9%. Although current tax assets and liabilities are recognized and measured separately, the offsetting thereof in the balance sheet is subject to similar criteria to those established the financial instruments. The entity is legally entitled to offset the current tax asset against a current tax liability when they are related to income taxes charged by the same tax authority and the tax legislation permits the entity to make or receive a single net payment.

The income and social contribution taxes were calculated on the presumed profit basis for the generation and transmission subsidies. The income tax is calculated at the rate of 15%, plus a surcharge of 10% on the calculation base at a rate of 8%. The social contribution was calculated at the rate of 9% over the calculation base, calculated at a rate of 12%.

The deferred income and social contribution taxes (“deferred taxes”) are recognized on temporary differences at the reporting date between the balances of assets and liabilities.

As instructed by ICPC 22 - Income Taxes, the Company and its subsidiaries assess whether a tax authority will probably accept an uncertain tax treatment. If they conclude the position will not be accepted, the effect of the uncertainty will be reflected in profit or loss for the year. As of December 31, 2021 there is no uncertainty surrounding the tax treatment for the profit determined by the Company and its subsidiaries.

- r. SUDENE/SUDAM tax incentives** - as the terms established will almost certainly be met by the subsidiaries, these incentives received by the subsidiaries in the north, north-east and central western region of Brazil have been recognized in profit or loss for the year and allocated to the Profit reserve - income tax incentives reserve, where they are held until capitalization.
- s. Provision** - A provision is recognized in the balance sheet when the Company and its subsidiaries have a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recorded using best estimates of the risk involved. Liabilities related to court cases are provisioned for to amounts deemed adequate by the legal advisors and directors to cover unfavorable outcomes
- t. Restatement** - certain receivables have been restated based on specific interest rates, which reflect the nature of these assets in terms of term, risks, currency and receipt terms at the dates of the respective transactions;
- u. Dividends** - Dividends declared in excess of the minimum mandatory dividend after the accounting period reported on by the financial statements are recorded separately in the equity, as they do not constitute a present obligation, and the respective liability is not recorded until it has been approved
- v. Operating revenue** - an entity should recognize revenue that represents the transfer (or promise) of goods or

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

services to customers when it reflects the amount it expects to be able to secure for such goods or services.

IFRS 15 / CPC 47 provide a five-step model to recognize revenue: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the company satisfies a performance obligation.

It therefore recognizes revenue only when (or if) the performance obligation is realized, i.e. when the control of the goods and services in a given transaction is effectively transferred to the client.

Operating revenue originates from interest on credit assignments and commission paid by the partners of the products and services offered in the Banking as a Service (BAAS) model.

Distribution segment revenue:

Operating revenue consists of billed and unbilled electricity sales to consumers, infrastructure construction revenue, revenue from the complete use of electric and transmission distribution systems (TUST and TUSD), sales to the concession operator (energy sales at CCEE), creation and amortization - CVA revenue assets and liabilities and other operational revenue related to services provided.

Billed and unbilled electricity sales to consumers are recognized when the energy is supplied on a monthly basis when the electricity bills are issued, in accordance with the measurement calendar. Unbilled revenue is determined by estimate through the reporting date, recognized on the accrual basis, based on individual average daily consumption between the latest reading date and the close of the month.

Infrastructure construction revenue consists of revenue and costs determined during the construction period of the infrastructure used to provide the electricity distribution service. The works are outsourced and Management accordingly believes that this activity generates a minimal margin.

Revenue from the provision of the use of electric distribution and transmission systems (TUST and TUSD) is received by the Company from other concession operators and free consumers using its distribution grid, and is recorded in the month when the grid services are provided.

Electricity purchases and sales at the CCEE are recognized on the accrual basis based on information disclosed by that entity or by Management estimate. Revenue from the constitution and amortization of CVA assets and liabilities and other components is recognized in profit and loss when the costs effectively incurred are different to those incorporated into the energy distribution rate.

Transmission segment revenue:

Revenue from transmission companies recognized as operating revenue consists of:

- **Construction revenue and construction margin:** denotes services entailing the implementation of infrastructure and the expansion, reinforcement and improvement of electricity transmission facilities. Construction revenue is recognized according to expenses incurred and calculated by adding the estimated margin for each project and the PIS and COFINS rates to the investment.
- **Compensation of contract asset:** interest recognized by the straight-line method at the rate best denoting the compensation of transmission infrastructure investments, as it factors in the specific business risks and rewards. The rate seeks to price the financial component of the contractual asset determined at the start date of each concession agreement and is not subsequently changed. The rate of return is applied to the amount receivable of the future cash flow that ranges between 8% and 11% a year.
- **Efficiency gain on implementing infrastructure:** this refers to gains that can be realized with a certain level of certainty during the construction and subsequent commissioning of infrastructure, and reflect certain positive or negative variance that can occur, such as CAPEX savings during commissioning, upward revisions by ANEEL of the initially established Annual Permitted Revenue, and infrastructure commissioning ahead of schedule; and
- **Operation and maintenance revenue:** this refers to revenue from operation and maintenance of transmission assets following completion of construction, to ensure the ongoing availability of those assets.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Operation and maintenance revenue is recognized as the services are provided.

Other income:

Revenue from the sale of energy generation is recorded based on the energy guaranteed and the rates specified in the supply contracts or market prices in force, as the case may be.

Energy trading revenue is recorded based on bilateral contracts with market agents and duly registered at CCEE - Brazilian Electricity Trading Chamber.

Government subsidies revenue related to the concession service is only recognized when there is reasonable certainty that the subsidiaries will receive these amounts. They are recorded in profit or loss for the years when the subsidiaries recognize as revenue discounts awarded for the low-income subsidy and other rate discounts.

The revenue from the provision of services is recorded when the performance obligation is fulfilled, subject to the service provision agreement between the parties.

Revenue from construction contract is recognized as performance obligations are satisfied over time, considering compliance with one of the criteria below:

- (a) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- (b) The entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- (c) The entity's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

w. Post-employment benefits - retirement and pension supplementation plan and other post-employment benefits - the Company and its subsidiaries sponsor post-employment pension funds, retirement supplementation plans and medical assistance plans (health care plans). The net obligation of the Company and its subsidiaries under defined-benefit (BD) and Defined-Contribution (CD) pension plans is calculated for each plan by estimating the future benefit the employees are entitled to in return for their work in the current year and previous years, discounted to present value. Any unrecognized past service costs and the fair values of any of the plan's assets are deducted. The discount rate is the yield at the reporting date for securities which mature on dates near the obligations of the Company and its subsidiaries denominated in the same currency in which the benefits are expected to be paid. Calculation is made annually by a qualified actuary using the projected units credit method. When the calculation produces a benefit, the asset to be recognized is limited to the total of any past service costs not recognized and the present value of economic benefits available in the form of future reimbursements under the plan or decrease in the plan's future contributions. To calculate the present value of the economic benefits, any minimum costing requirements applying to any plan are taken into account. An economic benefit is available if it can be realized within the plan's life or upon settlement of the plan's liabilities.

The Company and its subsidiaries sponsor a medical assistance plan for retirees and former employers who contribute a fixed sum to the plan, in compliance with Law 9656/98 (that provides on private health insurance plans). Pursuant to the Law's articles 30 and 31, the right is assured of extending the medical assistance plan to which participants are entitled while actively employed.

Actuarial gains and losses are directly recognized in other comprehensive income in shareholders' equity;

x. Energy purchase and sales transactions - trader - the core activity of the subsidiary ECOM is the purchase and sale of energy in the free contracts system (ACL), also engaged in the representation and management of free energy consumers. It accordingly undertakes commitments to short and long-term bilateral contracts in its portfolio. As a result of operational mismatches, the subsidiary assumes energy surpluses and deficits which are measured on a forward market price curve. The subsidiary has the flexibility to manage the contracts in these portfolios in order to obtain gains through market price changes, in line with its risk limits and policies.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The aim is to make a profit on short-term price changes or gains on margins in long-term operations. These energy purchase and sale operations take place in an active market and are defined as financial instruments, because they are settled in energy and readily convertible into cash. These contracts are recorded as derivatives in accordance with IFRS 9/CPC 48 and are recognized in the financial statements at fair value, on the date in which the derivative is made, and are revalued at fair value at the reporting date. Derivatives' fair value is estimated using level 2 methodology and price quotes published in active markets which consider: (i) prices established in recent purchase and sale operations; (ii) risk margin in the supply and (iii) projected market price in the period of availability. Whenever the fair value on initial recognition for these contracts differs from the transaction price, a gain or loss is recognized. The Company and its subsidiary ECOM did not make any speculative investments in derivative instruments in the financial year.

- y. **Other (current and non-current) assets and liabilities** - other assets and liabilities are stated at known or calculable values, plus the corresponding earnings/charges incurred up to the reporting date, when applicable; and
- z. **Statement of added value** - prepared relying on information obtained from the accounting records, in accordance with technical pronouncement NBC TG 09/CPC 09 - Statement of Added Value. This shows the wealth created by the Company and the distribution thereof in a given period, and is being presented in accordance with Brazilian corporate legislation, for listed Companies, as part of its financial statements.

3.2 New pronouncements issued by the CPC- Accounting Pronouncements Committee and IASB - International Accounting Standards Board

(i) New revised standards and interpretations issued by the CPC but not yet adopted by the Company:

Standards	Description	Mandatory Application: Annual exercises with on or after
IFRS 3	Reference to conceptual framework	January 1, 2022
IAS 37	Onerous contract	January 1, 2022
IAS 16/CPC 27	Property, Plant, and Equipment	January 1, 2022
IAS 2 CPC 16	Inventory	January 1, 2022
Annual Improvements to the IFRS Cycle 2018-2020	Improvements IFRS 1/CPC 37, IFRS 9/CPC 48, IFRS 16/CPC 06 (R2), and IAS 41/CPC 29	January 1, 2022
Amendments to IAS 1	Classification of liabilities as current or non-current	January 1, 2023
Amendments to IAS 8	Definition of accounting estimates	January 1, 2023
Amendments to IAS 1 and IFRS 2 - Practice Statement	Disclosure of accounting policies	IAS 1 (January 1, 2023) / IFRS 2 - Practice Statement (no effective date or transition requirement)
Amendments IAS 7 and IFRS 7	Supplier financing agreements	January 1, 2024
IFRS 16	Sale and leaseback transaction	January 1, 2024

Adjusted as requested.

(ii) Other new standards or revised standards applied for the first time in 2021, which did not impact the individual and consolidated financial statements:

Standards	Description	Mandatory application: Annual periods beginning on or after
IFRS 9 / CPC 48, IAS 39 / CPC 38; IFRS 7 / CPC 40 (R1); IFRS 4 / CPC 11; and IFRS 16 / CPC 06 (R2)	Addition of new disclosure requirements on the effects brought by the reference interest rate reform	January 01, 2021
IFRS 16 / CPC 06 (R2): Leases	On March 31, 2021, the IASB extended the application of the practical expedient in IFRS 16 until June 30, 2022, due to concessions granted to lessees ('lease concessions') arising from the COVID-19 pandemic.	March 31, 2021

The Company and its subsidiaries also evaluated the other accounting pronouncements issued, changed and replaced, but not yet effective for the year, and did not identify any impact or change to the Company and its subsidiaries' financial statements.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

3.3 Restatement of previous years

The Company's Management corrected and reclassified certain amounts, with retroactive effects, which resulted in the restatement of the financial statements for the year ended December 31, 2021, originally issued on March 16, 2022, as well as the corresponding amounts of 2020 and the balance sheet of January 1, 2020, based on the guidelines issued by "CPC 23/IAS 8 - Accounting Policies, Changes in Estimates and Rectification of Errors".

The 2021 financial statements were originally issued on March 16, 2022 and, when the financial statements were presented on December 31, 2022, the corresponding amounts for 2021 were restated due to the correction and reclassification of certain amounts, as described in the previous paragraph and detailed below:

- (a) correction of the calculation in determining the accounting values of the unbilled energy supply carried out by its controlled electricity distribution companies;
 - (b) calculation of income tax and social contribution levied on the effects of subject (a) above;
 - (c) impacts on equity equivalence/provision for losses on equity interests resulting from items (a) and (b) above;
- It is
- (d) reclassification of financial investments in the short-term market and linked resources, previously classified in non-current assets to current assets, in order to better reflect their realization period.

Balance Sheet	Parent Company								
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)	Previously presented in 01.01.2020	Adjustments	01.01.2020 (restated)
Assets									
Financial investments in the open market and linked resources (d)	1.842.464	1.091.703	2.934.167	315.399	479.903	795.302	-	-	-
Total Assets	2.045.112	1.091.703	3.136.815	600.765	479.903	1.080.668	985.232	-	985.232
Financial investments in the open market and linked resources (d)	2.823.496	(1.091.703)	1.731.793	2.320.928	(479.903)	1.841.025	-	-	-
Investments (a) (b) (c)	9.881.257	(377.640)	9.503.617	9.191.868	(175.659)	9.016.209	8.134.958	(66.143)	8.068.815
Non-current Assets	16.107.508	(1.469.343)	14.638.165	13.154.996	(655.562)	12.499.434	10.786.912	(66.143)	10.720.769
Total Assets	18.152.620	(377.640)	17.774.980	13.755.761	(175.659)	13.580.102	11.772.144	(66.143)	11.706.001
Liabilities									
Provision for losses on equity investments (c)	392.896	19.649	412.545	152.133	(5.048)	147.085	-	-	-
Total Non-current Assets	6.286.824	19.649	6.306.473	4.264.089	(5.048)	4.259.041	-	-	-
Accumulated profits (losses) (a) (b) (c)	-	(397.289)	(397.289)	-	(170.611)	(170.611)	-	(66.143)	(66.143)
Shareholders' Equity (a) (b) (c)	8.434.440	(397.289)	8.037.151	6.648.737	(170.611)	6.478.126	5.698.258	(66.143)	5.632.115
Total Liabilities and Shareholders' Equity	18.152.620	(377.640)	17.774.980	13.755.761	(175.659)	13.580.102	11.772.144	(66.143)	11.706.001

Balance Sheet	Consolidated								
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)	Previously presented in 01.01.2020	Adjustments	01.01.2020 (restated)
Assets									
Financial investments in the open market and linked resources (d)	4.057.459	1.091.703	5.149.162	4.944.045	479.903	5.423.948	-	-	-
Clients, consumers, concessionaires, and others (a)	5.004.373	(637.739)	4.366.634	4.474.964	(278.852)	4.196.112	3.783.469	(110.376)	3.673.093
Taxes recoverable (b)	1.229.269	127.335	1.356.604	674.326	58.896	733.222	1.021.209	24.287	1.045.496
Current assets	15.527.778	581.299	16.109.077	13.594.051	259.947	13.853.998	9.858.353	(86.089)	9.772.264
Financial investments in the open market and linked resources (d)	1.185.892	(1.091.703)	94.189	617.236	(479.903)	137.333	356.795	-	356.795
Non-current assets	22.566.997	(1.091.703)	21.475.294	15.776.191	(479.903)	15.296.288	12.780.327	-	12.780.327
Total Assets	54.768.404	(510.404)	54.258.000	45.562.807	(219.956)	45.342.851	39.319.814	(86.089)	39.233.725
Liabilities									
Taxes and social contributions (b)	934.900	(58.991)	875.909	812.733	(25.794)	786.939	640.023	(10.210)	629.813
Sectoral charges (a)	329.102	(5.732)	323.370	203.865	(2.507)	201.358	245.903	(992)	244.911
Current liabilities	12.716.103	(64.723)	12.651.380	12.401.270	(28.301)	12.372.969	7.534.377	(11.202)	7.523.175
Non-current liabilities	32.521.060	-	32.521.060	25.645.868	-	25.645.868	25.323.217	-	25.323.217
Accumulated earnings (losses) (a) (b) (c)	-	(397.289)	(397.289)	-	(170.611)	(170.611)	-	(66.143)	(66.143)
Non-controlling interest	1.096.801	(48.392)	1.048.409	866.932	(21.044)	845.888	763.962	(8.744)	755.218
Total Equity (a) (b) (c)	9.531.241	(445.681)	9.085.560	7.515.669	(191.655)	7.324.014	6.462.220	(74.887)	6.387.333
Total Liabilities and equity (a) (b) (c)	54.768.404	(510.404)	54.258.000	45.562.807	(219.956)	45.342.851	39.319.814	(86.089)	39.233.725

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Income Statement	Parent Company					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Equity Method (a) (b) (c)	2.719.917	(226.678)	2.493.239	1.554.468	(104.468)	1.450.000
Income before net financial income and expenses (a)	2.707.772	(226.678)	2.481.094	1.558.569	(104.468)	1.454.101
Income before income taxes (a)	2.930.028	(226.678)	2.703.350	1.382.126	(104.468)	1.277.658
Net profit for the year from continuing operations (a) (b)	2.769.711	(226.678)	2.543.033	1.380.468	(104.468)	1.276.000
Net profit for the year from discontinued operations	48.467	-	48.467	88.477	-	88.477
Net profit for the year (a) (b) (c)	2.818.178	(226.678)	2.591.500	1.468.945	(104.468)	1.364.477
Profit attributable to:						
Shareholders of the parent company (a) (b) (c)	2.818.178	(226.678)	2.591.500	1.468.945	(104.468)	1.364.477
Basic and diluted earnings per ordinary and preferred share - R\$	1,55	(0,12)	1,43	0,81	(0,06)	0,75
Basic and diluted earnings per ordinary and preferred share from continuing operations - R\$	1,55	(0,12)	1,43	0,81	(0,06)	0,75

Income Statement	Consolidated					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Net Operating Revenue (a)	26.797.969	(322.465)	26.475.504	20.330.208	(151.378)	20.178.830
Gross Profit (a)	6.020.127	(322.465)	5.697.662	3.657.520	(151.378)	3.506.142
Income before net financial income and expenses (a)	4.949.049	(322.465)	4.626.584	2.702.446	(151.378)	2.551.068
Income before income taxes (a)	3.851.503	(322.465)	3.529.038	2.046.650	(151.378)	1.895.272
Current income tax and social contribution (b)	(684.665)	69.011	(615.654)	(375.889)	34.895	(340.994)
Deferred income tax and social contribution (b)	(146.472)	(572)	(147.044)	(151.764)	(286)	(152.050)
Net profit for the year from continuing operations (a) (b)	3.020.366	(254.026)	2.766.340	1.518.997	(116.769)	1.402.228
Net profit for the year from discontinued operations	48.467	-	48.467	88.477	-	88.477
Net profit for the year (a) (b) (c)	3.068.833	(254.026)	2.814.807	1.607.474	(116.769)	1.490.705
Profit attributable to:						
Shareholders of the parent company (a) (b) (c)	2.818.178	(226.678)	2.591.500	1.468.945	(104.469)	1.364.477
Non-controlling interest (a) (b) (c)	250.655	(27.348)	223.307	138.529	(12.300)	126.229
Basic and diluted earnings per ordinary and preferred share - R\$	1,55	(0,12)	1,39	0,81	(0,06)	0,75
Basic and diluted earnings per ordinary and preferred share from continuing operations - R\$	1,55	(0,12)	1,39	0,81	(0,06)	0,75

Statement of Comprehensive Income	Parent Company					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Net profit for the year (a) (b) (c)	2.818.178	(226.678)	2.591.500	1.468.945	(104.468)	1.364.477
Other Comprehensive Income	119.665	-	119.665	47.909	-	47.909
Total comprehensive income for the year, net of taxes	2.937.843	(226.678)	2.711.165	1.516.854	(104.468)	1.412.386
Attributable to:						
Controlling shareholders	2.937.843	(226.678)	2.711.165	1.516.854	(104.468)	1.412.386

Statement of Comprehensive Income	Consolidated					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Net profit for the year (a) (b) (c)	3.068.833	(254.026)	2.814.807	1.607.474	(116.769)	1.490.705
Other Comprehensive Income	128.799	-	128.799	50.729	-	50.729
Total comprehensive income for the year, net of taxes	3.197.632	(254.026)	2.943.606	1.658.203	(116.769)	1.541.434
Attributable to:						
Controlling shareholders	2.946.977	(235.812)	2.711.165	1.519.674	(107.288)	1.412.386
Non-controlling shareholders	250.655	(18.214)	232.441	138.529	(9.481)	129.048

Statement of Changes in Equity	Parent Company					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Opening balance on January 1, 2021 (a) (b) (c)	6.648.737	(170.611)	6.478.126	5.698.258	(66.143)	5.632.115
Net profit for the year (a) (b)	2.818.178	(226.678)	2.591.500	1.468.945	(104.468)	1.364.477
Other Movements	(1.032.475)	-	(1.032.475)	(518.466)	-	(518.466)
Total equity (a) (b)	8.434.440	(397.288)	8.037.152	6.648.737	(170.611)	6.478.126

Statement of Changes in Equity	Consolidated					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Opening balance on January 1, 2021 (a) (b) (c)	7.515.669	(191.655)	7.324.014	6.462.220	(74.887)	6.387.333
Net profit for the year (a) (b) (c)	3.068.833	(254.026)	2.814.807	1.607.474	(116.768)	1.490.706
Other Movements	(1.053.261)	-	(1.053.261)	(554.025)	-	(554.025)
Total equity (a) (b) (c)	9.531.241	(445.681)	9.085.560	7.515.669	(191.655)	7.324.014

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Statement of Value Added	Parent Company					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Transferred value added						
Equity Method (a) (b) (c)	2.719.917	(226.678)	2.493.239	1.554.468	(104.468)	1.450.000
Total value added to distribute	3.432.566	(226.678)	3.205.888	1.970.980	(104.468)	1.866.512
Distribution of value added:						
Earnings (losses) for the year (a) (b)	-	(226.678)	(226.678)	-	(104.468)	(104.468)

Statement of Value Added	Consolidated					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Revenue from sales of electricity and services (a)	34.812.908	(358.887)	34.454.021	27.657.506	(168.476)	27.489.030
Gross value added	17.102.021	(358.887)	16.743.134	13.686.874	(168.476)	13.518.398
Net value added	15.859.035	(358.887)	15.500.148	12.458.172	(168.476)	12.289.696
Transferred value added						
Total value added to distribute	17.385.192	(358.887)	17.026.305	13.246.346	(168.476)	13.077.870
Distribution of value added:						
Taxes, fees, and contributions						
Federal (b)	2.439.757	(101.637)	2.338.120	2.171.131	(50.194)	2.120.937
Intrasectoral obligations (a)	1.950.972	(3.224)	1.947.748	1.674.151	(1.515)	1.672.638
Profit reserves (a) (b) (c)	-	(254.026)	(254.026)	-	(104.469)	(104.469)

Statement of Cash Flows	Parent Company					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Net profit for the year from continuing operations (a) (b) (c)	2.769.711	(226.678)	2.543.033	1.380.468	(104.468)	1.276.000
Equity Method (c)	(2.719.917)	226.678	(2.493.239)	(1.554.468)	104.468	(1.450.000)

Statement of Cash Flows	Consolidated					
	Previously presented in 2021	Adjustments	2021 (restated)	Previously presented in 2020	Adjustments	2020 (restated)
Operating Activities						
Net profit for the year from continuing operations (a) (b) (c)	3.020.366	(254.026)	2.766.340	1.518.997	(116.769)	1.402.228
Net profit for the year from discontinued operations (a) (b) (c)	48.467	-	48.467	88.477	-	88.477
Current and deferred income tax (b)	831.137	(68.439)	762.698	527.653	(34.609)	493.044
Changes in current and non-current asset accounts						
Decrease (increase) in clients and concessionaires (a)	(921.064)	358.887	(562.177)	(1.240.172)	168.476	(1.071.696)
Increase (decrease) in taxes recoverable (b)	(164.371)	(33.197)	(197.568)	378.955	(15.584)	363.371
Changes in current and non-current liability accounts						
Decrease (increase) in other accounts payable (a)	269.695	(3.225)	266.470	20.162	(1.514)	18.648

4. Consolidated financial statements

The consolidated financial statements include the financial statements of Energisa and its subsidiaries as of December 31, 2021. Control is obtained when Energisa is exposed to or entitled to variable returns resulting from its involvement with the investee and has the ability to affect those returns through its power over the investees. Group Energisa controls an investee if and only if it has:

- Power over the investee (i.e., existing rights guaranteeing it the current capacity to manage the investor's respective activities).
 - The exposure to or right to variable returns deriving from its involvement in the investee.
 - The capacity to use the power over the investee to affect the value of its returns.
- Holding a majority of voting rights is generally presumed to result in control. To support this assumption and when Energisa Group has less than the majority of an investee's voting rights, the Group considers all pertinent facts and circumstances when assessing whether it has power over an investee, including:
- The contractual agreement between the investor and other holders of voting rights.
 - Rights deriving from other contractual agreements.
 - The voting rights and potential voting rights of the Group (investor).

The Company assesses whether or not it exercises the control of an investee if facts and circumstances indicate changes in one or more of three of the control elements mentioned above. A subsidiary is consolidated when the

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

company obtains control over it and ends when the Group no longer exercises this control. Assets, liabilities and income of a subsidiary acquired or sold during the year are included in the consolidated financial statements as from the date on which the Group exercises control until the date the Company no longer exercises control over the subsidiary.

The result and each component of other comprehensive income is attributed to the controlling shareholders and noncontrolling shareholders of Energisa Group, even if this results in a loss for the noncontrolling shareholders. When necessary, adjustments are made to the subsidiaries' financial statements to align their accounting policies with the Group's accounting policies. All assets and liabilities, results, revenue, expenses and cash flows of the same group related to transactions between Group members, are completely eliminated upon consolidation. The change in the subsidiary's equity interest that does not result in control being lost is recorded as an equity transaction.

If the company loses the control exercised over a subsidiary, the subsidiary's corresponding assets (including any goodwill) and liabilities are written off at their carrying amount on the date control is lost and the carrying amount is written off from any noncontrolling interest on the date control is lost (including any components of other comprehensive income attributed to them). Any difference resulting in a gain or loss is recorded in profit or loss. Any investment retained is recognized at fair value on the date control is lost.

The consolidated financial statements include the financial statements of Energisa and the subsidiaries.

	Line of business	% interest	
		2021	2020
Direct subsidiaries			
Energisa Sergipe - Distribuidora de Energia S/A (ESE) (1)	Electricity distribution	100	100
Energisa Borborema - Distribuidora de Energia S/A (EBO)	Electricity distribution	100	100
Energisa Paraíba - Distribuidora de Energia S/A (EPB) (1)	Electricity distribution	100	100
Energisa Minas Gerais - Distribuidora de Energia S/A (EMG) (1)	Electricity distribution	100	100
Energisa Nova Friburgo Distribuidora de Energia S/A (ENF)	Electricity distribution	100	100
Energisa Rondônia - Distribuidora de Energia S/A (ERO)	Electricity distribution	95.50	95.52
Energisa Acre - Distribuidora de Energia S/A (EAC)	Electricity distribution	95.09	95.09
Energisa Soluções S/A (ESOL)	Energy distribution and generation services	100	100
Energisa Serviços Aéreos de Aeroinspeção S/A (ESER)	Aerial thermographic inspections	100	100
Energisa Planejamento e Corretagem de Seguros Ltda. (EPLA)	Insurance brokerage	58.26	58.26
Energisa Comercializadora de Energia Ltda (ECOM)	Electricity trading	100	100
Parque Eólico Sobradinho Ltda. (2)	Wind energy generation	100	100
Energisa Geração Usina Maurício S/A (GUM)	Electricity generation	100	100
Energisa Geração Central Solar Coremas S/A (2)	Solar energy generation	100	100
Energisa Geração Eólica Boa Esperança S/A (2)	Wind energy generation	100	100
Energisa Geração Eólica Mandacaru S/A (2)	Wind energy generation	100	100
Energisa Central Eólica Alecrim S/A (2)	Wind energy generation	100	100
Energisa Geração Central Eólica Umbuzeiro - Muquim S/A (2)	Wind energy generation	100	100
Energisa Participações Minoritárias S/A	Holding Company	82.72	85.31
FIM Zona da Mata	Exclusive investment fund	100	100
Caixa FI Energisa	Exclusive investment fund	100	100
Dinâmica Credit Receivables	Securitization of credits	100	100
Denerge Desenvolvimento Energético S/A	Holding Company	99.98	99.97
Energisa Transmissão de Energia S/A (1)	Holding Company	100	100
Energisa Geração Central Solar Rio do Peixe I S/A	Wind energy generation	100	100
Energisa Geração Central Solar Rio do Peixe II S/A	Wind energy generation	100	100
Energisa Amazonas Transmissora de Energia S/A	Electricity transmission	-	100
Energisa Tocantins Transmissora de Energia S/A (2)	Electricity transmission	-	100
Energisa Amapá Transmissora de Energia S/A (the new company name of Energisa Transmissora de Energia III S/A (2)	Electricity transmission	-	100
Alsol Energias Renováveis S/A	Distributed energy generation	89.48	89.21
Voltz Capital S.A (2)	Services	100	100
Investment Fund in Shares (FIC - FIDC) (4)	Investment fund	26.00	-
Indirect subsidiaries			
Rede Energia Participações S.A (1)	Holding Company	94.63	95.21
Rede Power do Brasil S/A	Holding Company	94.62	95.2

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Line of business	% interest	
		2021	2020
QMRA Participações S/A	Holding Company	94.62	95.2
Energisa Mato Grosso Distribuidora de Energia S/A (1)	Electricity distribution	73.41	74.33
Energisa Mato Grosso do Sul Distribuidora de Energia S/A (1) (3)	Electricity distribution	94.57	95.14
Energisa Tocantins Distribuidora de Energia S/A	Electricity distribution	72.54	72.99
Multi Energisa Serviços S/A	Services	94.62	95.21
Energisa Sul - Sudeste - Distribuidora de Energia S/A (1)	Electricity distribution	93.91	94.49
Energisa Soluções Construções e Serviços em Linhas e Redes S/A	Energy distribution and generation services	100	100
Energisa Pará Transmissora de Energia I S/A	Electricity transmission	100	100
Energisa Goiás Transmissora de Energia I S/A	Electricity transmission	100	100
Energisa Pará Transmissora de Energia II S/A	Electricity transmission	100	100
Energisa Tocantins Transmissora de Energia S/A	Electricity transmission	100	100
Energisa Tocantins Transmissora de Energia S/A II	Electricity transmission	100	-
Energisa Amazonas Transmissora de Energia II S/A (the new company name of Energisa Transmissora de Energia II S/A (2))	Electricity transmission	100	-
Energisa Amapá Transmissora de Energia S/A (the new company name of Energisa Transmissora de Energia III S/A (2))	Electricity transmission	100	-
Laralsol Empreendimentos Energéticos Ltda	Distributed energy generation	99.90	99.90
URB - Energia Limpa Ltda	Distributed energy generation	100	-

(1) Publicly held companies.

(2) Preoperational.

(3) Rede Power do Brasil S/A is controlled by Rede Energia Participações S.A. and has an interest of 35.92% in EMS.

(4) Investment Funds and Shares (FIC - FIDC).

In January 2021 the Company and its subsidiaries assigned certain defaulted credit to the Non-standard Credit Receivables Investment Funds (FIDC-NP) Nevasca, Planície and Névoa, who have the shareholder Investment Fund in Shares (FIC - FIDC) in which Banco BTG Pactual has a 74.00% interest and the Company 26.00%. The valuation of the credits for the fair-value assignment to the FIDC-NPs was based on the Appraisal prepared by independent consultants. The methodology adopted to price the defaulted credits was the discounted cash flow method, where the nominal values of the credits were adjusted based on the estimated recovery for each of the FIDC-NPs, as follows:

- (i) FIDC Tax credit rights - assessed based on their respective positions in the tax credit rights lines, the fiscal and payment capacity of the municipalities, for the payment deadline of December 31, 2024 or 2028. The tax credit rights' recovery rate was classified according to the quality of the municipality's credit: the tax credit rights of municipalities with a healthy financial capacity were assigned an estimated recovery rate of 39.0%, while those with a poor financial capacity were assigned an estimated recovery rate of 19.0%;
- (ii) FIDC Receivables of companies undergoing judicial organization/bankruptcy: the credits assigned to the FIDC-NP include the payment flows and haircuts established in the judicial reorganization plans and estimated recovery rates, with 50% for credits with ratified judicial organization plans and 10% for those with unrated judicial reorganization plans; for credits of companies undergoing bankruptcy, a recovery rate was adopted of between 5% and 8% of the credit amount;
- (iii) FIDC Credits in legal proceedings - The credits assigned to FIDC-NP were split into two blocks: block one contains material proceedings, assessed based on the analyses conducted by a specialized consultancy firm; block two has two subcategories of legal proceedings - subcategory one contains proceedings against the public administration that have not yet received a final and unappealable decision, called pre-tax credit rights, which assumed the credit would be paid at the end of 2030; subcategory two contains the other legal proceedings, which are expected to receive a final and unappealable decision in 10 years. The estimated rate of recovery for the legal proceedings in this FIDC-NP was 42.4%.

Beginning on March 31, 2021, the Company began to take steps to buy back the FIDC fund on the rationale that the fund's activities substantially revolved around meeting the Company's own operational needs and the Company was exposed to all the risks and benefits inherent in the fund. The shareholder agreement provides a put option against Energisa to acquire the shares from the bank BTG Pactual in the initial amount of R\$ 200,000 restated annually at the rate of CDI + 2.35%, which can be exercised following the nonperformance of certain obligations set out in the regulations of the shareholders agreement or at any time as from year four of the agreement. The Company has a call option to acquire shares from the bank BTG Pactual in the FIDC on the same terms as the put option, i.e. subject to restatement at the rate of CDI + 2.35%.

Description of main consolidation procedures:

- (a) Elimination of inter-company asset and liability account balances;
- (b) Elimination of the balances of investments and corresponding interests in the capital and earnings of subsidiaries; and
- (c) Elimination of inter-company income and expense balances arising from inter-company transactions.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

5. Segment reporting - consolidated

The Company and its subsidiaries operate in energy distribution and sale and the provision of maintenance and operation of services for electricity distribution generation ventures. Summary segment reporting follows:

a) Segment reporting

	2021 (restated)					
	Distribution	Hydraulic and Distributed Generation	Transmission	Trading	Services and other	Total
External Revenue	24,515,459	50,053	971,081	894,480	44,431	26,475,504
Intersegment Revenue	24,255	2,165	14,134	-	428,439	468,993
Total	24, 539,714	52,218	985,215	894,480	472,870	26,944,492
Financial Revenue	1,316,440	(446)	4,966	2,096	634,058	1,957,114
Financial Expenses	(2,550,607)	(11,095)	(96,865)	(7,821)	(388,272)	(3,054,660)
Total	(1,234,167)	(11,541)	(91,899)	(5,725)	245,786	(1,097,546)
Amortization and depreciation	1,187,838	7,006	152	159	47,831	1,242,986
Profit or loss by segment before income and social contribution taxes	3,195,370	2,115	260,710	(32,126)	102,969	3,529,038

	2020 (restated)					
	Distribution	Hydraulic and Distributed Generation	Transmission	Trading	Services and other	Total
External Revenue	18,668,467	32,214	506,086	944,409	27,654	20,178,830
Intersegment Revenue	21,535	-	1,115	-	415,180	437,830
Total	18,690,002	32,214	507,201	944,409	442,834	20,616,660
Financial Revenue	673,973	(46)	2,374	2,196	357,998	1,036,495
Financial Expenses	(1,137,484)	(2,857)	(21,129)	(4,721)	(526,100)	(1,692,291)
Total	(463,511)	(2,903)	(18,755)	(2,525)	(168,102)	(655,796)
Amortization and depreciation	1,183,364	1,815	36	99	43,388	1,228,702
Profit or loss by segment before income and social contribution taxes	1,859,238	(2,658)	196,892	(8,125)	(150,075)	1,895,272

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Distribution	Hydraulic and Distributed Generation	Transmission	Trading	Services and other	2021 (restated)	2020 (restated)
Segment assets	44,571,027	781,057	2,925,536	747,686	8,248,397	56,763,299	47,600,774
Current assets	11,511,778	345,905	351,368	245,528	3,336,302	15,790,881	13,815,295
Non-current assets	32,548,845	435,152	2,574,168	502,158	4,912,095	40,972,418	33,785,479
Segment liabilities	35,478,178	626,769	2,238,323	742,157	8,657,035	47,677,740	40,276,760
Current liabilities	9,356,976	113,169	203,974	210,546	3,540,228	13,489,615	12,814,615
Non-current liabilities	26,056,480	513,600	2,034,349	531,611	5,116,807	34,252,847	27,462,595

b) Reconciliation of segment revenue, profits, assets and liabilities

	2021 (restated)	2020 (restated)
Revenue		
Total net segment revenue	26,944,497	20,616,660
Elimination of intersegment revenue	(468,993)	(437,830)
Consolidated net revenue	26,475,504	20,178,830
Amortization and depreciation		
Total amortization and depreciation of segments	1,242,986	1,228,702
Consolidated amortization and depreciation	1,242,986	1,228,702
Finance revenue		
Total financial revenue of segments	1,957,114	1,036,495
Elimination of intersegment revenue	(526,871)	(301,245)
Consolidated financial revenue	1,430,243	735,250
Finance cost		
Total financial expense of segments	(3,054,660)	(1,692,291)
Elimination of intersegment expense	526,871	301,245
Consolidated financial expense	(2,527,789)	(1,391,046)
Total profit or loss for the segments	3,529,038	1,895,272
Profit or loss before tax on profit	3,529,038	1,895,272
	2021 (restated)	2020 (restated)
Assets		
Total segment assets	56,763,299	47,600,774
Other unallocated amounts	(2,505,299)	(2,257,923)
Total consolidated assets	54,258,000	45,342,851
Liabilities		
Total segment liabilities	47,677,740	40,276,760
Other unallocated amounts	(2,505,299)	(2,257,923)
Total consolidated liabilities	45,172,441	38,018,837

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

6. Cash and cash equivalents, short-term investments in the money market and secured funds

6.1 Cash and cash equivalents

The portfolio of short-term investments mainly consists of Bank Deposit Certificates (CDBs) and Securities subject to repurchase agreements. Weighted average interest on the portfolio in the year ended December 31, 2021 was 65.0% of the CDI rate (101.3 % of the CDI rate in 2020) for the parent company and 88.5% of the CDI rate (104.3% in 2020) for the consolidated statement.

Description	Parent company		Consolidated	
	2021	2020	2021	2020
Cash and sight deposits	17,346	5,381	338,165	266,201
Liquid financial investments:	62	13,248	435,340	795,901
Bank Deposit Certificate (CDBs)	-	13,248	166,863	795,306
Securities held under repurchase agreements	62	-	268,477	595
Total cash and cash equivalents - Current (1)	17,408	18,629	773,505	1,062,102

(1) The short-term investments presented have daily liquidity and can be redeemed at the rate contracted.

6.2 Money market and secured funds (stated at fair value through profit and loss)

The investment portfolio consists largely of Closed-End Investment Funds investing in assets selected to improve returns with minimal risk, including fixed-income securities, repurchase agreements, debentures and CDBs. Weighted average interest on the portfolio as of December 31, 2021 was 217.2% of the CDI rate (150.4 % of the CDI rate in 2020) for the parent company and 121.2% of the CDI rate (336.3% of the CDI rate in 2020) for the consolidated statement.

Description	Parent company		Consolidated	
	2021 (restated)	2020(restated)	2021(restated)	2020(restated)
At fair value through profit or loss				
Certificates of Bank Deposit (CDBs)	12,006	11,510	66,567	128,081
Bank Deposit Certificates Commercial Guarantees (CDB) ⁽¹⁾	-	-	9,833	10,466
Securities held under repurchase agreements in debentures ⁽²⁾	-	-	-	3,590
Debentures ⁽³⁾	2,358,704	2,094,921	-	-
Investment Funds ⁽⁴⁾	35,855	30,409	56,980	75,876
Exclusive investment funds ⁽⁵⁾	2,260,234	499,487	5,021,396	5,246,381
Certificates of Bank Deposit (CDBs)	8,340	5,829	46,523	52,291
Bank Credit Note (CCB)	1,151	477	3,453	4,277
Government securities	-	51,946	-	572,226
Multimarket Fund	12,521	2,085	25,611	24,723
Fixed-Income Fund	938,132	102,031	2,009,475	964,277
Financial Treasury Bills (LFT)	582,953	106,798	1,213,538	1,110,326
Financial bill (LFS)	-	114,755	-	1,360,586
Financial bill (LF)	146,652	27,850	385,608	305,535
Financial bill (LFP)	1,508	-	3,084	-
Financial bill (LTN)	23,713	4,771	48,507	55,869
National treasury notes (NTNB)	531,971	76,127	1,260,121	720,805
National treasury notes (NTNF)	12,454	6,818	25,476	75,466
CCB bills	-	74,219	-	74,219
(-) Provision for losses on CCB bills	-	(74,219)	-	(74,219)
Credit receivables investment funds ⁽⁶⁾	-	-	88,575	96,887
Total balance of money market and secured funds ⁽⁷⁾	4,665,960	2,636,327	5,243,351	5,561,281
Current	2,934,167	795,302	5,149,162	5,423,948
Noncurrent	1,731,793	1,841,025	94,189	137,333

(1) Bank Deposit Certificate (CDB) - Commercial Guarantees - These investments denote funds underlying commercial client guarantees, pursuant to the energy sale contract. Funds in this amount were credited to current liabilities, yielding 99.5% to 100.5% (90% to 100.0% in 2020) and a weighted average of 99.8% (99.7% in 2020) of the CDI rate;

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- (2) Debentures held under repurchase agreements - Sales of securities subject to a repurchase agreement undertaken by the seller, alongside the resale commitment undertaken by the buyer. They yielded 65% to 80% in 2020 and a weighted average of 65.5% in 2020 of the CDI rate and are indexed to debentures;
- (3) Debentures - consists of private debentures issued by the electricity DisCo subsidiaries;
- (4) Investment Funds - includes funds classified as Fixed Income and Multimarket and yield 57.2% to 170.5% (-35.5% to 160.9% in 2020) and a weighted average of 84.3% (102.6% in 2020) of the CDI rate.
- (5) Exclusive investment funds - includes investments in CDB, CCB, Fixed-Income Funds, Government Bonds, Multimarket Fund, LFT, LF, LFP, LFS, LTN, NTNB and NTNFB bills yielding the Fundo FI Energisa CDI rate (113.5% in 2020), 107.0% of CDI Fundo BTG Zona da Mata, 138.0% of Fundo MAG Zona da Mata CDI, 127.8% (83.8% in 2020) of Fundo Cataguases CDI and 117.3% (63.5% in 2020) of Fundo Zona da Mata CDI;
- (6) Non standardized credit receivables investment fund: FIDC IV Energisa Centro Oeste maturing on October 01, 2034; and
- (7) Includes R\$ 16,610 (R\$ 15,478 in 2020) parent company and R\$ 192,047 (R\$ 276,991 in 2020) consolidated related to restricted funds, as follows:

Secured funds	Parent company		Consolidated	
	2021	2020	2021	2020
Judicial deposit creditors	16,583	15,452	16,583	15,452
Restricted by court order	27	26	6,228	6,482
Credit receivables investment funds - FIDC	-	-	88,575	96,887
Light for All Program	-	-	55,085	116,100
Guarantee with energy sales	-	-	12,607	13,194
Consumer council	-	-	2,623	4,433
Other	-	-	10,346	24,443
Total	16,610	15,478	192,047	276,991

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

7. Clients, consumers, concession operators and other

At the parent company this mainly includes specialist services provided to the subsidiaries, as detailed in note 14 - related-party transactions and the consolidated statement mainly includes billed and unbilled electricity sales to consumers, the latter determined by estimate recognized on the accrual basis, based on individual average daily consumption between the latest reading date and the close of the financial statements.

	Parent company		Consolidated								Total	
			Outstanding balances		Overdue balances				PPECLD (7)			
	2021 (restated)	2020 (restated)	Up to 60 days	Over 60 days	Up to 90 days	91 to 180 days	181 to 360 days	Over 360 days		2021 (restated)	2020 (restated)	
Current amounts: (1)												
Residential	-	-	552,765	-	591,991	111,252	47,536	155,524	(328,064)	1,131,004	987,443	
Industrial	-	-	133,404	-	36,886	6,589	9,053	52,243	(52,245)	185,930	218,238	
Commercial	-	-	295,581	-	120,243	18,833	16,154	71,761	(89,281)	433,291	423,368	
Rural	-	-	144,815	-	95,149	23,564	26,944	24,949	(28,303)	287,118	249,933	
Public authorities	-	-	129,358	-	8,274	1,135	1,294	13,961	(14,759)	139,263	109,631	
	-	-	91,266	-	9,804	1,844	3,316	14,947	(16,181)	104,996	57,960	
Public lighting	-	-	71,015	-	14,466	5,691	8,905	112,362	(144,683)	67,756	69,631	
Public service	-	-	1,282,270	-	-	-	-	-	-	1,282,270	962,200	
Unbilled sales	-	-	-	-	-	-	-	-	-	-	1,598	
Injunction supply	-	-	23,999	-	-	-	-	-	-	23,999	23,241	
Collection Classification Process	-	-	-	-	-	-	-	-	-	-	-	
Renegotiated amounts:												
Residential	-	-	69,796	210,485	45,679	23,046	22,015	80,264	(187,409)	263,876	260,687	
Industrial	-	-	8,064	28,651	9,137	1,811	2,642	23,242	(40,147)	33,400	41,280	
Commercial	-	-	20,653	123,987	11,635	5,602	7,049	31,315	(76,008)	124,233	143,747	
Rural	-	-	10,345	36,249	6,415	2,839	3,651	7,684	(29,860)	37,323	35,807	
	-	-	18,978	289,179	2,021	193	193	2,450	(6,519)	306,495	375,481	
Government (2)	-	-	4,992	42,658	1,071	508	15	138	(1,161)	48,221	56,553	
Public lighting	-	-	1,085	9,128	558	208	-	3,617	(3,826)	10,770	9,455	
Public service (-) Adjustment to present value (2) and (3)	-	-	(1,928)	(129,814)	-	-	-	-	-	(131,742)	(112,082)	
Subtotal - receivables	-	-	2,856,458	610,523	953,329	203,115	148,767	594,457	(1,018,446)	4,348,203	3,914,171	
Sales to concession operators - local currency (4)	-	-	227,325	-	-	-	-	34,589	(4,437)	257,477	500,547	
Specialized Services	32,681	25,582	36,793	-	3,099	-	-	-	(8,740)	31,152	23,066	
Transmission Services (5)	-	-	8,291	-	309	229	29	184	-	9,042	10,287	
Energy sold to free clients	-	-	118,175	-	-	-	-	-	-	118,175	138,125	
Others (6)	-	-	7,200	-	448,062	48,124	3,974	662,307	(105,158)	1,064,509	870,794	
Total	32,681	25,582	3,254,242	610,523	1,404,799	251,468	152,770	1,291,537	(1,136,781)	5,828,558	5,456,990	
Current	32,681	25,582								4,366,634	4,196,112	
Non-current	-	-								1,461,924	1,260,878	

(1) Maturities are scheduled for the 5th working day after the bills are delivered, except for government consumers who have 10 working days to pay;

(2) Government - credits receivable by the subsidiaries ESE and EMT with clients, as follows:

(i) the subsidiary ESE has receivables with Companhia de Desenvolvimento dos Vales do São Francisco e do Parnaíba (CODEVASF), for electricity bills in the period January/1994 to November/1997 in the amount of R\$ 13,369 overdue since issuance (historic values). The CODEVASF debit is subject to a legal collection proceeding before the federal courts of Distrito Federal. On 12/19/2017 a settlement was

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

negotiated under which the debt would be renegotiated to R\$ 100,000, maturing in December 2019 and December 2020, with interest calculated at the SELIC rate. The attempted settlement was unsuccessful, and the proceedings remain under judicial collection.

Although a settlement was not reached, ESE management believes this debt to be certain and enforceable, as in the collection proceedings CODEVASF was ordered to pay the amount owed in both the lower and appellate courts, and has not appealed these decisions. The only matter remaining under dispute is the rate of interest that will be incurred over a specific period of time. However, the Federal Regional Court based its most recent decision solely on the case law of the Federal Supreme Court (STF) and High Court of Appeal (STJ) as expressed in General Applicability Precedent Decision 810, and it is highly unlikely that any changes will be made to the calculations.

The debt will be repaid in the form of federal writs of payment, and will incur interest as established by the court. The debt is expected to be repaid within a period not exceeding 8 years, based on the assumption that the remaining dispute over the interest rate will be settled within no more than 7 years, and 1 additional year will be required to issue the writs of payment.

As a debt owed by the Federal Government—CODEVASF is a public company controlled and owned by the Federal Government—the risk of CODEVASF not being able to pay its obligations is minimal. According to its Financial Statements, 90.66% of its funds are provided by the Federal Government.

At December 31, 2021 the amount of the debt, with interest computed in accordance with the TRF decision, was a total of R\$ 124,163 (R\$ 118,162 in 2020), including R\$ 23,025 (R\$ 17,024 in 2020) in monetary restatement. Monetary restatement of R\$ 6,001 was recognized under financial revenue - other in the consolidated statements for the financial year ended December 31, 2021. The subsidiary ESE made a provision on these credits for the adjustment to present value of R\$ 24,251 (R\$ 23,332 in 2020), with R\$ 918 recorded in profit or loss for the year under other finance costs in the consolidated statement, calculated by applying the annual CDI rate of 2.5% per annum. This rate is compatible with the nature, tenor and risk for similar transactions on market conditions in the current situation, and adequately reflects the capital costs, given the nature, complexity and volume of the renegotiations; and

(ii) The subsidiary EMT entered a renegotiation on August 03, 2016 and signed a debt financing and acknowledgment agreement with Companhia de Saneamento da Capital (SANECAP) for the provision of electricity, equity of interest, monetary restatement and fines, to be received in installments equal to 50% of the amount paid monthly by Companhia de Saneamento to the municipal government of Cuiabá, commencing September 30, 2016. The debit balance incurs interest of 0.5% per month limited to the portion of the concession through the end of the concession (April/2042). As of December 31, 2021 the receivable on this credit amounts to R\$ 85,349 (R\$ 86,271 in 2020). The subsidiary EMT made a provision on these credits for the adjustment to present value of R\$ 23,853 (R\$ 21,263 in 2020), with R\$ 2,590 (R\$ 2,929 in 2020) recorded in profit or loss for the period under other finance costs in the consolidated statement, calculated by applying the annual CDI rate. This rate is compatible with the nature, tenor and risk for similar transactions on market conditions in the current situation, and adequately reflects the capital costs, given the nature, complexity and volume of the renegotiations.

(3) Adjustment to present value - calculated for renegotiated contracts without interest and/or those with an interest-rate of IPCA or IGPM. The annual average rate of CDI of 8.76% p.y was used for discounting to present value (1.90% p.y in 2020);

(4) Includes energy sold at the Electricity Trading Chamber - CCEE, as follows:

Breakdown of CCEE credits	Consolidated	
	2021	2020
Outstanding balances	227,325	470,840
Credits linked to court injunctions ^(a)	34,589	34,589
Sub-total credits CCEE ^(*)	261,914	505,429
(-) Energy acquisitions at CCEE	(227,277)	(702,729)
(-) System service charges	(605,706)	(108,486)
Total CCEE credits	(571,069)	(305,786)

(*) The sub-total of R\$ 261,914 (R\$ 505,429 in 2020) does not include the expected allowance for doubtful accounts of R\$ 4,437 (R\$ 4,882 in 2020).

(a) Amounts linked to court injunctions that can be subject to change, depending on the outcome of the legal proceedings in progress. Not included in the rationing area, these companies obtained a court injunction which overturned ANEEL Resolution 288 issued May 16, 2002 which aimed to clarify companies operating in the sector about the treatment and means of applying certain MAE (now the CCEE) accounting rules set out in the General Electric Sector Agreement. These companies' claim involves the sale of Itaipu's quota in the Southeast/Midwest submarket during the period of rationing between 2001 and 2002, when there was a significant discrepancy in short-term energy prices between the submarkets. Management monitors the claims made and believes the amounts will be received in full either from the borrowers judicially contesting the loans or from other companies which the CCEE specifies in the future.

(5) Decrease in use of the distribution system - the amounts intended to restore the subsidiary EMT's revenue for providing the distribution grid to free consumers, generators and incentivized sources. For the remaining balance of R\$ 12,201 (R\$ 12,201 in 2020), recorded under noncurrent assets, suspended by injunction, the same amount is recorded against other accounts payable in the consolidated noncurrent liabilities.

(6) Other - includes taxed services, other consumer receivables and: (i) amount of R\$ 625,143 (R\$ 490,704 in 2020) of ICMS on the provision of the distribution grid to free customers on energy demand, recorded in noncurrent assets and which has been suspended under injunctions. The amounts have been charged to value-added tax on goods and Services - ICMS in tax and social contributions, in consolidated non-current liabilities; (ii) underpayment of the ICMS demand and ICMS Distributed Generation by the subsidiaries EMT, EPB, EBO, EMG, ENF, EAC and ERO in the amount of R\$ 216,883, as follows:

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Subsidiaries/Origin	ICMS
EMT - ICMS Demand	81,191
EMT - Distributed Generation	101,809
EPB - Distributed Generation	16,183
EBO - Distributed Generation	1,277
EMG - Distributed Generation	2,795
EAC - Distributed Generation	1,239
ERO - Distributed Generation	12,389
TOTAL	216,883

The case related to the ICMS Demand filed by Mato Grosso state against the subsidiary EMT resulting from assessments on the grounds that the subsidiary contravened decisions exempting certain clients from paying ICMS on the demand. On September 23, 2021 the subsidiary EMT entered the Extrajudicial Settlement - TAE with the State, resulting in the payment at sight on September 30, 2021 of the full amount owed upon entering the REFIS-MT Program. The subsidiary will file administrative and judicial measures to recover these payments, against the consumers that effectively benefited from judicial decisions not to pay the ICMS. This transaction amounts to R\$ 89,350. As Management believes the confirmation will occur through the materialization or not of more uncertain future events not completely under the entity's control, a provision for losses was made of R\$ 81,191 and the difference of R\$ 8,159 was recognized as an effective loss in consolidated other profit or loss. (See note 35).

In the year, the subsidiaries EMT, EPB, EBO, EMG, EAC and ERO paid the Distributed Generation ICMS on the distribution system usage or connection charges, used by distributed generation consumers (DG), in the amount of R\$ 135,692, making a provision for losses of R\$ 2,192 in consolidated other finance costs. The subsidiaries will collect the respective amounts from their consumers, and

- (7) The allowance for doubtful accounts was made based on expected losses, using a simplified recognition approach, historic loss rates, future delinquency probability and management's best expectations;

See the changes in the expected losses on allowance for doubtful accounts:

Changes in provisions	2021	2020
Opening balance - current 2020 and 2019	1,126,480	872,886
Provisions, less reversals, made in the year (*)	250,312	380,390
Write-off of electricity bills - uncollectible	(116,448)	(126,796)
Closing balance - current - 2021 and 2020	1,260,344	1,126,480
Allocation:		
Clients, consumers, concession operators and other	1,136,781	845,345
Credit receivables (note 8)	8,188	71,151
Other receivables (note 13)	115,375	209,984
Closing balance	1,260,344	1,126,480

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

See details of the change in provisions - consolidated:

	2020	Formation	Reversal and write-offs	Net effect	2021
Customers and consumers (*)	845,345	370,925	(79,489)	291,436	1,136,781
Receivables and credits (**)	71,151	3	(62,966)	(62,963)	8,188
Other receivables (**)	209,984	12,918	(107,527)	(94,609)	115,375
Total	1,126,480	383,846	(249,982)	133,864	1,260,344

(*) Includes losses made by the subsidiary EMT of R\$ 81,191 for the ICMS demand accounts receivable dispute, recorded against consolidated other income (see note 35- Other income) and R\$ 2,192 related to the Distributed Generation ICMS recorded in consolidated other finance costs respectively, and R\$ 134 of the subsidiary ESOL relating to the provision for losses recorded in other operating expenses (consolidated).
(**) The fund's operations did not affect the Company's results. However, the improved prospects of receipt and other structured forms of monetization achieved by contracting a dedicated, independent and specialized structure through the FIDCs that currently hold these assets, enabled us to carry out an incisive collection action on the defaulted credits, generating fresh expectations for recovering these assets.

8. Credit receivables

	Parent company		Consolidated	
	2021	2020	2021	2020
Enforcement of PM securities of Cuiabá (1)	-	-	183	5,981
Municipality Tax Credit Rights (1)	-	-	99,954	69,664
Credit receivables (2)	25	25	34,455	43,567
Allowance for doubtful accounts (2)	-	-	(8,188)	(71,151)
Adjustments to present value (2)	-	-	(22,657)	(22,708)
Total	25	25	103,747	25,353
Current	25	25	3,900	13,591
Non-current	-	-	99,847	11,762

In 2021 the credits mature as follows :

Invoice due dates	Parent company	Consolidated (*)
	2021	2021
Past due	-	4,864
2022	25	292
2023	-	1,263
2024	-	8,419
2025 onwards	-	97,097
Total	25	111,935

(*) Stated net of the adjustment to present value.

(1) Indirect subsidiary EMT

Enforcement of PM tax credit rights of Cuiabá - R\$ 183 (R\$ 5,981 in 2020):

(i) Government securities under proceeding (383/2001 - 3rd Lower Treasury Court - Cuiabá), filed against the municipality of Cuiabá, which resulted in order 13.699/2004/TJMT. The receivables of R\$ 183 (R\$ 5,981 in 2020) are in the process of receipt, and 66 installments have been received, there remaining 1 installment restated at the rate of 0.5% per month. Subsidiary management constituted the present value of R\$ 9 in 2020 at the average annual interest rate of CDI 1.90% p.y

Municipal Tax Credit Rights

- Tax Credit Rights of the Municipal Government of Juscimeira R\$ 7,573 (R\$ 7,457 in 2020):

The tax credit rights of the Municipal Government of Juscimeira were renegotiated on August 10, 2020, and ratified by the Authorities. The amount was R\$ 8,456, with a down payment of R\$ 1,000 and financing of the remaining balance over 250 installments, restated at the rate of 0.4% per month. Under the agreement, payment of the installments began in April 2021, but because of a discrepancy in interpreting the agreement, the municipality of Juscimeira has been depositing installments lower than the amount agreed. The subsidiary

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

EMT filed a petition containing clarifications about the calculation and is awaiting a court decision. 9 installments were paid in the course of the year, with amounts lower than agreed.

- **Municipal Government Tax Credit Rights - R\$ 92,381 (R\$ 62,207 in 2020)**

As explained in greater detail in note 4, in January 2021 the subsidiaries assigned tax credit rights to the FIDC. As of December 31, 2021, the tax credit rights in the consolidated statements were as follows:

Tax credit rights	2021 (restated)
Water and sewage department of Várzea Grande - DAE VG	55,845
Municipal Government of Cáceres	1,310
Municipal government of Alta Floresta	2,462
Serviço de Água e Esgoto de Rio Branco	17,881
Municipal government of Guarajá-Mirim	3,024
Municipal government of Manhuaçu	2,248
Municipal government of Porto Nacional	1,212
Municipal government of Taguatinga	1,070
Municipal government of Mirinorte	322
Municipal government of Cachoeirinha	230
Municipal government of Divinópolis	146
Municipal government of Santa Fé do Tocantins	87
Municipal government of Ponte Alta do Bom Jesus	63
Municipal government of Colméia	34
Other Municipal Governments	6,447
Total	92,381

(2) Credit receivables - R\$ 34,455 (R\$ 43,567 in 2020):

Indirect subsidiary EMT

Acquisition of carbon credits on July 16, 2008 from Companhia Técnica de Comercialização de Energia, with a balance as of December 31, 2021 of R\$ 1,625 (R\$ 1,625 in 2020), which have been completely provisioned for.

Indirect subsidiary ESS:

- (i) In 2003 the subsidiary ESS acquired R\$ 44,034 (R\$ 44,034 in 2020) non-tax credits arising from an award against the Federal Government in proceedings seeking a right to offset federal taxes and contributions recognized under a final and unappealable court decision. These credits are under dispute in proceedings brought by the party holding credit rights against the Federal Government. The subsidiary brought these proceedings with a claim for assistance which was rejected by the first instance court for purely procedural reasons. An appeal was brought against the decision which is pending adjudication by the Federal Court of the 1st Region. Following their accession to the Special Tax Financing Program (PAEX) on 12/15/2006 under Provisional Measure 303/2006, the subsidiary ESS withdrew from their claim to offset those credits but remain party to the proceedings to seek recognition of their credit rights. The realization of these credits depends on a successful outcome from the proceedings, the probability of which has been rated as "possible" by the legal advisers of the Company's subsidiary. Management recognized a provision for impairment losses of this asset, recorded as a deduction to consolidated credits receivable of R\$ 21,400 (R\$ 21,400 in 2020) and R\$ 22,633 (R\$ 22,633 in 2020) in the item adjustment to present value.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- (ii) Includes the collection arrangement, mutual use of poles and other items amounting to R\$ 3,110 (R\$ 3,110 in 2020). The indirect subsidiary ESS has an impairment loss on mutual poles of R\$ 762 (R\$ 762 in 2020).
- (iii) Consists of municipal government securities of R\$ 851 in 2020, which were issued after the debtors had been convicted by the highest courts. The subsidiary recorded an impairment loss for government securities of R\$ 851 in 2020.

Indirect subsidiary ETO:

The indirect subsidiary ETO recorded the amount of R\$ 1,772 (R\$ 8,992 in 2020) as follows:

- (i) R\$ 1,287 (R\$ 5,700 in 2020) denotes municipal government securities, which after the final legal conviction of the debtors the securities were issued, in accordance with the court order, in addition to payment requisitions to demand the municipalities pay debt related to electricity bill debits and the amount of R\$ 485 (R\$ 356 in 2020) denoting other credit securities.
- (ii) R\$ 2,936 in 2020 of restricted overdue unpaid electricity bill credits resulting from the collection proceeding filed against the debtor Itafós Mineração S/A, accepted by the courts and made final and unappealable, where the credits were fully qualified in the case records of the Extrajudicial Reorganization Proceeding of the debtor 0000459-40.2016.827.2709, ratified on August 29, 2016. The credit was assigned to FIDC in January 2021, see note 4.

Management of the subsidiary ETO made a provision for impairment of R\$ 1,300 (R\$ 2,756 in 2020) and provision for adjustment to present value of receivable credit securities in the amount of R\$ 24 (R\$ 66 in 2020) recorded under other finance costs in the consolidated statement of profit or loss for the year.

Parent Company and other subsidiaries:

- (i) At the parent company the amount of R\$ 25 (R\$ 25 in 2020) denotes receivables from Raizen do Brasil and in the consolidated statements R\$ 5,289 (R\$ 6,355 in 2020) denotes other receivables from third parties of the subsidiaries CTCE, EPB, EMG, ESE, Dinâmica and ERO.
- (ii) The subsidiary ERO recorded a provision for impairment of R\$ 4,501 (R\$ 4,501 in 2020) and adjustment to present value of R\$ 105 in 2020.

9. Dividends receivable

Subsidiaries	Parent company	
	2021	2020
Energisa Nova Friburgo Distribuidora de Energia S/A	-	567
Energisa Planejamento e Corretagem de Seguros Ltda	294	304
Energisa Sergipe Distribuidora de Energia S/A	-	8,586
Energisa Minas Gerais Distribuidora de Energia S/A	-	2,026
Energisa Paraíba Distribuidora de Energia S/A	-	17,977
Energisa Borborema Distribuidora de Energia S/A	-	2,154
Energisa Soluções S/A	-	1,109
Denerge Desenvolvimento Energético S/A	-	19,614
Energisa Transmissora de Energia S/A	45,133	-
Energisa Participações Minoritários S/A	-	22,452
Total Current Assets	45,427	74,789

10. Recoverable taxes

	Parent company		Consolidated	
	2021 (restated)	2020 (restated)	2021 (restated)	2020 (restated)
Value Added Tax on Sales and Services - ICMS	-	-	388,308	316,148
Corporate Income Tax - IRPJ	167,423	150,367	639,454	455,038
Social contribution on profit -CSLL	10,149	7,410	150,664	105,476
PIS and COFINS Contributions	7,091	865	248,664	204,267
Effects of reducing ICMS on the PIS and COFINS calculation base (*)	-	-	3,584,548	1,065,087
Other	351	344	63,849	57,414
	185,014	158,986	5,075,487	2,203,430
Current	54,450	58,370	1,356,604	733,222
Non-current	130,564	100,616	3,718,883	1,470,208

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Subsidiaries	2021	2020
Final and unappealable cases		
EPB	413,829	449,919
EBO	68,710	72,030
ETO	219,314	250,926
ESS (Paraná branch)	-	29,729
ESE	224,523	262,483
EMT (*)	1,254,231	-
EAC (*)	65,026	-
ENF (*)	57,596	-
ERO (*)	148,899	-
Subtotal	2,452,128	1,065,087
Cases not final and unappealable		
EMS	531,498	-
ESS	392,033	-
EMG	208,889	-
Subtotal	1,132,420	-
Total	3,584,548	1,065,087
Total Current	294,961	-
Total Noncurrent	3,289,587	1,065,087

The distribution companies have recoverable PIS and COFINS credits as of December 31, 2021 of R\$ 3,584,548 (R\$ 1,065,087 in 2020) for the exclusion of ICMS from these contributions' calculation base, under final and unappealable court decisions.

On May 13, 2021 the Supreme Federal Court (STF) completed its ruling and decided that ICMS can be excluded from the PIS and COFINS tax base as from March 15, 2017 (the date on which a General Precedent decision was rendered in case RE 574706), also ratifying the principle that the ICMS amounts stated in invoices should be excluded from the PIS and COFINS tax base and not the amount paid, leading to the consolidated recognition of new credits and new obligations amounting to R\$ 2,147,020 (R\$ 315,074 in 2020) charged to consolidated profit or loss for the year. The respective amounts were duly restated by applying the Selic base interest rate, which amounted to R\$ 597,455 (R\$ 84,232 in 2020), recorded under other financial revenue in the consolidated statement of profit or loss for the year.

The subsidiaries EPB, EBO, ETO, ESE and ESS (Paraná branch) had their credits accepted by RFB, which were offset over the course of the year in the amount of R\$ 225,018.

(*) The legal proceedings of the subsidiaries EMT, ERO, ENF and EAC received final and unappealable decisions on September 21, 2021, October 22, 2021, November 12, 2021 and December 06, 2021, respectively and are awaiting deferral by the RFB to begin using the credits.

The other items denote tax credits on negative balances of income and social contribution taxes, ICMS on the acquisition of intangible assets/property, plant and equipment and overpayments of taxes and contributions, which will be recovered or offset against taxes in future periods, in due accordance with the applicable existing tax legislation.

11. Readjustments, Rate Reviews and other regulatory matters - consolidated

11.1 Rate adjustments:

The rates are adjusted annually and the concession operator's revenue is divided into two portions: Parcel A (consisting of non-manageable expenses) and Parcel B Portion (efficient operating costs and capital costs). The annual rate adjustment aims to pass through uncontrollable costs and to monetarily restate controllable costs.

The subsidiaries' rates have been readjusted as follows:

DisCo	Ratifying Resolution	Average effect to be faced by (%)	Valid from
ESS	Resolution 2722, issued 07/07/2020	4.87%	07/12/2020
EMG	Resolution 2696, issued 06/17/2020	6.41%	06/22/2020
EBO	Resolution 2665, issued 01/28/2020	-1.78%	02/04/2020
ENF	Resolution 2698, issued 06/17/2020	2.39%	06/22/2020
EPB	Resolution 2763, issued 08/27/2020	4.28%	08/28/2020
ETO	Resolution 2889, issued 06/29/2021	4.04%	07/04/2021
ESE	Resolution 2860, issued 04/22/2021	8.90%	04/22/2021
EMS	Resolution 2855, issued 04/22/2021	8.90%	04/22/2021
EMT	Resolution 2856, issued 04/22/2021	8.90%	04/22/2021
ERO	Resolution 2990, issued 12/07/2021	6.93%	12/13/2021
EAC	Resolution 2989, issued 12/07/2021	9.90%	12/13/2021

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

11.2 Rate reviews:

The subsidiaries' periodic rate reviews take place: (i) every four years at EBO and EPB, and (ii) every five years at ESE, EMT, EMS, EMG, ENF, ESS, ETO, ERO and EAC.

In this process ANEEL recalculated the rates according to the changes in the structure of the concession operators' costs and sales, in order to foster the efficiency and affordability of the rates. The adjustments and reviews are rate restatement mechanisms, both stipulated in the concession agreement. The concession operators may also request an extraordinary review whenever an event causes a significant economic and financial imbalance in the concession.

The rate adjustments in force have been summarized below:

DisCo	ANEEL Ruling	Average effect on consumers (%)	Effective from
ESS	Resolution 2.893, issued 07/06/2021	9.84%	07/12/2021
EBO	Resolution 2832, issued 02/02/2021	5.21%	02/04/2021
EMG	Resolution 2884, issued 06/21/2021	9.10%	06/22/2021
EMS	Resolution 2380, issued 04/03/2018	9.87%	04/08/2018
EMT	Resolution 2379, issued 04/03/2018	11.53%	04/08/2018
ENF	Resolution 2885, issued 06/22/2021	4.95%	06/22/2021
EPB	Resolution 2929, issued 08/24/2021	7.08%	08/28/2021
ESE	Resolution 2387, issued 04/17/2018	11.30%	04/22/2018
ETO	Resolution 2720, issued 07/03/2020	7.17%	07/04/2020
ERO (*)	Resolution 2819, issued 12/08/2020	-11.29%	12/13/2020
EAC (*)	Resolution 2820, issued 12/08/2020	2.95%	12/13/2020

(*) On December 08, 2020, ANEEL Resolutions 2.819 and 2.820 respectively approved the Extraordinary Rate Review of the direct subsidiaries ERO and EAC, as established in Concession Agreements 02/2018 and 03/2018.

11.3 Rate flags:

From 2015 energy bills will start using the Rate Flag System.

The rate flags are used to inform consumers of the electricity generation conditions in the National Interconnected Grid - SIN by including a surcharge in the Energy Rate - TE.

The rate flag system consists of:

Green Rate Flag

Yellow Rate Flag

Red Rate Flag, segregated into Tiers 1 and 2 and

Water Shortage Flag.

The rate increases for every additional 100 kilowatt-hours (kWh) consumed in a given month, as shown in the table below.

Flag	Previous R\$ /KWh (1)	Current R\$ /KWh (2) REH 2.888/2021 (*)	Current R\$ /KWh Resolution No. 3	Total change (2) / (1)
Green	-	-	-	0%
Yellow	1.34	1.87	-	40%
Red 1	4.17	3.97	-	-5
Red 2	6.24	9.49	-	52
Water Shortage	-	-	14.20	-

(*) On June 30, 2021, ANEEL Ratification Resolution 2888 approved new rate-tier surcharges effective from July 01, 2021.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

In 2021 and 2020, the rate flags were in force as follows:

	2021	2020
January	Yellow	Yellow
February	Yellow	Green
March	Yellow	Green
April	Yellow	Green
May	Red Level 1	Green
June	Red Level 2	Green
July	Red Level 2	Green
August	Red Level 2	Green
September	Water Shortage	Green
October	Water Shortage	Green
November	Water Shortage	Green
December	Water Shortage	Red Level 2

Water Shortage Flag:

The Chamber of Exceptional Rules for Hydroenergy Management - CREG issued Resolution 3 on August 31, 2021, instructing ANEEL to implement a specific Rate Flag, known as the Water Shortage Flag, pursuant to Decree 8.401 of February 04, 2015, at the rate of R\$ 142.00/MWh (one hundred and forty-two Reais per megawatt-hour), effective for the period September 2021 to April 2022.

The Water Shortage Flag does not apply to Social Rate - TSEE consumers, who remain in the Rate Flag system, as per the amounts approved by ANEEL Resolution 2.888, of June 29, 2021.

11.4 Program encouraging voluntary reduction in electricity consumption:

On August 31, 2021 the Chamber of Exceptional Rules for Hydroenergy Management - CREG, operating under the auspices of the Ministry of Mines and Energy, issued Resolution 2 introducing the Program Encouraging Voluntary Reduction in Electricity Consumption for consumer unit groups A and B in the regulated market of the National Interconnected Grid - SIN, in order to establish emergency measures to tackle the current water shortages in order to guarantee the continuity and security of electricity and energy supplies in Brazil.

The Program awarded a bonus in bills of R\$ 50.00 (fifty Reais) for every 100 (one hundred) KWh, in return for a verified average reduction in electricity consumption equal to or greater than 10% (ten percent) per consumer unit in the regulated contracting system, limited to 20% (twenty percent). The percentage consumption reduction will be applied to the amount determined based on the average consumption of each consumer unit in bills for the months September to December 2020, providing they have a baseline consumption history. This will apply to group B consumer units in the residential, industrial, trade, services and other activities, rural and public service sectors and group A consumer units in the government, public lighting and proprietary internal sectors.

Stage one of the Program Encouraging Voluntary Reduction in Electricity Consumption is effective for four billing cycles, commencing September 01, 2021.

In the financial year ended December 31, 2021 Energisa Group's distribution companies determined the amount of R\$ 236,620 as bonuses for voluntary consumption reductions to be passed through to consumers, with the obligation recognized under Consumers in the group Other liabilities in consolidated current liabilities (see note 30), charged as a reduction to consolidated operating revenue. Furthermore, the reimbursement right for the bonus awarded was recognized as a Bonus - Reimbursement of the CDE Fund in the group Other Receivables in consolidated current assets (see note 13) and was charged to operational revenue to generate the economic and financial equilibrium of the concession, as detailed below:

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Subsidiaries	Consumption Bonus
EMT	69,345
EMS	35,478
ESS	32,072
ETO	21,341
EPB	19,351
EBO	3,559
ESE	13,502
ERO	20,958
EAC	7,606
EMG	10,875
ENF	2,533
Total	236,620

11.5 Other regulatory issues

11.5.1 Overcontracting

Brazil has been experiencing a general energy overcontracting situation since 2016, which has affected most electricity distribution companies in Brazil. In addition to uncertainties in growing demand for economic reasons, the regulated market has been extremely affected by the higher volume of migrations of captive consumers to the free market and the growth in distributed generation. Given the centralized procurement model, the distribution companies' portfolio contains long-term contracts with little room for maneuver. In general and as a result of the portfolio management strategies, Energisa Group is well positioned.

ANEEL and the distribution companies have therefore been disputing the methodology for determining overcontracting results since 2016, consequently preventing the amounts being ratified for the years 2016 to 2021. See below the recent record as a part of this process:

- 1) On April 08, 2021 ANEEL's Federal Attorney's Office stated it was against the position hitherto expressed by the technical department and executive board, releasing Opinion 00079/2021/PFANEEL/PGF/AGU stating it was necessary to change the involuntary amounts originally calculated, following in-depth analysis of the following items: (i) possibility of applying or not applying the economic criteria in assessing the involuntary overcontracting; (ii) differentiation of the maximum effort concept for involuntary overcontracting and exposure; and (iii) possibility of retroactively assessing migrations of free and special consumers to the ACL;
- 2) In accordance with the analysis of ANEEL's Federal Attorney's Office, on November 26, 2021 ANEEL's Market Studies and Economic Regulation Division - SRM issued Technical Note 121/2021-SRM/SGT/ANEEL, containing the new calculation methodology and involuntary amounts, also recommending the Agency's Board examine the matter.

After analyzing this latest proposal, Energisa Group believed there was greater consistency between the expected results and those obtained under ANEEL's new position, without prejudice to new claims to the agency to resolve still divergent points. According to the methodology espoused by ANEEL's technical department in Technical Note 121/2021-SRM/SGT/ANEEL, Management accordingly revisited its estimates and assumptions regarding sector financial assets and liabilities relating to energy overcontracting in financial years 2016 through 2021, resulting in an effect on consolidated profit or loss.

We consequently reversed previous estimates of R\$ 13,500 and entered R\$ 59,000 in consolidated profit or loss for the year, representing a net impact on profit to loss of R\$ 45,500, restated as of December 31, 2021 and detailed as follows:

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Subsidiaries	Balances 2020	Gross operating revenue - creation and amortization - CVA assets and liabilities			Financial Restatement	Balances 2021
		2016 to 2020	2021	Total		
EMS	9,000	(27,350)	30,750	3,400	(9,300)	3,100
ESS	(400)	21,006	(6)	21,000	2,300	22,900
ETO	(3,100)	(19,317)	17	(19,300)	(9,200)	(31,600)
EPB	5,800	2,628	14,872	17,500	3,900	27,200
EBO	800	12,051	49	12,100	3,500	16,400
ESE	1,400	8,346	54	8,400	3,400	13,200
ERO	-	(11,038)	22,438	11,400	(6,400)	5,000
EAC	-	62,237	17,063	79,300	6,100	85,400
EMG	-	(5,247)	47	(5,200)	(1,800)	(7,000)
Balances - noncurrent assets	13,500	14,619	40,081	54,700	(9,200)	59,000

(*) Estimate adjustments calculated in accordance with Aneel Technical Note 121/2021. The balances are presented under Sector Financial Assets and Liabilities - Energy Overcontracting - Noncurrent.

12. Consolidated sector financial assets and liabilities

Denote assets and liabilities dating from temporary differences between the ratified costs of the A Parcel and other financial components, which are included in the rate at the start of the rate period and those which are effectively incurred throughout the period the rate is in force. The amounts are realized when other rate periods come into force or the concession is terminated with calculated unrecovered balances, which will be included in the compensation base.

The recognized amounts of sector financial regulatory assets and liabilities were charged to revenue from the sale of goods and services.

The contractual amendments issued by ANEEL guarantee that the CVA amounts and other financial items shall be incorporated into the compensation calculation upon termination of the concession.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The electricity distribution subsidiaries recorded the changes in these costs as sector financial assets and liabilities, as shown below:

Financial sector assets	Balances in 2020	Operating Revenue		Entry into Covid program (12)	Finance income/loss	Transfer	Balances in 2021	Amounts undergoing amortization	Amounts being recorded	Current	Non-current
		Addition	Amortization		Yield						
Items of A Parcel (1)											
Electricity purchased for resale	72,016	(163,207)	(11,134)	(33,629)	1,244	364,295	229,585	48,931	180,654	169,838	59,747
Transportation of electricity to national grid	88,721	203,285	(47,228)	(679)	4,675	(50,661)	198,113	28,375	169,738	147,636	50,477
Alternative Energy Sources Incentive Program - PROINFA	8,163	28,527	(14,374)	(63)	433	(3,088)	19,598	18,939	659	19,414	184
Transportation of electric power - Itaipu	5,421	8,243	(1,959)	-	170	(6,895)	4,980	1,604	3,376	3,344	1,636
Energy development account - CDE	52,462	79,595	(41,412)	(2,173)	829	(52,083)	37,218	32,465	4,753	33,348	3,870
System service charges - ESS	158,380	1,270,721	(143,520)	(1,237)	8,472	(8,798)	1,284,018	192,538	1,091,480	786,618	497,400
Financial components											
Neutrality of A Parcel (3)	13,368	38,290	(15,416)	-	46	(11,042)	25,246	6,161	19,085	16,483	8,763
Electricity overcontracting (4)	64,126	521,560	(3,975)	-	(85,217)	(204,831)	291,663	7,982	283,681	56,676	234,987
CUSD	5,582	5,209	(5,881)	-	30	(896)	4,044	4,044	-	4,044	-
Submarket exposure (6)	55,513	132,867	(156,412)	29,801	3,936	32,549	98,254	73,839	24,415	90,873	7,381
Designated RGRs (7)	727,130	-	-	-	(6,028)	(721,102)	-	-	-	-	-
Financial guarantees (8)	4,855	4,634	(4,529)	-	119	-	5,079	1,970	3,109	3,903	1,176
Recoverable balance (9)	16,163	9,735	(14,991)	-	606	261	11,774	3,674	8,100	8,525	3,249
Rate postponement effects (10)	-	-	-	-	(189)	189	-	-	-	-	-
Other financial items (11)	676	433,788	1,465	-	108,452	(113,340)	431,041	1,005	430,036	311,789	119,252
Total Assets	1,272,576	2,573,247	(459,366)	(7,980)	37,578	(775,442)	2,640,613	421,527	2,219,086	1,652,491	988,122

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Financial sector liabilities	Balances in 2020	Operating Revenue		Entry into Covid program (12)	Financial Income/Loss	Transfer	Balances in 2021	Amounts undergoing amortization	Amounts being recorded	Current	Noncurrent
		Addition	Amortization		Yield						
Items of A Parcel (1)											
Electricity purchased for resale	473,377	(77,076)	(485,381)	-	(3,913)	364,295	271,302	169,733	101,569	180,294	91,008
Transportation of electricity to national grid	50,495	1,561	11,496	-	(406)	(50,661)	12,485	12,485	-	12,485	-
Alternative Energy Sources Incentive Program - PROINFA	11,560	(211)	(8,256)	-	(5)	(3,088)	-	-	-	-	-
System Service Charges - ESS (2)	54,211	(10,292)	(35,019)	-	32	(8,798)	134	134	-	134	-
Energy Development Account - CDE	64,810	34,826	5,772	-	453	(52,083)	53,778	5,029	48,749	37,155	16,623
Transportation of electric power - Itaipu	4,878	2,836	37	-	(17)	(6,895)	839	777	62	810	29
Financial components											
Neutrality of parcel A (3)	84,600	10,548	(59,099)	-	438	(11,042)	25,445	20,497	4,948	22,958	2,487
Electricity overcontracting (4)	131,167	748,388	(129,575)	-	26,615	(204,831)	571,764	258,599	313,165	349,734	222,030
Rate Returns (5)	291,000	65,785	(18,327)	-	6,856	-	345,314	26,110	319,204	32,723	312,591
CUSD	179	8,608	(2,454)	-	140	(896)	5,577	2,001	3,576	4,550	1,027
Submarket exposure (6)	106,847	(136,870)	(2,328)	-	(193)	32,549	5	-	5	-	5
Recoverable balance (9)	8,034	5,206	(7,181)	-	146	261	6,466	2,879	3,587	3,714	2,752
Rate postponement effects (10)	11,239	(157)	-	-	(280)	(10,802)	-	-	-	-	-
Other financial items (11)	214,418	141,654	(105,550)	-	42,708	(102,349)	190,881	116,456	74,425	158,923	31,958
Total Liabilities	1,506,815	794,806	(835,865)	-	72,574	(54,340)	1,483,990	614,700	869,290	803,480	680,510
Net balance	(234,239)	1,778,441	376,499	(7,980)	(34,996)	(721,102)	1,156,623	(193,173)	1,349,796	849,011	307,612

- (1) **Recoverable uncontrollable rates of the A Parcel - (CVA)** - Interministerial Ordinance 25, issued January 24, 2002 by the Ministries of State Finance and Mines and Energy, established the Compensation Account for "Parcel A Variation - CVA", as the account for recording negative or positive changes in costs occurring in the period between annual rate adjustments, relating to the items established in the electricity distribution concession agreements. These changes are determined as the difference between the expense effectively incurred and the expenses estimated when the rate is established in the annual rate adjustments. The amounts included in the CVA are restated monetarily based on the Selic base interest rate.
- (2) **System service charges - ESS** - denotes a charge intended to cover the system service costs, which includes auxiliary services provided by users of the National Interconnected Grid.
- (3) **Neutrality of the "A" Parcel** - denotes the neutrality of sector charges in the rate, determining the monthly differences between the amounts invoiced and the amounts included in the rates;
- (4) **Pass-through of energy overcontracting (surplus energy)** - by way of the regulated energy contracts, distribution companies should ensure the entire market demand is met. Purchases greater than or lower than this parameter will result in ANEEL applying the rate of review and adjustment processes to determine the cost of passing through the acquisition of the overcontracting amount, limited to 5% in relation to the annual regulatory supply charge of the distribution company and the energy cost regarding exposure to the spot market;
- (5) **Rate returns** - denotes revenue from surplus demand and surplus reactive energy revenue earned as from the 4th Cycle of the Periodical Rate Reviews (4CRTP), from November 2017, appropriated in sector financial liabilities and restated monthly by applying the variance of the SELIC and to be amortized as from commencement of the 5th periodical rate review cycle (5CRTP).
- (6) **Submarket exposure:** denotes the financial gain deriving from differences between the Difference Settlement Price (PLD) as a result of energy transfers between submarkets;

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- (7) **Designated RGR** - in July 2016, the 165th Extraordinary General Meeting - AGE of Eletrobrás, resolved not to extend the public electricity distribution concessions held by the Company. In light of this, the Ministry of Mines and Energy - MME published Ordinance 388/2016, which defined the terms and conditions for providing the temporary public service and designated the Company as a temporary public distribution service provider, entitling it to RGR funds to operate, incurring interest at the rate of 111% of SELIC. By way of official notice 242 issued in June 2018, ANEEL determined that the new concession operator is entitled to receive RGR contribution funds via rates, subject to the regulatory agency's approval. The Company created a Regulatory Asset to the same amount of the payments received by November 2018. Signed on December 6, 2018, concession agreement 003/2018 states that RGR funds received will be paid monthly, in equal payments, between the month following the month of the first ordinary review and the completion of the concession agreement;

The Company bid 21% for ERO and 31% for EAC, with a discount on the debit balance of the RGR loans of R\$ 169,205, with R\$ 101,038 and R\$ 52,454, respectively secured by 2018 as per the auction notice;

In March 2021 the subsidiaries settled balances of loans and borrowings taken out by using funds from the global reversal reserve (RGR) in accordance with Law 14.120 of March 01, 2021, which revokes the obligation to pay Loan amounts to Designated Parties who will be entitled to the rate recognition, and were carried out using the global reversal reserve (RGR), limited to the amount corresponding to the portion entitled to rate recognition and which had not incurred a haircut.

- (8) **Financial Guarantees:** pass-through of costs deriving from the settlement and custody of financial guarantees established in the contracts addressed in article 15 (generation distributed by public order), art. 27 (CCEAR of new and existing energy auctions) and art. 32 (adjustment auctions) of Decree 5163/2004;
- (9) **Recoverable balance of the previous cycle's CVA:** pursuant to article 3 (4) of Interministerial Ordinance MME/MF 25/2002, we checked whether the balance of the CVA being processed and included in the rate process had been effectively offset, taking into account the changes occurring between the electricity market used to define this rate process and the market verified in the 12 months of the offsetting, in addition to the difference between the projected interest rate and the actual Selic base interest rate;
- (10) **Rate postponement effects** - because of the COVID-19 pandemic, the subsidiaries EMT, EMS, ESE, EMG and ENF underwent a rate review in the first half requested ANEEL defer the adjustment until July 01, 2020, in exchange for deferring payment of the monthly energy development account - CDE quotas in equal financial amounts.
- (11) **Other financial items:** this includes the other nonrecurring specific financial items of the DisCos, such as Reversal of the financial RTE2015, Eletronuclear Differential, DIC/FIC Offsetting Pass-through, deferral of the 2018 RTE of the subsidiary ERO, where the pass-through was approved for 2019 RTE, and is being amortized in 2020 and offsetting of ICMS credits due to the postponed application of rate adjustments.

Offsetting of credits generated by the exclusion of ICMS from the PIS and COFINS tax base – in the 2021 rate-setting process for subsidiaries ETO, ESS and EPB, certain PIS/COFINS credits were recognized based on court decisions on the exclusion of ICMS from the PIS/COFINS tax base. The matter is pending issuance of a specific ANEEL regulation following Public Consultation 05/2021. Administrative Order 361/2021, however, allows electric utilities to recognize credits prior to the Public Consultation under exceptional circumstances. As part of the rate-setting process for FY 2021, the subsidiaries ETO, ESS and EPB offset R\$ 12,981 R\$ 29,180 and R\$ 22,795 respectively, in federal taxes. These amounts were deemed as extraordinary negative financial components in the rate-setting reviews approved under ANEEL Resolutions 2889 (June 29, 2021) and 2893 (July 6, 2021).

Postponed application of adjusted electricity rates - due to the significant impacts from the rate-setting process, subsidiaries EMT and EMS were required to postpone application of the new rates from April 8 to April 22, 2021, allowing time for ANEEL to devise measures to mitigate those impacts. The amounts involved of R\$ 8,646 and R\$ 7,660 will be collected from consumers in the following rate cycle restated by the change in the Selic and have been recognized by these subsidiaries as financial sector assets.

- (12) **Entry into COVID account** - on July 03, 2020 the electricity distribution subsidiaries submitted a request for funds from the COVID ACCOUNT of R\$ 1,359,388, of which R\$ 5,461 consists of deferrals and financing of the A Group's contracted demand, R\$ 121,089 for advancing the financial sector asset for Parcel B and R\$ 1,232,838 for the comprehensive coverage of sector financial assets and liabilities and other items mentioned.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The amount of R\$ 1,359,388 had been received from the COVID-ACCOUNT by the energy DisCos by January 12, 2021.
See the amounts contracted by the subsidiaries:

Subsidiaries	Demand installments (group A)	Advance of parcel B	Financial sector assets	Total	Inflow of funds							
					07/31/2020 (1)	08/12/2020 (2)	09/14/2020 (3)	10/13/2020 (4)	11/12/2020 (5)	12/14/2020 (6)	12/28/2020 (7)	01/12/2021 (8)
Energisa Mato Grosso	-	-	377,985	377,985	206,454	31,347	41,691	11,994	39,830	22,284	24,385	-
Energisa Mato do Grosso do Sul	-	-	296,268	296,268	231,492	24,574	21,279	9,293	9,630	-	-	-
Energisa Tocantins	-	-	36,560	36,560	23,163	4,046	-	-	142	3,723	5,487	-
Energisa Sul Sudeste	-	-	97,396	97,396	97,396	-	-	-	-	-	-	-
Energisa Paraíba	-	-	86,992	86,992	61,996	11,637	8,348	5,011	-	-	-	-
Energisa Sergipe	-	-	46,995	46,995	46,995	-	-	-	-	-	-	-
Energisa Minas Gerais	-	-	49,949	49,949	49,315	634	-	-	-	-	-	-
Energisa Borborema	-	-	13,158	13,158	5,795	1,404	1,708	1,279	1,636	1,335	-	-
Energisa Nova Friburgo	-	-	6,963	6,963	6,738	225	-	-	-	-	-	-
Energisa Rondônia	3,964	71,410	205,425	280,799	201,402	8,011	19,902	13,384	2,801	27,319	-	7,980
Energisa Acre	1,497	49,679	15,147	66,323	66,323	-	-	-	-	-	-	-
Total	5,461	121,089	1,232,838	1,359,388	997,069	81,878	92,928	40,961	54,039	54,661	29,872	7,980

- (1) ANEEL Order 2.177 issued July 24, 2020;
- (2) ANEEL Order 2.353 issued August 11, 2020;
- (3) ANEEL Order 2.640 issued September 11, 2020;
- (4) ANEEL Order 2.914 issued October 09, 2020;
- (5) ANEEL Order 3.197 issued November 11, 2020;
- (6) ANEEL Order 3.490 issued December 10, 2020;
- (7) ANEEL Order 3.621 issued December 21, 2020 and
- (8) ANEEL Order 46 issued January 11, 2021.

On May 18, 2020 Decree 10.350/2020 created the COVID ACCOUNT, under the management of the Electricity Trading Chamber (CCEE), for the specific purpose of contracting and settling loans to partly or fully cover: (i) the financial effects of overcontracting energy; (ii) balance made in the Compensation Account for Parcel A Variation - CVA; (iii) neutrality of sector charges; (iv) postponing until June 30, 2020 the results of the DisCos' rate-review processes ratified as of that date; (v) the unamortized balance of CVA recognized in the latest rate process; (vi) the unamortized balance of deferrals recognized or reversed in the latest rate process; and (vii) prepayment of the regulatory asset for the B portion.

The main object of creating the COVID PANDEMIC ACCOUNT was to postpone for up to 5 years increases in energy bills that would have been charged within up to 1 year and to also shore up the liquidity of distribution concession operators that have been especially impacted by lower demand and rising delinquency, also protecting other electric sector agents, as mentioned earlier.

Under article 7 of ANEEL Normative Resolution 885/2020, the CCEE acts as the guarantor and owner of the entire process of running the COVID ACCOUNT. Under art. 8 of the Normative Resolution, the pass-throughs made by the COVID ACCOUNT to concession operators will generate an Accounts Receivable at the CCEE linked to the CDE fund, which will be the debtor and not the concession operator directly.

The COVID ACCOUNT will be included in the rate coverage of DisCos, except for the direct subsidiaries ERO and EAC which will enter the rate-setting processes by the end of 2021 and will remain for the time necessary to fully amortize the financial operations.

Pass-through of funds from the Itaipu Trading Account - on November 22, 2021 the indirect subsidiaries EMT (R\$ 292,298), EMS (R\$ 35,098) and ESS (R\$ 12,421) received funds from the Itaipu trading account. The process of passing through funds from the Itaipu Energy Trading Account to the concession operators was resolved at the Ordinary Public Meeting of the ANEEL Board on November 30, 2021. The amount received was recorded by reducing the portion of sector financial assets recorded and the difference of R\$ 74,164 was recorded as a sector financial liability.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

13. Other accounts receivable

	Parent company		Consolidated	
	2021	2020	2021	2020
CCC Credits subsidy				
Subrogation of CCC ⁽¹⁾	-	-	484,368	15,902
Acquisition of fuel via CCC account ⁽²⁾	-	-	10,754	4,417
CCC total generation cost - Law 12.111/2009 ⁽³⁾	-	-	216,680	174,307
CCC Credits - ICMS receivable EAC ⁽⁴⁾	-	-	55,817	55,817
Subtotal	-	-	767,619	250,443
Low-income Subsidy ⁽⁵⁾	-	-	121,777	89,303
Service orders in progress - PEE and R&D	-	-	227,619	178,650
Service orders in progress - other	-	-	14,654	18,573
Deactivation orders in progress	-	-	5,711	7,526
Expenses to be reimbursed - ODR	-	-	1,208	1,341
Advances to suppliers and employees	1,064	1,319	86,795	63,654
CDE subsidy - rate discount ⁽⁶⁾	-	-	251,341	175,937
Bonus - Reimbursement from the CDE Fund ⁽⁷⁾	-	-	236,620	-
Banco Daycoval ⁽⁸⁾	-	-	-	176,791
Other credits receivable -CELPA ⁽⁹⁾	-	-	58,099	56,716
Low-income standard	-	-	3,260	3,260
Advance for post-employment benefits	-	-	8,254	8,254
Prepaid expenses	4,738	8,361	74,318	63,379
Accounts receivable from sale of generation companies ⁽¹⁰⁾	-	150,497	-	150,497
Credits receivable from third parties ⁽¹¹⁾	-	-	83,054	51,484
Credits receivable from Eletrobrás - LPT ⁽¹²⁾	-	-	2,220	20,390
Reinvestment deposit - tax incentives	-	-	10,843	3,962
Advances - Inergus ⁽¹³⁾	-	-	69,455	79,354
Indemnification for the concession - Indemnifiable AIC ⁽¹⁴⁾	-	-	312,358	328,745
Indemnification for the concession - Indemnifiable AIC ⁽¹⁵⁾	-	-	89,597	98,054
Credit receivables assigned to FIDC ⁽¹⁶⁾	200,000	-	82,739	-
Others ⁽¹⁷⁾	46,585	33,019	129,878	86,991
Subtotal	252,387	193,196	2,637,419	1,913,304
Provision for expected losses	-	-	-	(176,791)
Total	252,387	193,196	2,637,419	1,736,513
Current	52,387	42,699	2,047,563	1,167,201
Non-current	200,000	150,497	589,856	569,312

(1) Subrogation CCC

. The direct subsidiary EMT was classified in the subrogation of the right to use the Fuel Consumption Account - CCC due to the implementation of electricity ventures that led to a decrease in the CCC expense, which helped secure rates for end consumers. The following ventures with outstanding receivables were approved to calculate the benefit:

Project	Status	Amount invested	Amount subrogated	Received	Restatement	Receivable	
						2021	2020
Sapezal / Comodoro Transmission System	in service	36,225	32,254	25,439	22,975	29,790	12,795
Rondolandia Transmission System	in service	10,203	4,613	4,574	(39)	-	39
Paranorte Transmission System	in service	6,697	4,915	2,415	1,056	3,556	3,068
Total		53,125	41,782	32,428	23,992	33,346	15,902
Current						6,791	5,374
Noncurrent						26,555	10,528

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

. In FY 2021 the direct subsidiary ERO recorded the amount of R\$ 451,022 approved by Aneel under Authorizing Resolution 9.660 issued February 02, 2021, as amended by Authorizing Resolution 10.064 issued June 08, 2021, which authorized the classification in the subrogation of apportionment benefits from the Fuel Consumption Account - CCC for the projects interconnecting islanded systems in Rondônia state to the National Interconnected Grid - SIN. R\$ 443,061 was received in February 2022.

(2) **Acquisition of CCC account fuel** - the indirect subsidiary EMT has balances receivable under the Fuel Consumption Account - CCC where by way of Technical Note 01/2018-SFF issued January 3, 2018 and 36/2019-SFF issued March 12, 2019 ANEEL detailed the methodology created for the monthly oversight and reprocessing of benefits for the period July 30, 2009 to April 30, 2017, demonstrated the technical analyses of the information collected on energy, power and fuel purchase contracts, electricity and fuel measurements and regulatory treatments given to the company's statements, in order to determine any asset or liability of the beneficiary in accordance with Normative Resolution 427/2011. The balance receivable as of December 31, 2021 is R\$ 10,754 (R\$ 4,417 in 2020).

(3) **CCC total generation cost - Law 12.111/2009** - the reimbursement rights corresponding to the energy costs in Islanded Systems and Bilateral Contracts, which are paid for by the CDE-CCC Fund, are recorded under current and noncurrent assets. They are recognized based on Law no 12.111/2009, whose information is provided by the subsidiaries ERO and EAC at the Electricity Trading Chamber- CCEE, which manages the CDE Account. After being approved by the manager, these amounts are passed through to subsidiaries and used to settle amounts owed to the corresponding suppliers involved in the process. In FY 2021 the subsidiary EAC made a provision for the CDE and CCC Fund of R\$ 344,263, receiving R\$ 330,790 for the months January to December/2021 and the subsidiary ERO recorded a CCC reimbursement provision of R\$ 174,659. The subsidiary ERO received R\$ 157,601 in February 2022.

(4) **CCC Credits - ICMS receivable EAC** - This denotes the CDE-CCC credits recognized by the subsidiary EAC for unrecovered ICMS on acquisitions of diesel oil consumed during the electricity generation process in islanded systems within Acre State for the period 2014 to October 2016. Management expects to be receiving the amounts in the coming years.

(5) **Low-income subsidy** - consists of the subsidy for the low-income residential sector with monthly consumption of under 220 kWh, subject to certain requirements being met. This revenue is paid for with funds from the RGR - Global Reversal Reserve and the CDE - Energy Development Account, both administrated by CCEE. The outstanding balances consist of provisions for November and December 2021, which management does not expect to incur losses on.

See the changes occurring in the year:

Low-income subsidy	EMG	ENF	ESE	EPB	EBO	EMT	ETO	EMS	ESS	ERO (*)	EAC	Total
Consolidated balances in 2019	4,482	340	8,456	16,135	1,740	8,307	6,974	7,609	4,332	3,200	11,165	72,740
Low-income subsidy	29,321	3,336	72,750	144,605	15,680	81,049	65,108	72,225	31,526	31,452	24,416	571,468
Reimbursement realized via CCEE	(28,435)	(3,229)	(71,701)	(141,526)	(15,307)	(79,286)	(63,555)	(70,305)	(30,740)	(26,802)	(24,019)	(554,905)
Consolidated balances in 2020	5,368	447	9,505	19,214	2,113	10,070	8,527	9,529	5,118	7,850	11,562	89,303
Low-income subsidy	26,097	3,030	59,638	117,920	13,115	64,516	52,316	61,956	26,445	25,571	19,399	470,003
Reimbursement realized via CCEE	(25,409)	(2,927)	(58,729)	(116,306)	(12,973)	(63,384)	(51,885)	(60,683)	(25,707)	-	(19,526)	(437,529)
Consolidated balances in 2021	6,056	550	10,414	20,828	2,255	11,202	8,958	10,802	5,856	33,421	11,435	121,777

(*) The subsidiary ERO received R\$ 31,183 in February 2022

(6) **CDE Subsidy - Rate Discount** - denotes funds transferred to the concession operators authorized by the federal government to cover the CDE subsidy for discounts to rates applicable to the users of the public electricity distribution service. The amounts are recognized monthly according to benefits passed through to consumers and charged to the statement of income for the year - operational revenue, while CCEE reimbursements take place in monthly payments calculated at the start of each year. The balances denote subsidies incurred, less payments received. Differences are included in the annual calculations. After ANEEL validation, the balances presented will be reimbursed over the course of the following year.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

(7)

See the changes occurring in the year:

CDE Subsidiary	EMG	ENF	ESE	EPB	EBO	EMT	ETO	EMS	ESS	ERO (*)	EAC	Total
Consolidated balances in 2019	7,880	591	1,955	17,087	(68)	39,656	14,518	20,249	29,921	4,312	587	136,688
Rate discount due to Irrigation and Rural subsidy	54,044	3,436	39,912	92,244	6,358	314,254	75,935	156,379	88,861	68,499	14,350	914,272
Reimbursement realized via CCEE	(50,522)	(3,583)	(41,611)	(91,607)	(7,462)	(282,205)	(73,947)	(161,630)	(99,360)	(50,251)	(12,845)	(875,023)
Consolidated balances in 2020	11,402	444	256	17,724	(1,172)	71,705	16,506	14,998	19,422	22,560	2,092	175,937
Rate discount due to Irrigation and Rural subsidy	54,125	3,955	42,903	94,552	7,259	323,294	84,115	160,649	95,988	61,307	13,011	941,158
Reimbursement realized via CCEE	(55,651)	(3,653)	(37,526)	(90,930)	(4,619)	(328,125)	(80,086)	(152,548)	(99,321)	41	(13,336)	(865,754)
Consolidated balances in 2021	9,876	746	5,633	21,346	1,468	66,874	20,535	23,099	16,089	83,908	1,767	251,341

(*) The subsidiary ERO received R\$ 80,110 in February 2022.

(8) Bonus - Reimbursement from the CDE Fund

	EMG	ENF	ESE	EPB	EBO	EMT	ETO	EMS	ESS	ERO	EAC	Total
Bonus- reimbursement from the CDE Fund ⁽¹⁾	10,875	2,533	13,502	19,351	3,559	69,345	21,341	35,478	32,072	20,958	7,606	236,620
Consolidated balances in 2021	10,875	2,533	13,502	19,351	3,559	69,345	21,341	35,478	32,072	20,958	7,606	236,620

⁽¹⁾ See not 11.4 - Program encouraging voluntary reduction in electricity consumption.

(9) **Banco Daycoval** - denotes the amounts transferred by Banco Daycoval S.A. to the current account of Rede Energia Participações S.A on February 28, 2012 to settle outstanding debts, as justified by the Financial Institution. Management of the subsidiaries EMT, ESS and EMS consider these transfers improper and have filed suit to recover this amount. As disclosed in note 4, the Subsidiaries assigned receivables of R\$ 176,791 in January 2021, which had been fully provisioned for. These were valued at fair value resulting in effects on cash and the consolidated statement of profit or loss. The electric sector non standardized credit receivables investment fund ("FIDC"), which only has credits assigned by companies of Energisa Group, was incorporated with funds of a financial institution that contributed to the fund in conjunction with the parent company Energisa S/A.

(10) **Other credits receivable from Celpa** - are amounts that Rede Energia and the indirect subsidiaries EMT, ETO, EMS and ESS have receivable against Centrais Elétricas do Pará S.A. - CELPA, resulting from related-party transactions, up to the date of sale to Equatorial Energia S/A on September 25, 2012. The intercompany credits will be partially assumed by Rede Power do Brasil S/A, to the extent this is worthwhile, which will be liable to the related parties for the portion of the credit assumed and will be offset. Around 69% of the total balance was assumed by Rede Power do Brasil S/A and the remainder began to be paid in semi-annual payments on September 30, 2019, ending in September 2034.

(11) **Accounts receivable from sale of generation companies** - Energisa was entitled to receive R\$ 113,500, recorded at historic amounts in its non-current assets, from selling its generation assets in 2015, consisting of additional price adjustments subject to other conditions precedent under the purchase and sale agreements signed with the buyer São João Energética S/A, FIP Investimentos Sustentáveis and Brookfield Energia Renovável SA, companies indirectly controlled by Brookfield Renewable Energy Partners.

Since 2015 the Company has been involved in arbitration proceedings brought by the buyers, namely case no. 33/2016/SEC5, which has been shelved, and case no. 79/2016/SEC5.

The matter under dispute relates to a pure and simple contractual right arising from a consummated event (purchase and sale of SPEs) rather than a conditional obligation, with the arbitral proceedings brought only to decide on a contractual disagreement. The arbitral award will be final and binding, and will be based on the tribunal's best assessment of the requirements under the purchase and sale agreement.

On August 20, 2020 the parties submitted briefs on the calculation of the award, and on December 16, 2020 the discovery phase was declared completed, with no further evidence being required. The arbitral award will be issued within the period established in the Terms of Reference, counting from December 15, 2020, the date of the last brief submitted by the parties.

On December 31, 2020, with the buyers recognizing in their brief that the amount owing was R\$ 150,497, the minimum amount to be received by the Company, Management reversed the amount of R\$ 51,480 no longer under dispute, and recognized monetary restatement of R\$ 36,997 under discontinued operations in the statement of profit or loss for the year ended December 31, 2020, based on the minimum amount to be

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

received. On April 30, 2021 the arbitration tribunal ordered the buyer to pay Energisa S/A the historic amount to be monetarily restated by the IPCA price index plus interest of 1% a month since October 22, 2016.

On May 31, 2021 the Company received from the buyer São João Energética S/A an amount of R\$ 207,741 awarded in confidential arbitral proceedings, and consequently recognized an additional amount of R\$ 48,467 including R\$ 1,545 in procedural costs, R\$ 6,186 in success fees and R\$ 55,698 in monetary restatement less R\$ 2,590 in PIS and COFINS taxes recognized for discontinued operations in the parent-company and consolidated statement of profit or loss for the financial year.

(12) **Third-party accounts receivable** - denotes third-party credits for mutual use of a pole and sale of scrap.

(13) **Credit receivable from Centrais Elétricas Brasileiras** - the indirect subsidiary EMT has credits receivable from Centrais Elétricas Brasileiras S/A - Eletrobrás, under Contract ECFS-348/2014, signed on August 7, 2014. The amount concerns the final releases of tranche 6 of the economic subsidy established by this instrument, where the funds come from the Energy Development Account (CDE), and are intended for full application in the Light for All Program, charged to Obligations related to the public electricity service concession and permission.

(14) **INERGUS advance** denotes funds advanced by the subsidiary Energisa Sergipe to Instituto Sergipe de Seguridade Social ("INERGUS") to guarantee the liquidity and financial flow from the Defined-Benefit Plan (BD) in the amount of R\$ 37,120 (R\$ 46,781 in 2020). The amounts transferred to the BD Plan comprise an advance for covering part of the technical deficit, which will be subject to a debt acknowledgment agreement to be entered into by the subsidiary ESE and INERGUS. It also includes the amount of R\$ 32,335 (R\$ 32,573 in 2020) referring to the program incentivizing participants to migrate from the DB plan to the DC plan. PREVIC approved the program by way of Ordinance 915 issued 9/24/2018.

(15) **Concession indemnity - Property, plant and equipment in progress** - this item relates to receivables to be paid out of the Global Reversal Reserve (RGR) pursuant to MME Ordinance 484 (January 26, 2021). These receivables correspond to the non-depreciated value of distribution assets recorded under Property, Plant and Equipment in Progress in valuations of the complete regulatory asset base, as approved by the power sector regulator in SFF/ANEEL Technical Opinions 219/2020 and 220/2020-SFF/ANEEL, which approved Extraordinary Rate-Setting Reviews for subsidiaries ERO and EAC, in accordance with the criteria outlined in article 2 of MP 998 issued in 2020 (October 13, 2020). The amounts are being paid over 36 installments, which commenced in May 2021. The receivables break down as follows:

	ERO		EAC		Consolidated	
	2021	2020	2021	2020	2021	2020
Opening balance	240,908	-	87,837	-	328,745	-
Amount recorded	-	232,496	-	84,770	-	317,266
Financial restatement ^(*)	15,712	8,412	5,443	3,067	21,155	11,479
Receipt ^(**)	-	-	(22,875)	-	(22,875)	-
Write-offs ^(***)	(10,903)	-	(3,764)	-	(14,667)	-
Closing balance	245,717	240,908	66,641	87,837	312,358	328,745

^(*) The amounts were indexed to the IPCA rate up to November 2021 and thereafter to the SELIC rate.

^(**) The subsidiary ERO received the amounts corresponding to the installments released from May to December 2021 in the amount of R\$ 63,315 in February 2022.

^(***) Write-off of the receivable paid by the consumer effective under RT 2020, as per Technical Note 250/2021-SGT/SFF/ANEEL.

(16) **Concession indemnity - Physical surplus** - this item relates to receivables to be paid out of the Global Reversal Reserve (RGR) pursuant to Ministry of Mining and Energy (MME) Ordinance 438 (December 7, 2020). These receivables correspond to the non-depreciated value of distribution assets classified as physical surplus in valuations of the complete regulatory asset base as approved by the power sector regulator in SFF/ANEEL Technical Opinions 219/2020 and 220/2020-SFF/ANEEL, which approved Extraordinary Rate-Setting Reviews for subsidiaries ERO and EAC, in accordance with the criteria outlined in article 2 of MP 998 issued in 2020 (October 13, 2020). The amounts are being paid over 36 installments, which commenced in April 2021. The receivables break down as follows:

	ERO		EAC		Consolidated	
	2021	2020	2021	2020	2021	2020
Opening balance	54,349	-	43,705	-	98,054	-
Amount recorded	-	53,817	-	43,278	-	97,095
Financial restatement ^(*)	2,073	532	1,878	427	3,951	959
Receipt ^(**)	-	-	(12,408)	-	(12,408)	-
Closing balance	56,422	54,349	33,175	43,705	89,597	98,054

^(*) Amounts restated according to the variance of the Selic interest rate.

^(**) The subsidiary ERO received the amounts corresponding to the installments released from April to December 2021 in the amount of R\$ 15,272 in February 2022.

(17) Refers to credits assigned to the FIDC (as per the operation disclosed in note 4) - legal proceedings and reorganization securities net of expected losses of R\$ 82,739 in the consolidated statement.

(18) **Other** - this includes R\$ 829 (R\$ 1,066 in 2020) at the parent company denoting related-party transactions for endorsement commission services provided and in the consolidated statement R\$ 29,620 (R\$ 33,119 in 2020) consisting of the allowance for expected doubtful accounts.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

14. Related-party transactions

The Company is directly controlled by Gipar S/A (30.58% of the total capital), which in turn is controlled by Nova Gipar (91.03% of the total capital). The latter is controlled by Itacatu S/A (67.27% of the total capital) and by Multisetor S/A (32.73% of the total capital). Itacatu S/A is controlled by Multisetor S/A (72.15% of the total capital). Multisetor is controlled by Mr. Ivan Muller Botelho (78.83% of the voting stock).

The related-party balances are as follows:

Parent company	2021		2020
	Assets	Liabilities	Assets
Clients, consumers , concession and Other operators - specialized services	32,681	-	25,582
Other receivables - other - Endorsement commission	829	-	1,066
Money market and secured funds - Debentures	2,358,705	-	2,094,921
Loans (1):			
. Companhia Técnica de Comercialização de Energia S/A (1)	4,463	-	2,625
. Companhia Técnica de Comercialização de Energia S/A (2)	43,954	-	36,866
. Rede Energia Participações S/A (2) and (3)	96,749	-	80,458
. Energisa Acre - Distribuidora de Energia S/A (1)	151,306	-	140,488
. Energisa Rondônia - Distribuidora de Energia S/A (1)	1,409,585	-	539,968
. Energisa Goiás Transmissora de Energia I S/A (1)	108,336	-	102,552
. Energisa Pará Transmissora de Energia I S/A (1)	2,183	-	2,066
. Energisa Pará Transmissora de Energia II S/A (1)	73,602	-	51,352
. Energisa Tocantins Transmissora de Energia S/A (1)	204,843	-	16,490
. Energisa Comercializadora de Energia Ltda (1)	38,380	-	35,771
. Denerge Desenvolvimento Energético S/A (1)	292,388	-	269,289
. Energisa Participações Minoritárias S/A (1)	-	(426,139)	-
. Voltz Capital S.A.	6,784	-	-
Total - noncurrent	2,432,573	(426,139)	1,277,925
Investments - Funds allocated to future capital increase (4):			
. Energisa Geração Central Solar Coremas S/A	180	-	10
. Parque Eólico Sobradinho S/A	455	-	370
. Energisa Geração Usina Maurício S/A	-	-	1,080
. Energisa Geração Central Eólica Boa Esperança S/A	38	-	6
. Energisa Geração Central Eólica Mandacaru S/A	38	-	6
. Energisa Geração Central Eólica Alecrim S/A	38	-	6
. Energisa Geração Central Eólica Umbuzeiro Muquim S/A	38	-	6
. Energisa Transmissora de Energia S/A	27,123	-	3,475
. Energisa Geração Central Solar Rio do Peixe I S/A	-	-	470
. Energisa Geração Central Solar Rio do Peixe II S/A	-	-	150
. Energisa Serviços Aéreos de Aeroinspeção S/A	1,519	-	747
. Voltz Capital S.A.	19,530	-	1,313
	48,959	-	7,639
Total	4,873,747	(426,139)	3,407,133

(1) **Loans** - the loan contracts have a term of 24 months, except ERO and EAC, which have terms of 36 months, and EPM, which has a term of 48 months, under the contracts, and can be extended for equal and successive periods. The loans with related parties are charged interest at the average borrowing rate, which in the year was an average of the CDI rate + 0.5914 p.y (CDI + 0.4084 p.y in 2020), except for ECOM, which incurs interest of CDI + 2.65 p.y and ERO and EAC incurring interest of CDI + 2.5 p.y , and EPM incurring interest of CDI + 2.30 p.y , respectively, and includes the private assignment and acquisition of credit receivables and other covenants entered by Energisa on December 31, 2016 with the subsidiaries Rede Energia Participações and Rede Power;

(2) Acquisition of credits assigned under the judicial reorganization process of the indirect subsidiary.

(3) The credits receivable of Rede Energia Participações S/A, acquired from the creditors, will be paid initially by the company undergoing reorganization on the following conditions: (i) amount equal to 25% of the total credits assigned will be paid in a lump sum within up to 1 year of the date this assignment is paid, incurring interest of 12.5% p.y as from the date the assignment is made; and (ii) remaining amount equal to 75% of the total credits assigned will be paid after 22 years in a lump sum with capitalized interest of 0.5% p.y due as from the

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

date the assignment is paid. In 2014 the parties agreed to extend the maturity of the lump sum maturing in July 2015 by 10 years, corresponding to 25% of the total debt amount. However, the term is maintained of 22 years for payment of the remaining amount equal to 75% of the total debt with capitalized interest of 0.5% per annum, due as from the date of payment. At the end of the year the parties renegotiated the debt by applying interest equal to the CDI rate + 2% per annum with semiannual amortization payable on June and December 26 each year; and

(4) The funds intended for future capital increase are not remunerated and are recorded under investments.

Contract conditions:

Subsidiaries	Rate	Maturity
. Companhia Técnica de Comercialização de Energia S/A	Weighted average of interest on loans taken out by Group companies + variance of the CDI rate	09/12/2022
. Energisa Rondônia - Distribuidora de Energia S/A	CDI interest + 2.5 p.y	05/04/2022
. Energisa Acre - Distribuidora de Energia S/A	CDI interest + 2.5 p.y	05/04/2022
. Energisa Comercializadora de Energia Ltda.	CDI interest + 2.65 p.y	06/25/2022
. Energisa Pará Transmissora de Energia II S/A	Weighted average of interest on loans taken out by Group companies + variance of the CDI rate	12/01/2023
. Energisa Pará Transmissora de Energia I S/A	Weighted average of interest on loans taken out by Group companies + variance of the CDI rate	12/01/2023
. Energisa Goiás Transmissora de Energia I S/A	Weighted average of interest on loans taken out by Group companies + variance of the CDI rate	12/01/2023
. Energisa Tocantins Transmissora de Energia S/A	Weighted average of interest on loans taken out by Group companies + variance of the CDI rate	12/01/2023
. Denerge Desenvolvimento Energético S/A	Weighted average of interest on loans taken out by Group companies + variance of the CDI rate	05/01/2022
. Voltz Capital S/A	Weighted average of interest on loans taken out by Group companies + variance of the CDI rate	12/01/2023

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Transactions conducted in the year by the Company and its subsidiaries:

Direct and indirect subsidiaries and their parent company	Administrative services provided (1)	Restatement of loans/commission endorsement and security yield (Financial revenue (expense)) (2 and 3)	FIDC transaction - Revenue (4)	Balance receivable (Receivables, consumers, concession operators and other)	Balance receivable (Endorsement commission and debentures (5))
. Energisa Minas Gerais - Distribuidora de Energia S/A	15,094	15,744	33,790	1,616	82,754
. Energisa Paraíba - Distribuidora de Energia S/A	37,239	36,043	146	6,013	244,916
. Energisa Sergipe - Distribuidora de Energia S/A	18,564	23,659	96	2,554	161,638
. Energisa Borborema - Distribuidora de Energia S/A	5,602	3,648	-	1,341	17,137
. Energisa Soluções S/A	2,773	-	-	284	-
. Energisa Nova Friburgo - Distribuidora de Energia S/A	1,446	2,978	-	203	11,423
. Energisa Mato Grosso - Distribuidora de Energia S/A	58,541	36,217	96,083	7,388	266,444
. Energisa Mato Grosso do Sul - Distribuidora de Energia S/A	34,528	18,264	25,066	5,326	150,977
. Energisa Tocantins - Distribuidora de Energia S/A	25,013	32,287	17,778	3,118	309,167
. Energisa Sul-Sudeste Distribuidora de Energia S.A.	29,038	30,375	3,535	3,251	226,944
. Energisa Soluções Construções e Serv em Linhas e Rede S.A.	1,459	-	-	172	-
. Companhia Técnica de Comercialização de Energia	-	7,335	-	-	-
. Multi Energisa Serviços S/A	2,291	-	-	226	-
. Energisa Planejamento e Corretagem de Seguros Ltda.	8	-	-	5	-
. Energisa Serviços Aéreos e Aero Inspeção S/A	5	-	-	-	-
. Energisa Comercializadora de Energia Ltda.	817	2,576	257	110	-
. Energisa Geração Usina Mauricio S/A	2	-	-	1	-
. Gipar S/A (2)	-	(7,271)	-	-	-
. Rede Energia Participações S/A	-	16,291	-	-	-
. Energisa Rondônia - Distribuidora de Energia S/A	22,793	139,859	45,205	2,617	587,147
. Energisa Acre - Distribuidora de Energia S/A	11,935	45,742	26,354	1,181	258,051
. Energisa Pará Transmissora de Energia I S/A	151	150	-	-	-
. Energisa Goiás Transmissora de Energia I S/A	155	7,462	-	-	-
. Energisa Pará Transmissora de Energia II S/A	151	3,909	-	-	-
. Energisa Tocantins Transmissora de Energia S/A	-	5,258	-	-	-
. Dinâmica Direitos Creditórios S/A	-	-	-	2	-
. Denerge - Desenvolvimento Energético S.A.	-	19,880	-	-	-
. Alsol Energias Renováveis S/A	78	-	-	19	-
. Voltz Capital S/A	211	43	-	18	-
. Energisa Participações Minoritárias S/A	-	(22,946)	-	-	-
. Energisa Amazonas Transmissora de Energia S/A	67	1,297	-	-	42,935
2021	267,961	418,800	248,310	35,445	2,359,533
2020	246,962	207,249	-	28,350	2,095,987

(1) Consists of administrative services and sharing of human resources for delivering the portion of macro processes provided to its subsidiaries. The costs are referenced to the company benchmark model used by the ANEEL regulated department for rate purposes. The contracts have been approved by ANEEL. The sharing contracts were signed on March 1, 2017, with a term of validity of 60 months, and can be extended via an amendment subject to approval by ANEEL;

(2) This consists of the endorsement commission on loans charging 1.5% p.y for subsidiaries - electricity distribution companies and the parent company Gipar, with interest of 1% p.y ;

The endorsement commission referring to the contract with Gipar S/A yields interest of 1% p.y and includes prepayments. In FY 2021, the amount of R\$ 4,633 was paid and classified as a prepayment recorded under "prepaid expenses" and recognized in profit and loss at the rate of 1/12 per month. R\$ 7,271 was recorded in the financial year ended December 31, 2021 (R\$ 11,212 in 2020) recorded in other financial expenses - endorsement commission in profit and loss for the year at the parent company. The unappropriated balance as of December 31, 2021 is R\$ 3,088, which will be recognized by August 2022;

(3) This denotes the interest costs on loans entered into with the subsidiaries for the financial year ended December 31, 2021, comprising the respective balances of each loan;

(4) Investment Fund - FIDC - denotes the amount received from the investment fund as a result of the credits assignment mentioned in note 4, and

(5) The Company acquired all of the series 1, 2, 3 and 4 incentivized debentures issued by the subsidiaries, as follows:

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Description	Debentures issued by the subsidiaries													
	EMT	EMS	ETO	ESS	EPB	ESE	EMG	EBO	ENF	ERO	EAC	AMT	Total	
Average yield rate	IPCA + 5.60% p.y of the IPCA + 5.6601% p.y of the IPCA + 4.4885% p.y of the IPCA + 4.7110% p.y of the IPCA + 5.1074% p.y and 107.75% of the CDI rate	IPCA + 4.48857% p.y of the IPCA + 4.7110% p.y of the IPCA + 5.1074% p.y of the IPCA + 4.744% p.y of the IPCA + 6.0872% p.y and 107.75% of the CDI rate	IPCA + 5.60% p.y of the IPCA + 5.6601% p.y of the IPCA + 4.7110% p.y of the IPCA + 5.1074% p.y of the IPCA + 4.2297% p.y of the IPCA + 4.744% p.y of the IPCA + 6.0872% p.y and 107.75% of the CDI rate	IPCA + 5.60% p.y of the IPCA + 5.6601% p.y of the IPCA + 4.4885% p.y of the IPCA + 5.1074% p.y of the IPCA + 4.2297% p.y of the IPCA + 4.744% p.y and 107.75% of the CDI rate	IPCA + 5.60% p.y of the IPCA + 5.6601% p.y of the IPCA + 4.7110% p.y of the IPCA + 5.1074% p.y of the IPCA + 4.2297% p.y of the IPCA + 4.744% p.y + 6.0872% p.y and 107.75% of the CDI rate	IPCA + 5.60% p.y of the IPCA + 5.6601% p.y of the IPCA + 4.7110% p.y of the IPCA + 5.1074% p.y of the IPCA + 4.2297% p.y of the IPCA + 4.744% p.y + 6.0872% p.y and 107.75% of the CDI rate	IPCA + 5.60% p.y of the IPCA + 5.6601% p.y of the IPCA + 4.7110% p.y of the IPCA + 5.1074% p.y of the IPCA + 4.2297% p.y of the IPCA + 4.744% p.y + 6.0872% p.y and 107.75% of the CDI rate	IPCA + 5.60% p.y of the IPCA + 5.6601% p.y of the IPCA + 4.7110% p.y of the IPCA + 5.1074% p.y of the IPCA + 4.2297% p.y of the IPCA + 4.744% p.y + 6.0872% p.y and 107.75% of the CDI rate	IPCA + 4.2297% p.y of the IPCA + 4.4744% p.y	IPCA + 4.2297% p.y of the IPCA + 4.744% p.y	IPCA + 4.62497% p.y of the IPCA + 4.2297% p.y of the IPCA + 4.744% p.y and 6.0872% p.y	IPCA + 4.62497% p.y of the IPCA + 4.2297% p.y of the IPCA + 4.744% p.y	IPCA+6.0872% p.y	-
Maturities	Jun/2022 and 2024 and Oct/2022, 2024 and 2027	Oct/2022, 2024, 2027 and 2030	Jun/2022 and 2024 and Out/2022, 2024, 2027, 2030 and 2031	Jun/2022 and 2024 and Out/2022, 2024, 2027 and 2030	Jun/2022 and 2024 and Out/2022, 2024, 2027, 2030 and 2031	Jun/2022 and 2024 and Out/2022, 2024, 2027, 2030 and 2031	Jun/2022 and 2024 and Out/2022, 2024, 2027, 2030 and 2031	Jun/2022 and 2024 and Out/2022, 2024, 2027 and 2030	Oct/2027 and 2030	Oct/2027 and 2030	Apr/2026 and Oct/2022, 2030 and 2031	Apr/2026 and Oct/2027 and 2030	Oct/2031	-
Balances in 2021	266,444	150,977	309,167	226,944	244,405	161,376	82,754	17,103	11,401	587,147	258,051	42,935	2,358,704	
Balances in 2020	287,354	183,834	244,870	242,779	221,212	122,371	90,735	15,389	10,259	443,324	232,794	-	2,094,921	

Includes cost of procuring endorsement and guarantee commission of the parent company for loans and financing agreements of the subsidiaries, at the rate of 1.5% p.y. The balance payable as of December 31, 2021 amounts to R\$ 829 (R\$ 1,066 in 2020).

D&O compensation

	Parent company		Consolidated	
	2021	2020	2021	2020
Annual compensation ^(a)	8,139	8,911	72,116	80,193
Compensation of the Board of Directors members	1,392	811	5,194	4,755
Executive Board compensation	3,883	1,531	25,123	20,524
Other Benefits ^(b)	3,695	1,929	27,771	17,909

(a) Overall limit on the annual compensation of directors and officers approved at the EGM/AGM held April 28, 2021. The limit for FY 2020 was approved at the EGM/AGM held April 28, 2020.

(b) It includes payroll charges and private pension, health care and life insurance benefits.

The highest and lowest compensation attributed to directors and officers for December 2021 was R\$ 176 and R\$ 1 for the parent company and R\$ 200 and R\$ 4 in the consolidated statement (R\$ 101 and R\$ 2 for the parent company and R\$ 199 and R\$ 2 in the consolidated statement in 2020) respectively. The average compensation in the year ended December 31, 2021 was R\$ 29 at the parent company and R\$ 40 in the consolidated statement (R\$ 13 at the parent company and R\$ 43 in the consolidated statement in 2020).

Variable Compensation Program (ILP)

The Company and its subsidiaries offer their executives a Long-Term Incentive Plans (ILP). This plan aims to (i) align the interests between shareholders and executives (ii) promote meritocracy (iii) retain highly performing executives (iv) encourage sustainable results and achieve corporate targets, while sharing value created. The benefit is aimed at Company executives and will be paid in *Units* of the parent company Energisa S/A up to the

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

established limit of 0.5% of the Company's share capital, on the date the plan is approved, i.e. 1,729,827 units, based on a value defined for each level taking into account individual performance, to be established in the share grant agreement and each individual's performance, according to each executive's scope. The benefit aims to attract and retain key personnel and reward them for the performance, based on the Company's performance targets. This plan was approved at the Annual and Extraordinary General Meeting held April 25, 2018 and its regulations were approved on May 10, 2018.

The subsidiaries currently have three stock option programs in progress. The programs are subject to performance conditions (Relative Total Shareholder Return (TSR) and Free cash flow), which modify the target according to the ranges achieved.

Assumptions and calculating the fair value of shares granted:

The fair value was determined using the following assumptions:

	Parent company				Consolidated			
	1 st ILP program	2 nd ILP program	3 rd ILP program	4 th ILP program	1 st ILP program	2 nd ILP program	3 rd ILP program	4 th ILP program
Calculation Method	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Total share options awarded	68,961	56,366	58,277	65,537	253,063	210,754	206,204	269,963
Date approved by the Board of Directors	05/10/2018	05/09/2019	02/10/2021	05/13/2021	05/10/2018	05/09/2019	02/10/2021	05/13/2021
Vesting commencement date	05/02/2018	05/10/2019	12/21/2020	05/14/2021	05/02/2018	05/10/2019	12/21/2020	05/14/2021
Stock options expired	6,377	5,452	2,600	2,895	18,360	15,500	11,556	2,895
Vesting period	3 years	3 years	2 years and 5 months	3 years	3 years	3 years	2 years and 5 months	3 years
Risk-free interest rate ^(a)	8.2%	7.7%	5.27%	6.795%	8.2%	7.7%	5.27%	6.795%
Volatility ^(b)	29.29%	25.06%	50.51%	35.09%	29.29%	25.06%	50.51%	35.09%
Fair value at grant date	R\$ 44.35	R\$ 54.97	R\$ 43.69	R\$ 36.23	R\$ 44.35	R\$ 54.97	R\$ 43.69	R\$ 36.23
Movement	Settled	In operation	In operation	In operation	Settled	In operation	In operation	In operation

(a) For program 1 interest rate = 8.2% (projected DI for a maturity term equal to the end of the grace period of the Program - DI1J2021). For program 2 Interest rate = 7.7% (projected DI for a maturity term equal to the end of the grace period of the Program - DI1J2022). For program 3 Interest rate = 5.27% (projected DI for a maturity term equal to the end of the grace period of the Program - DI1J2023). For program 4 Interest rate = 6.795% (projected DI for a maturity term equal to the end of the grace period of the Program - DI1J2023)).

(b) Volatility and correlation between the share prices (of Energisa S/A and competitors included in the IEE ("Electricity Index and its peers") for the Total Shareholder Return (TSR)) were calculated based on historic values one year prior to the program's grant date.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

On May 13, 2021 the Board of Directors approved the delivery of units under the 1st Long-Term Incentive Program as follows:

Company and subsidiaries	Delivery of Units under the 1 st Long-Term Incentive Program	
	Amount - Treasury Units (*)	Number of units
Energisa S/A	2,169	46,112
Energisa Minas	360	7,659
Energisa Nova Friburgo	106	2,252
Energisa Sergipe	284	6,032
Energisa Borborema	171	3,639
Energisa Paraíba	798	16,968
Energisa Mato Grosso	1,385	29,444
Energisa Mato Grosso Sul	665	14,119
Energisa Tocantins	800	17,011
Energisa Sul Sudeste	370	7,866
Energisa Rondônia	284	6,038
Energisa Acre	205	4,354
Energisa Soluções	282	5,982
Energisa Soluções Construções	129	2,737
Energisa Pará I	63	1,347
Energisa Goiás I	63	1,347
Energisa Comercializadora	91	1,934
Alsol	61	1,325
Total	8,286	176,166

(*) net of income tax payable by the beneficiary.

The units were delivered on June 7, 2021, with the Company transferring ownership of a total of 176,166 Units held in treasury to the beneficiaries of the Company's 1st Long-Term Incentive Program.

There are no exercisable or expired options as of December 31, 2021 for the other programs. Due to the specific features of the Company's long-term incentive plan mentioned above, there is no strike price or exercise limit. Pursuant to IFRS 2/CPC 10, the Company and its subsidiaries determine the fair value of restricted (units) subject to performance conditions (Performance Shares) awarded based on the Monte Carlo model to permit the grace period conditions be factored into the asset's fair value. The expense is recognized on a "pro rata temporis" basis, which begins at the grant date until the date of the beneficiary acquires the right to receive the shares. In FY 2021, R\$ 7,398 (R\$ 9,629 in 2020) was recognized under the Share Option Grant Plan in profit or loss for the year under operating costs and expenses - Variable compensation program (ILP), with R\$ 2,857 (R\$ 2,525 in 2020) consolidated and R\$ 4,541 (R\$ 7,104 in 2020) for the parent and the subsidiaries respectively. The amount recognized as a capital reserve in equity at the end of December 31, 2021 was R\$ 21,989 (R\$ 14,591 in 2020).

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

15. Tax credits, deferred taxes and current income tax and social contribution expenses

The Company and its subsidiaries have tax losses and a negative basis of social contribution not recognized in the financial information of R\$ 139,445 (R\$ 106,847 in 2020) at the parent company and R\$ 3,173,511 (R\$ 3,123,983 in 2020) consolidated.

The deferred IRPJ and CSLL are calculated on differences between the balances of assets and liabilities in the Financial Statements and the corresponding tax bases used in the current IRPJ and CSLL calculation. The probability of recovering these balances is reviewed at the end of each year, and when it is no longer probable that future taxable income will be available to enable the recovery of all or part of the taxes, the asset balance is reduced by the amount expected to be recovered.

	Consolidated	
	2021	2020
Assets		
Tax loss carryforward	296,241	195,977
Negative basis of social contribution	107,057	72,852
Temporary differences	1,020,464	1,156,797
Total - noncurrent assets	1,423,762	1,425,626

	Parent company		Consolidated	
	2021	2020	2021	2020
Liabilities				
Temporary Differences:				
Income Tax	354,424	235,300	3,550,038	3,396,204
Social Contributions	127,592	84,708	1,278,014	1,222,633
Total - noncurrent liabilities	482,016	320,008	4,828,052	4,618,837
Total net noncurrent assets and (liabilities)	(482,016)	(320,008)	(3,404,290)	(3,193,211)

Temporary differences are as follows:

	Parent company			
	2021		2020	
	Calculation basis (*)	IRPJ + CSLL	Calculation basis (*)	IRPJ + CSLL
Assets/Liabilities				
Gain made on business combination	(818,693)	(278,356)	(818,693)	(278,356)
Gain/Loss on investments	(124,352)	(42,280)	(124,352)	(42,280)
Mark-to-market of debt securities	(7,343)	(2,497)	2,178	741
Financial instruments - Share purchase options	(448,344)	(152,437)	-	-
Other exclusions/additions	(18,960)	(6,446)	(331)	(113)
Total - Noncurrent Liabilities	(1,417,692)	(482,016)	(941,198)	(320,008)

(*) calculation baseless the tax limit of 30%.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Consolidated			
	2021		2020	
	Calculation Base	IRPJ + CSSL	Calculation Base (*)	IRPJ + CSSL
Assets/Liabilities				
Tax loss carryforward	1,184,963	296,241	783,907	195,977
Negative basis of social contribution	1,189,523	107,057	809,462	72,852
Allowance for expected doubtful accounts - (PPECLD and Daycoval)	889,930	302,576	792,870	269,576
Provisions for labor, civil, tax and regulatory risks	888,701	302,158	889,724	302,506
Tax credits - goodwill (1)	191,078	64,967	215,700	73,338
Provision for actuarial adjustment	592,611	201,488	730,151	248,251
Other provisions (PEE; R&D; Fees and Other)	336,056	114,260	465,744	158,353
Mark-to-market of debt securities	8,446	2,872	237,407	80,718
Financial instruments - Share purchase options	(448,344)	(152,437)	-	-
Other temporary additions	60,683	20,630	89,239	30,341
Intangible assets - surplus value (2)	(7,007,464)	(2,382,538)	(7,295,739)	(2,480,551)
Gain/loss made on business combination (*)	(1,007,100)	(342,414)	(1,007,100)	(342,414)
Portion of VNR - concession financial asset and restatement (3)	(1,974,150)	(671,211)	(1,315,186)	(447,163)
Adjustments to present value (4)	(2,207,966)	(750,708)	(2,302,384)	(782,811)
Mark-to-market - derivatives'	(974,253)	(331,246)	(1,246,315)	(423,747)
Revaluation reserve charges	(71,769)	(24,401)	(89,317)	(30,368)
Compensation of contract asset	(350,893)	(119,304)	(146,243)	(49,721)
Gain/Loss on investments	(124,352)	(42,280)	(124,352)	(42,280)
Gain for indemnification amount	-	-	(76,672)	(26,068)
Total	(8,824,300)	(3,404,290)	(8,589,104)	(3,193,211)
Total Noncurrent Assets	5,375,847	1,423,762	4,995,716	1,425,626
Total - Noncurrent Liabilities	(14,200,147)	(4,828,052)	(13,584,820)	(4,618,837)

(*) calculation baseless the tax limit of 30%.

(1) The tax credits - goodwill of R\$ 64,967 (R\$ 73,338 in 2020) are being realized over the remaining term of the subsidiaries' concession term: EBO (12 years) and EPB (13 years) by the straight-line method.

(2) Intangible assets appreciation - includes R\$ 1,746,664 (R\$ 1,811,690 in 2020) of deferred income and social contribution taxes on the goodwill attributed to the concession value calculated in the business combination of ERO and EAC, less realized amortization in the period of R\$ 65,026 (R\$ 65,027 in 2020).

(3) Portion of VNR - concession financial asset and restatement - this denotes income and social contribution taxes payable on the portion of the concession financial asset - VNR of the subsidiaries EMG, ENF and ESS, which as a result of having signed the new amendments to the concession agreement extending the concession term to 2048 and ETO until 2045, ERO and EAC, which also signed the new concession agreement amendments, had their concessions extended until 2048 and ETO until 2049, respectively and transferred the balance of the concession financial asset determined up to the signature of these amendments to intangible assets to be amortized over the remaining useful life of the assets in accordance with the new concession term, which will result in the realization of the deferred credits to be realized under the amortization.

(4) Adjustment to present value - basically denotes the value recorded by the subsidiaries Rede Energia Participações and CTCE, for the credits of the creditors who chose options A and B in the Judicial Reorganization Plan.

The deferred tax credits were realized as follows:

Years	Consolidated
2022	109,157
2023	93,778
2024	117,366
2025	112,255
2026	115,636
2027 to 2028	207,964
2029 to 2031	667,606
Total	1,423,762

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The income and social contribution amounts which affected the income for the year, in addition to the offsetting of the tax credits recorded, are shown below:

	Parent company	
	2021 (restated)	2020 (restated)
Income before tax on net income (*)	2,703,350	1,277,658
Earnings from discontinued operations	48,467	88,477
Calculation base	2,751,817	1,366,135
Combined tax bracket	34%	34%
Income and social contribution taxes calculated at the total tax bracket	(935,618)	(464,486)
Adjustments:		
Permanent items:		
Share of profit (loss) of equity-accounted investees	847,701	493,000
Mark-to-market - subscription bonus (**)	(39,638)	(15,367)
Tax credits not recorded	(32,603)	(19,945)
Effect of income tax and social contributions on equity interest	(3,966)	-
Other additions and exclusions	3,807	5,140
Current and deferred income and social contribution taxes	(160,317)	(1,658)
Effective rate	5.82%	0.12%

(*) Excludes discontinued operations of R\$ 48,467 (R\$ 88,477 in 2020), as per note 43.

(**) Denotes subscription bonuses of the 7th issuance debentures, see note 23.

	Consolidated	
	2021 (restated)	2020 (restated)
Income before tax on net income (*)	3,529,038	1,895,272
Earnings from discontinued operations	48,467	88,477
Calculation base	3,577,505	1,983,749
Combined tax bracket	34%	34%
Income and social contribution taxes calculated at the total tax bracket	(1,216,352)	(674,475)
Adjustments:		
Non-deductible expenses (donations, free gifts, fines etc).	446,027	271.762
Regional tax incentive - IRPJ Decrease (SUDENE and SUDAM) (1)	-	-
Tax credits not recorded in the year	(210,420)	(65,059)
Tax credits recorded in the year	(5,341)	(59,391)
Prior-year tax credits recorded in the year (2)	167,523	-
Tax incentives - Research and Development (Lei do Bem)	22,450	19,202
Mark-to-market - subscription bonus (3)	(39,638)	(15,367)
Effect of tax regime - presumed profit	29,232	53,255
Other permanent exclusions / additions (4)	43,821	(22,971)
Income and social contribution taxes on profit	(762,698)	(493,044)
Effective rate	21.32%	24.85%

(*) Excludes discontinued operations of R\$ 48,467 (R\$ 88,477 in 2020), as per note 43.

(1) In 2012 ESE, EPB and EBO obtained approval from the Superintendência do Desenvolvimento do Nordeste (Northeast Development Agency - SUDENE) of their tax incentive applications, thereby reducing the income tax and surcharges by 75% on exploration profit for the period 1/1/2012 to 12/31/2021. In December/2014 the Amazônia Development Agency - SUDAM approved the applications made by the subsidiaries ETO and EMT for reductions to their income tax and surcharges (75%) for the period 1/1/2014 to 12/31/2023.

Supported by the existing legislation, in 2018 the subsidiaries submitted new applications to obtain the tax incentive, in order to extend it for the period of 10 years as from approval.

The subsidiaries ESE, EBO and EPB had their respective benefits extended to 12/31/2027, 12/31/2028 and 12/31/2029, at SUDENE respectively, while the subsidiaries EMT and ETO are waiting for their applications to be analyzed that they formally submitted to the Amazonian Development Agency (Superintendência do Desenvolvimento da Amazônia- SUDAM).

The publication of Law 13.799/2019 extended the term for approving and obtaining the incentive containing a 75% decrease in IRPJ and

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

surcharges until 12/31/2023. The projects of the subsidiaries EMT and ETO are therefore expected to have the benefits guaranteed by SUDAM until 2028, after the issuance of Constitutive Reports, increasing the incentive term for a further 7 years.

In December 2020 the subsidiaries ERO and EAC filed an application to the Amazonian Development Agency (SUDAM) requesting a decrease of up to 75% in income tax on exploration profit.

The subsidiaries' claims were accepted by SUDAM in July and October 2021. The subsidiary EAC obtained approval of its application for a tax incentive reducing the income tax and surcharges by 75% on exploration profit for the period 01/01/2021 to 12/31/2030. The subsidiary ERO submitted an application to the federal tax authorities in November 2021 and is awaiting a position from that authority to apply the tax reductions.

The decreases to the income tax and surcharges obtained by the subsidiaries amount to R\$ 445,633 (R\$ 271,762 in 2020). These amounts were recorded directly in consolidated profit or loss for the year under "current income and social contribution taxes", and will be allocated to Profit reserves - income tax incentive reserve in the subsidiaries' equity (note 31.7).

(2) In the financial year the subsidiary EAC recognized tax credits of R\$ 167,523 relating to tax loss, negative basis of social contribution and temporary differences from prior periods, as it qualified for the rules established in the legislation and the projected earnings for the coming years demonstrating the amounts can be recovered.

(3) Denotes subscription bonuses of the 7th issuance debentures, see note 23; and

(4) Other permanent exclusions/additions - essentially consist of other tax incentives used by the Company and subsidiaries, such as the PAT (Workers' Meal Program), Arrears Charges, Cultural Donations/Sponsorship, Law # 8.313/91 and Sporting Projects, Law # 11.438/2006.

Supreme Federal Court ruling regarding the unconstitutionality of charging IRPJ and CSLL on the SELIC rate applicable to amounts received as a result of overpayment refund claims

In August 2021 the Company and its subsidiaries filed a Writ of Mandamus in order to have recognized the illegality and unconstitutionality of the requirement to pay Corporate Income Tax (IRPJ) and the Social Contribution on Net Income (CSLL) on amounts received as Selic Restatement on the refund/offsetting of unduly paid taxes.

On September 24, 2021 the full bench of the Supreme Federal Court ("STF") judged Extraordinary Appeal 1.063.187/SC addressing General Precedent 962, entailing the incidence of IRPJ and CSLL on arrears interest received by the taxpayer on overpayment refund claims, i.e., one of the matters claimed in the aforesaid Writ of Mandamus. This decision accepted the claimed unconstitutionality of the IRPJ and CSLL on Selic restatement received on overpayment refund claims. The ruling was published on September 29, 2021 and the appeal decision on December 15, 2021.

Energisa Group and its legal and tax advisors assessed the matter and concluded the net amount is to be recognized or immaterial, as monetary restatement is receivable and payable in this case. Management will continue monitoring the matter and the development of case law regarding the tax treatment for restatement of monetary restatement on liabilities, which on December 31, 2021 offset the possible base for IR and CS rebates on monetary restatement receipts.

16. Concession financial asset and public service concession (contract asset) - consolidated

16.1 Concession financial asset (electricity distribution)

The electricity distribution contracts of subsidiaries come within the criteria for applying Technical Interpretation ICPC 01 (IFRIC 12), addressing concession arrangements, and refer to the infrastructure investments to be compensated by the Concession Authority, during the period and at the end of the concessions, classified as financial assets and measured at fair value through profit or loss as established in the regulatory framework governing the segment and the concession agreement signed by the subsidiaries and Aneel.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The compensation on the concession financial asset was therefore recorded under operating revenue in profit or loss for the year as a compensable financial concession asset amounting to R\$ 686,306 (R\$ 222,606 in 2020). See the changes occurring in the year:

	Balances in 2020	Additions (1)	Write-offs	Operating revenue - concession financial asset (2)	Balances in 2021
Energisa Minas Gerais (EMG)	46,005	5,884	(102)	4,832	56,619
Energisa Paraíba (EPB)	762,906	94,369	(2,070)	80,322	935,527
Energisa Sergipe (ESE)	543,617	85,115	(1,323)	60,412	687,821
Energisa Nova Friburgo (ENF)	6,714	788	(5)	1,313	8,810
Energisa Borborema (EBO)	83,806	9,309	(294)	12,450	105,271
Energisa Mato Grosso (EMT)	3,183,825	376,748	(29,479)	353,014	3,884,108
Energisa Tocantins (ETO)	40,155	2,850	(3)	4,107	47,109
Energisa Mato Grosso do Sul (EMS)	1,251,680	212,600	(4,879)	139,981	1,599,382
Energisa Sul Sudeste (ESS)	101,425	22,257	(166)	12,512	136,028
Energisa Rondônia (ERO)	31,546	71,991	(1)	14,973	118,509
Energisa Acre (EAC)	10,717	26,025	(3)	2,390	39,129
Noncurrent Balance	6,062,396	907,936	(38,325)	686,306	7,618,313

(1) Additions: denotes transfers from the contractual asset - construction infrastructure.

(2) The financial assets are stated and classified at fair value through profit or loss, restated by the monthly variance of the IPCA price index, the index used by the regulatory agency in rate adjustment processes less Management's best expected percentage and historic disallowances in previous ratifications, reflecting Management's best estimate of the asset's fair value.

	Balances in 2019	Additions (1)	Write-offs	Operating revenue - concession financial asset (2)	Balances in 2020
Energisa Minas Gerais (EMG)	31,232	13,486	(10)	1,297	46,005
Energisa Paraíba (EPB)	640,976	96,162	(680)	26,448	762,906
Energisa Sergipe (ESE)	466,695	56,622	(1,010)	21,310	543,617
Energisa Nova Friburgo (ENF)	3,927	2,649	(23)	161	6,714
Energisa Borborema (EBO)	74,014	6,967	(151)	2,976	83,806
Energisa Mato Grosso (EMT)	2,689,436	395,689	(15,059)	113,759	3,183,825
Energisa Tocantins (ETO)	28,297	6,792	(110)	5,176	40,155
Energisa Mato Grosso do Sul (EMS)	1,095,447	114,844	(2,740)	44,129	1,251,680
Energisa Sul Sudeste (ESS)	62,080	36,561	(23)	2,807	101,425
Energisa Rondônia (ERO)	29,027	5,275	(5,405)	2,649	31,546
Energisa Acre (EAC)	9,829	662	(1,668)	1,894	10,717
Noncurrent Balance	5,130,960	735,709	(26,879)	222,606	6,062,396

(1) Additions: denotes transfers from the contractual asset - construction infrastructure.

(2) The financial assets are stated and classified at fair value through profit or loss, restated by the monthly variance of the IPCA price index, the index used by the regulatory agency in rate adjustment processes less Management's best expected percentage and historic disallowances in previous ratifications, reflecting Management's best estimate of the asset's fair value.

16.2 Public service concession - contract asset - (Electricity transmission)

The contract assets include receivables for the implementation of infrastructure and revenue from the compensation of concession assets, measured at the present value of the future cash flows based on the average financing rate of the project when the concession agreement was formally made, pursuant to CPC 47.

The Companies' transmissions concessions are without consideration and therefore there are no fixed financial obligations or payments to be made to the concession authority. At the end of the concession agreement all the assets and facilities return to the Federal Government as its property.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The contractual assets are received by the subsidiaries by way of the Annual Permitted Revenue - RAP, consisting of the cash flows set out in the concession agreement.

The rate used to compensate the balance of service concession receivables, including the indemnification balance, depicts the investor's opportunity cost when taking the decision to invest in the transmission assets, composed in accordance with the amount in force when the investment was made.

See below changes in the contract asset in the year:

Description	Indirect subsidiaries							Consolidated
	EGO I	EPA I	EPA II	ETT	EAM (*)	ETT II		
Transmission Lines	LT 230 kV Rio Verde Norte - Jatai	LT 230 kV Xinguara II - Santana do Araguaia	LT 500 kV, Serra Pelada; LT 230 KV Sossego - Xinguara II	LT 230 kV Dianópolis II - Barreiras II; LT 230 KV Dianópolis - Gurupi; LT 230 KV Dianópolis - Palma	LT 230 kV Lechuga /Tarumã -SE 230/138 kV Tarumã-SE 230/69 kV Pres. Figueiredo -LT 230 kV SE Pres. Figueiredo- LT Balbina -SE 230 kV Manaus-SE Balbina 230kV- SE new 230kV	Expansion of SE 230/138kV Gurupi - 200MVA		
Construction margin	67.38%	67.27%	22.31%	51.03%	46.09%	35.79%	-	-
Operation and maintenance margin	11.39%	9.98%	10.23%	9.52%	16.16%	4.90%	-	-
Yield rate	8% to 11%	8% to 11%	8% to 11%	8% to 11%	6% to 10%	6% to 10%	-	-
Contract restatement index	p-y IPCA	p-y IPCA	p-y IPCA	p-y IPCA	p-y IPCA	p-y IPCA	-	-
Costs incurred	255,912	318,257	400,282	425,724	16,661	2,005	1,418,841	
Annual RAP	44,438	43,781	33,515	62,854	63,000	4,095	251,683	
Contract assets at 12/31/2019	402,848	434,074	95,830	24,322	-	-	957,074	
Revenue from contract asset compensation	46,208	52,278	15,077	3,683	-	-	117,246	
Revenue from construction performance obligation margins	42,092	81,468	12,186	18,929	-	-	154,675	
Operation and maintenance revenue	4,496	1,026	-	-	-	-	5,522	
Efficiency gains/losses on implementing infrastructure	(20,311)	(32,007)	13,181	(5,321)	-	-	(44,458)	
Infrastructure construction revenue	35,091	80,869	142,180	36,722	-	-	294,862	
RAP receipt	(33,375)	(6,901)	-	-	-	-	(40,276)	
Contract assets in 2020	477,049	610,807	278,454	78,335	-	-	1,444,645	
Transmission infrastructure acquisition	-	-	-	-	239,300	-	239,300	
Revenue from contract asset compensation	49,044	62,861	36,015	26,028	11,475	4	185,427	
Revenue from construction performance obligation margins	-	-	61,805	197,373	31,669	959	291,806	
Operation and maintenance revenue	5,532	6,031	360	-	15,309	-	27,232	
Efficiency gains/losses on implementing infrastructure	-	-	(27,213)	(43,609)	(25,187)	(317)	(96,326)	
Infrastructure construction revenue	-	-	193,882	414,937	17,292	2,080	628,191	
RAP receipt	(43,595)	(55,702)	(2,884)	-	(16,345)	-	(118,526)	
Contract assets in 2021	488,030	623,997	540,419	673,064	273,513	2,726	2,601,749	
Current	39,530	50,859	40,137	-	20,609	-	151,135	
Noncurrent	448,500	573,138	500,282	673,064	252,904	2,726	2,450,614	

(*) On 03/31/2021 the direct subsidiary Energisa Amazonas paid the amount of R\$ 239,300 for assuming existing assets and entered into the concession agreement with the Concession Authority, with the incorporated ventures entering operation, entitling it to receive 30% of the forecast Annual Permitted Revenue (RAP) and to build the new ventures as explained in note # 18.

17. Contractual asset - Infrastructure under construction - Consolidated

The contractual asset records expenses directly attributable to the acquisition and construction of the assets, such as: (i) the cost of materials and direct labor; (ii) any other costs to bring the asset to its location and condition necessary so it can be fully operated, and (iii) the interest incurred on loans, financing at the infrastructure construction cost, appropriated based on the established criteria for capitalization, such as applying the average weighted rate and specific contract interest in accordance with CPC 20.

	Balances in 2020	Addition	Transfers (1)	Write-offs (2)	Amortization (3)	Balances in 2021
Contractual asset - infrastructure under construction						
Under construction	1,745,441	2,944,127	(1,542,908)	(985,781)	-	2,160,879
Obligations linked to the Concession						
Under construction	811,517	657,497	(464,563)	(77,845)	(13,604)	913,002
Total contractual assets - infrastructure under construction	933,924	2,286,630	(1,078,345)	(907,936)	13,604	1,247,877

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Balances in 2019	Addition	Transfers (1)	Write-offs (2)	Balances in 2020
Contractual asset - infrastructure under construction					
Under construction	1,701,625	2,138,427	(1,308,861)	(785,750)	1,745,441
Obligations linked to the Concession					
Under construction	232,712	700,277	(71,431)	(50,041)	811,517
Total contractual assets - infrastructure under construction	1,468,913	1,438,150	(1,237,430)	(735,709)	933,924

- (1) Roughly R\$ 1,078,345 (R\$ 1.237.430 in 2020) of the R\$ 1.079.755 (R\$ 1.232.319 in 2020) was transferred to intangible assets with the amount of R\$ (527) (R\$ 2,007 in 2020) being reclassified to intangible assets - software and other and R\$ (883) (R\$ 3,104 in 2020) to property, plant and equipment;
- (2) The write-offs of R\$ 907,936 (R\$ 735,709 in 2020) denote the segregation from the net contractual asset of special obligations to the concession financial asset; and
- (3) This relates to the estimated Amortization - Indemnity to the AIC concession of portions of concession obligations receivable to be invested in finished works, of the direct subsidiaries ERO and EAC, in the amount of R\$ 10,090 and R\$ 3,514, totaling R\$ 13,604.

18. Investments

	Parent company		Consolidated	
	2021 (restated)	2020 (restated)	2021 (restated)	2020 (restated)
Interest in subsidiaries	9,384,292	8,963,864	-	-
Other	119,325	52,345	64,755	64,154
Total	9,503,617	9,016,209	64,755	64,154

Interest in subsidiaries:

2021									
Information about subsidiaries								Information about the parent company's investment	
Subsidiaries	%	No. shares/quotas held/thousand	Share capital	Assets	Liabilities	Equity	Profit or loss for the year	Share of profit (loss) of equity-accounted investees	Investments
Electricity Distribution								855,880	3,387,275
Energisa Minas Gerais (EMG)	100	819	228,428	1,324,508	1,075,456	249,052	57,775	57,775	249,052
Energisa Sergipe (ESE)	100	196	417,604	2,424,967	1,832,420	592,547	296,381	296,381	592,547
Energisa Paraíba (EPB)	100	918	576,055	3,523,151	2,431,252	1,091,899	444,228	444,228	1,091,899
Energisa Borborema (EBO)	100	293	82,902	460,778	292,754	168,024	61,331	61,331	168,024
Energisa Nova Friburgo (ENF)	100	30	63,343	274,921	186,556	88,365	11,420	11,420	88,365
Energisa Acre (EAC)	95.09	230,096,300	863,943	3,862,786	2,603,573	1,259,213	262,966	250,055	1,197,388
Energisa Rondônia (ERO) (1)	95.50	4,004,678	3,440,348	8,650,897	9,082,882	(431,985)	(277,711)	(265,309)	-
Electricity Generation								1,193	142,934
Parque Eólico Sobradinho	100	10,241	10,241	4,942	47	4,895	(480)	(480)	4,895
Energisa Geração Usina Mauricio	100	6,784	6,784	6,604	127	6,477	184	184	6,477
Energisa Geração Solar Coremas	100	1,034	1,034	522	37	485	(14)	(14)	485
Energisa Geração Eólica Boa Esperança (1)	100	86	77	1	1	-	(38)	(38)	-
Energisa Geração Eólica Mandacaru (1)	100	86	77	1	1	-	(38)	(38)	-
Energisa Geração Eólica Alecrim (1)	100	86	77	1	1	-	(39)	(39)	-
Energisa Geração Eólica Umbuzeiro - Muquim (1)	100	86	77	1	1	-	(38)	(38)	-
Energisa Geração Central Solar Rio do Peixe I S/A	100	18,000	18,000	147,850	130,644	17,206	(507)	(507)	17,206
Energisa Geração Central Solar Rio do Peixe II S/A	100	18,000	18,000	147,832	130,559	17,273	(521)	(521)	17,273
Alsol Energias Renováveis S/A	89.48	38	110,634	473,302	365,352	107,950	3,003	2,684	96,598
Electricity Transmission								(5)	-
Energisa Transmissora de Energia I S/A (*)	100	11	-	-	-	-	-	-	-
Energisa Transmissora de Energia II S/A	100	11	-	-	-	-	-	(2)	-
Energisa Transmissora de Energia III S/A	100	11	-	-	-	-	-	(3)	-
Electricity Trading								(21,472)	5,530
Energisa Comercializadora	100	5,119	5,119	747,687	742,157	5,530	(21,472)	(21,472)	5,530

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

2021									
Information about subsidiaries								Information about the parent company's investment	
Subsidiaries	%	No. shares/quota s held/thousand	Share capital	Assets	Liabilities	Equity	Profit or loss for the year	Share of profit (loss) of equity-accounted investees	Investments
Rendering of Services								(12,422)	127,399
Energisa Soluções	100	127,819	127,819	253,414	130,752	122,662	(12,954)	(12,954)	122,662
Energisa Serviços Aéreos de Aeroinspeção	100	7,410	7,410	2,583	1,112	1,471	(645)	(645)	1,471
Energisa Planejamento	58.26	1,686	4,109	7,091	1,487	5,604	2,020	1,177	3,266
Holding companies and other companies								1,685,183	5,576,164
Dinâmica Credit Receivables	100	1,955	1,877	1,764	1	1,763	(96)	(96)	1,763
Denerge S/A	99.98	776	2,063,475	2,421,984	727,146	1,694,838	898,259	898,041	1,694,428
Rede Energia Participações S/A	0.18	3,789	3,223,219	4,611,977	1,092,980	3,518,997	1,364,690	1,611	6,322
Energisa Transmissora de Energia S/A (3)	100	36,182	36,182	1,701,084	1,013,870	687,214	181,228	181,228	687,214
Energisa Participações Minoritárias S/A	82.72	427,958	5,209,167	3,966,761	9,266	3,957,495	849,440	708,413	3,271,730
FIDC Investment Fund (2)	26	68,365,960	270,226	264,869	68	264,801	-	-	-
Voltz Capital S.A (1)	100	1,314	1,314	10,841	10,453	388	(18,336)	(18,333)	388
Unrealized income in subsidiaries (**)								(85,681)	(85,681)
Goodwill paid in the acquisition of subsidiaries								(15,118)	144,990
Total								2,493,239	9,384,299

(*) The EGM held January 13, 2021 by Energisa Transmissora de Energia I S/A approved the following resolutions: (i) to document for the record that Energisa S.A. sold of all of its shares in the Company to Energisa Transmissão de Energia S.A. ("ETE"), with the Company becoming a wholly owned subsidiary of ETE and (ii) to approve the change of the Company's name, which is now called "Energisa Amazonas Transmissora de Energia S.A.".

(**) Refers to unrealized income in FIDC transactions recorded under other income.

- The Company established a provision for negative equity of R\$ 412,545 (R\$ 147,085 in 2020), including R\$ 392,896 (R\$ 146,282 in 2020) for the subsidiary Energisa Rondônia Distribuidora de Energia S/A and for Energisa Serviços Aéreos R\$ 19.649 and (for the subsidiary Voltz Capital S.A. R\$ 803 in 2020), in the item provisions for equity in losses, under non-current liabilities.
- Includes Energisa S.A.'s investment in investment fund FIDC, as described in note 4.
- After securing Lot 11 at the auction and by signing the concession agreement, the indirect subsidiary Energisa Transmissão Amazonas - a Energisa S.A. became the holder of assets including substations previously assessed by ANEEL, amongst other items. On 03/30/2021 the subsidiary Energisa Transmissora de Energia (ETE) paid R\$ 239,300 for assuming the existing assets. Due to the characteristics of the energy transmission sector, the subsidiary adopts the "Concession Agreement Asset", resulting from the application of technical pronouncement CPC 47 - Revenue from Contracts with Customers. As the concession is entered into with the Concession Authority, and regulated by the National Electricity Regulatory Agency - ANEEL, and that the concession agreement establishes a right to receive cash with no demand risk (RAP - Annual Permitted Revenue), the Company identified and assessed the fair value of the assets and liabilities based on the technical pronouncement CPC 15 (R1) - Business Combinations. The concession agreement assets were assessed based on the future cash flow discounted to present value methodology and the respective deferred taxes were recognized. The cash flow was discounted using discount rates that reflect current market valuations and the characteristics of each concession agreement.

Description	Amount determined
Date acquired	03/30/2021
Price paid	239,300
Carrying amount	257,000
Fair value of the cash flows	239,300
Plus (less) appreciation determined	(17,700)

Measurement period of the Purchase Price Allocation (PPA):

The subsidiary ETE provisionally determined the values of the business combination in accordance with topic 45 of CPC 15 (R1) - Business Combination and IFRS 3 (R) - "Business Combination", which determines the business combination be initially recorded at the end of the reporting period in which the combination takes place.

During the measurement period, the subsidiary ETE shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, it shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities. The measurement period ends when the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date. The subsidiary ETE does not expect changes that could materially modify the position of results obtained in the business combination.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The assets acquired on the acquisition date were recognized at fair value and are shown below:

Fair value recognized of identifiable assets and liabilities acquired measured at the acquisition date	Carrying amount	Adjustment to fair value	Fair value of the cash flows
Assets			
Concession contract asset	257,000	(4,844)	252,156
Liabilities			
Materials and services payables	-	(12,856)	(12,856)
Total identifiable assets, net	257,000	(17,700)	239,300

2020 (restated)									
Information about subsidiaries								Information about the parent company's investment	
Subsidiaries	%	No. shares/quotas held/thousand	Share capital	Assets	Liabilities	Equity	Profit or loss for the year	Share of profit (loss) of equity-accounted investees	Investments
Electricity Distribution								315,176	3,085,077
Energisa Minas Gerais (EMG)	100	819	228,428	1,103,811	824,603	279,208	42,386	42,386	279,208
Energisa Sergipe (ESE)	100	196	417,604	2,424,403	1,938,764	485,639	163,477	163,477	485,639
Energisa Paraíba (EPB)	100	918	576,055	3,293,088	2,171,139	1,121,949	366,935	366,935	1,121,949
Energisa Borborema (EBO)	100	293	82,532	449,105	290,748	158,357	34,369	34,369	158,357
Energisa Nova Friburgo (ENF)	100	30	63,343	247,080	153,579	93,501	10,775	10,775	93,501
Energisa Acre (EAC)	95.09	230,096,300	863,943	3,882,611	2,887,319	995,292	2,951	2,806	946,423
Energisa Rondônia (ERO) (1)	95.52	4,004,678	3,440,348	7,955,769	8,108,904	(153,135)	(319,886)	(305,572)	-
Electricity Generation								(1,963)	52,979
Parque Eólico Sobradinho	100	9,871	9,871	4,958	46	4,912	(139)	(139)	4,912
Energisa Geração Usina Maurício	100	5,704	5,704	6,380	87	6,293	444	444	6,293
Energisa Geração Solar Coremas	100	1,024	1,024	319	-	319	(7)	(7)	319
Energisa Geração Eólica Boa Esperança	100	79	70	1	-	1	(6)	(6)	1,00
Energisa Geração Eólica Mandacaru	100	80	71	1	-	1	(6)	(6)	1,00
Energisa Geração Eólica Alecrim	100	80	71	1	-	1	(6)	(6)	1,00
Energisa Geração Eólica Umbuzeiro - Muquim	100	80	71	1	-	1	(6)	(6)	1,00
Energisa Geração Central Solar Rio do Peixe I S/A	100	1,136	1,136	1,353	34	1,319	(242)	(242)	1,319
Energisa Geração Central Solar Rio do Peixe II S/A	100	190	190	145	10	135	(164)	(164)	135
Alsol Energias Renováveis S/A	89.21	16	50,634	222,622	177,781	44,841	(2,052)	(1,831)	39,997
Electricity Transmission								(6)	24
Energisa Transmissora de Energia I S/A	100	1	11	8	-	8	(2)	(2)	8,00
Energisa Transmissora de Energia II S/A	100	1	11	8	-	8	(2)	(2)	8,00
Energisa Transmissora de Energia III S/A	100	1	11	8	-	8	(2)	(2)	8,00
Electricity Trading								(5,492)	27,020
Energisa Comercializadora	100	5,119	5,119	597,618	570,598	27,020	(5,492)	(5,492)	27,020
Rendering of Services								4,449	138,668
Energisa Soluções	100	127,819	127,819	220,062	85,221	134,841	4,486	4,486	134,841
Energisa Serviços Aéreos de Aeroinspeção	100	6,663	6,663	1,533	1,004	529	(1,144)	(1,144)	529
Energisa Planejamento	58.26	1,686	4,109	7,158	1,497	5,661	1,901	1,107	3,298
Holding companies and other companies								1,152,954	5,499,988
Dinâmica Credit Receivables	100.00	1,955	1,877	1,860	1	1,859	(18)	(18)	1,859
Denerge S/A	99.97	776	2,063,475	2,858,701	717,623	2,141,078	551,881	549,506	2,140,561
Energisa Transmissora de Energia S/A	100	32,707	32,706	1,707,446	1,183,580	523,866	175,531	175,531	523,866
Energisa Participações Minoritárias S/A	85.31	427,958	5,009,167	3,349,313	27,823	3,321,490	504,080	430,052	2,833,702
Voltz Capital S.A. (1)	99.90	1	1	27	832	(805)	(2,119)	(2,117)	-
Goodwill paid in the acquisition of subsidiaries								(15,118)	160,108
Total								1,450,000	8,963,864

(1) The Company made a provision for the unsecured liabilities of R\$ 152,133 of its subsidiary Energisa Rondônia Distribuidora de Energia S/A and R\$ 151,330 and R\$ 803 of Voltz Capital S.A, respectively recorded in provision for equity interest losses in the noncurrent liabilities.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Changes in 2021 investments:

Subsidiaries	Balance in 2020 (restated)	Acquisition/Advance for future capital increase	Gain/Loss on share acquisition (1)	Other Comprehensive Income	Transfer	Dividends and interest on equity (2)	Share of profit (loss) of equity-accounted investees	Balance in 2021 (restated)
Electricity Distribution	3,085,078	345	1,467	47,204	-	(868,963)	855,880	3,387,275
Energisa Minas Gerais (EMG)	279,208	-	286	1,527	-	(89,744)	57,775	261,528
Energisa Sergipe (ESE)	485,639	-	368	20,837	-	(210,678)	296,381	592,547
Energisa Paraíba (EPB)	1,121,949	-	1,260	24,537	-	(500,075)	444,228	1,091,899
Energisa Borborema (EBO)	158,357	-	306	(102)	-	(51,868)	61,331	168,024
Energisa Nova Friburgo (ENF)	93,501	-	25	17	-	(16,598)	11,420	88,365
Energisa Acre (EAC)	946,424	-	323	586	-	-	250,055	1,197,388
Energisa Rondônia (ERO)	-	345	(1,101)	(198)	-	-	(265,309)	-
Electricity Generation	52,979	88,655	71	36	-	-	1,193	142,934
Parque Eólico Sobradinho	4,912	455	-	8	-	-	(480)	4,895
Energisa Geração Usina Maurício	6,293	-	-	-	-	-	184	6,477
Energisa Geração Solar Coremas	319	180	-	-	-	-	(14)	485
Energisa Geração Eólica Boa Esperança	1	37	-	-	-	-	(38)	-
Energisa Geração Eólica Mandacaru	1	37	-	-	-	-	(38)	-
Energisa Geração Eólica Alecrim	1	38	-	-	-	-	(39)	-
Energisa Geração Eólica Umbuzeiro - Muquim	1	37	-	-	-	-	(38)	-
Energisa Geração Central Solar Rio do Peixe I S/A	1,319	16,394	-	-	-	-	(507)	17,206
Energisa Geração Central Solar Rio do Peixe II S/A	135	17,659	-	-	-	-	(521)	17,273
Alsol Energias Renováveis S.A.	39,997	53,818	71	28	-	-	2,684	96,598
Transmissora de Energia Elétrica	24	-	-	-	(19)	-	(5)	-
Energisa Transmissora de Energia I S/A (*)	8	-	-	-	(8)	-	-	-
Energisa Transmissora de Energia II S/A	8	-	-	-	(6)	-	(2)	-
Energisa Transmissora de Energia III S/A	8	-	-	-	(5)	-	(3)	-
Electricity Trading	27,020	-	(30)	12	-	-	(21,472)	5,530
Energisa Comercializadora de Energia Ltda.	27,020	-	(30)	12	-	-	(21,472)	5,530
Rendering of Services	138,668	1,519	(48)	888	-	(1,206)	(12,422)	127,399
Energisa Soluções S.A	134,841	-	(48)	823	-	-	(12,954)	122,662
Energisa Serviços Aéreos de Aeroinspeção	529	1,519	-	68	-	-	(645)	1,471
Energisa Planejamento e Corretagem de Seguros Ltda.	3,298	-	-	(3)	-	(1,206)	1,177	3,266
Holding companies and other companies	5,499,986	77,436	(67,072)	68,240	(803)	(1,686,807)	1,685,183	5,576,164
Dinâmica Credit Receivables	1,859	-	-	-	-	-	(96)	1,763
Denerge - Desenvolvimento Energético S.A.	2,140,560	-	(12,075)	42,878	-	(1,374,976)	1,004,192	1,894,423
Rede Energia Participações S/A.	-	30,783	(23,679)	110	-	(2,503)	1,883	6,322
Energisa Transmissora de Energia S/A	523,866	27,123	128	3	-	(45,134)	181,228	687,214
Energisa Participações Minoritárias S/A	2,833,701	-	(31,441)	25,250	-	(264,194)	708,413	3,271,730
Voltz Capital S.A	-	19,530	(5)	(1)	(803)	-	(18,333)	388
Unrealized income in subsidiaries (**)	-	-	-	-	-	-	(85,681)	(85,681)
Goodwill paid in the acquisition of subsidiaries	160,108	-	-	-	-	-	(15,118)	144,990
Total	8,963,863	167,955	(65,612)	116,380	(822)	(2,556,976)	2,493,239	9,761,932

(*) The EGM held January 13, 2021 by Energisa Transmissora de Energia I S/A approved the following resolutions: (i) to document for the record that Energisa S.A. sold of all of its shares in the Company to Energisa Transmissão de Energia S.A. ("ETE"), with the Company becoming a wholly owned subsidiary of ETE and (ii) to approve the change of the Company's name, which is now called "Energisa Amazonas Transmissora de Energia S.A.".

(**) Refers to unrealized income in FIDC transactions recorded under other operating income.

- (1) Transactions amongst partners - determined in the investment in the subsidiaries Denerge, Energisa Participações Minoritárias, Alsol Energisa Renováveis, Rede Energia and Voltz Capital S.A, resulting from losses of R\$ 70,976, this denotes: (i) R\$ 32,348 loss of Energisa Participações Minoritárias consists of the R\$ 255,851 loss on the distribution of dividends on preferred shares, R\$ 93,680 of the loss due to the equity interest change, R\$ 330,895 capital increase gain and R\$ 13,712 loss on capital increase costs; (ii) R\$ 2 of losses from the subsidiary Alsol Energisa Renováveis due to changing the percentage rate; (iii) R\$ 13,475 loss determined by Denerge, consisting of equity income from the parent company Rede Energia and EMT's dividends paid out on preferred shares; (iv) R\$ 23,683

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

in losses on shares purchased in Rede Energia; and (v) R\$ 1,463 at ERO in losses arising from changes in ownership interests; (vi) R\$ 5 in losses arising Voltz from changes in ownership interests.

We also determined an equity income credit of R\$ 5,364 for implementing the variable compensation program by awarding shares, called the Long-term Incentive (ILP), recognized directly in equity by the subsidiaries.

(2) Includes interest on equity of R\$ 1,313 and R\$ 436 of Energisa Minas Gerais and Energisa Nova Friburgo respectively.

Changes in 2020 investments:

Subsidiaries	Balance in 2019	Acquisition/Advance for future capital increase	Gain/Loss on share acquisition (1)	Dividends	Other Comprehensive Income (2)	Share of profit (loss) of equity-accounted investees	Balance in 2020 (restated)
Electricity Distribution	3,030,449	-	(160,584)	(277,412)	31,163	315,176	3,085,077
Energisa Minas Gerais (EMG)	253,348	-	488	(17,911)	897	42,386	275,208
Energisa Sergipe (ESE)	355,372	-	405	(60,417)	26,802	163,477	485,639
Energisa Paraíba (EPB)	930,563	-	1,049	(182,070)	5,472	366,935	1,121,949
Energisa Borborema (EBO)	135,612	-	223	(11,866)	19	34,369	158,357
Energisa Nova Friburgo (ENF)	87,715	-	128	(5,148)	31	10,775	93,501
Energisa Acre (EAC)	985,941	-	(41,958)	-	(366)	2,806	946,423
Energisa Rondônia (ERO)	273,908	-	(120,919)	-	(1,692)	(305,572)	-
Electricity Generation	52,719	2,104	65	-	54	(1,963)	52,979
Parque Eólico Sobradinho	4,598	370	-	-	83	(139)	4,912
Energisa Geração Usina Maurício	4,769	1,080	-	-	-	444	6,293
Energisa Geração Solar Coremas	316	10	-	-	-	(7)	319
Energisa Geração Eólica Boa Esperança	1	6	-	-	-	(6)	1
Energisa Geração Eólica Mandacaru	1	6	-	-	-	(6)	1
Energisa Geração Eólica Alecrim	1	6	-	-	-	(6)	1
Energisa Geração Eólica Umbuzeiro - Muquim	1	6	-	-	-	(6)	1
Energisa Geração Central Solar Rio do Peixe I S/A	1,091	470	-	-	-	(242)	1,319
Energisa Geração Central Solar Rio do Peixe II S/A	149	150	-	-	-	(164)	135
Alsol Energias Renováveis S.A.	41,792	-	65	-	(29)	(1,831)	39,997
Transmission Companies	30	-	-	-	-	(6)	24
Energisa Transmissora de Energia I S/A	10	-	-	-	-	(2)	8
Energisa Transmissora de Energia II S/A	10	-	-	-	-	(2)	8
Energisa Transmissora de Energia III S/A	10	-	-	-	-	(2)	8
Electricity Trading	32,272	-	107	-	133	(5,492)	27,020
Energisa Comercializadora de Energia Ltda.	32,272	-	107	-	133	(5,492)	27,020
Rendering of Services	133,234	747	426	(2,126)	1,938	4,449	138,668
Energisa Soluções S.A.	129,262	-	426	(1,110)	1,777	4,486	134,841
Energisa Serviços Aéreos de Aeroinspeção	760	747	-	-	166	(1,144)	529
Energisa Planejamento e Corretagem de Seguros Ltda.	3,212	-	-	(1,016)	(5)	1,107	3,298
Holding companies and other companies	4,590,985	4,815	(24,435)	(241,269)	16,135	1,152,954	5,499,988
Dinâmica Credit Receivables	1,955	-	-	(78)	-	(18)	1,859
Denerge - Desenvolvimento Energético S.A.	1,742,374	27	(3,754)	(156,425)	8,833	549,506	2,140,561
Energisa Transmissora de Energia S/A	344,592	3,475	163	-	105	175,531	523,866
Energisa Participações Minoritárias S/A	2,502,063	-	(20,844)	(84,766)	7,197	430,052	2,833,702
Voltz Capital S.A.	1	1,313	-	-	-	(2,117)	-
Goodwill paid in the acquisition of subsidiaries	155,513	19,713	-	-	-	(15,118)	160,108
Total	7,995,202	27,379	(184,421)	(520,807)	49,423	1,450,000	8,963,864

(1) Transactions amongst partners - determined in the investment in the subsidiaries Denerge, Energisa Participações Minoritárias and Energisa Transmissora de Energia, resulting from (losses) of R\$ 27,921, this denotes: (i) R\$ 22,136 from Energisa NCI, around R\$ 21,364 consists of a loss on dividends paid out on preferred shares and R\$ 772 on losses due to the capital reduction resulting from the capital increase at the indirect subsidiary EMT; (ii) R\$ 7 of gain from the subsidiary Energisa Transmissora de Energia S/A due to changing the percentage of the subsidiary Energisa Tocantins Transmissora and; (iii) R\$ 5,792, determined by Denerge, consisting of equity income from the parent company Rede Energia and EMT's capital increase.

We also determined an equity income credit of R\$ 7,104 for implementing the variable compensation program by awarding shares, called the Long-term Incentive (ILP), recognized directly in equity by the subsidiaries.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

This includes investment reductions of R\$ 111,046 and R\$ 40,304 of the subsidiaries ERO and EAC, respectively referring to the obligation to reimburse Eletrobrás for amounts recorded in property, plant and equipment in progress (AIC) as of February 2017. The Company had originally recognized the amount of R\$ 163,604 to be reimbursed to Eletrobrás calculated in accordance with management's best estimates. Following the approval of the subsidiaries' Extraordinary Rate Replacement, new indemnification amounts were calculated of R\$ 151,350, resulting from interests in each subsidiary that became responsible for paying the indemnification. The Company consequently reversed the difference of R\$ 12,254 directly against asset appreciation, as explained in note 30.

(2) Consists of the effect of Other Comprehensive Income (OCI) recorded directly in equity by subsidiaries.

• Other investment information:

Appreciation of intangible assets and goodwill

The Company recognized amortization of intangible assets in the financial year ended December 31, 2021, which are recorded in profit or loss for the year under amortization and depreciation and income tax and social contribution originate as follows:

	EMT	EMS	ERO	EAC	Total	
					2021	2020
Amortization in the year	(63,867)	(71,409)	(128,398)	(62,857)	(326,531)	(331,834)
IR and CSSL	21,715	24,279	43,655	21,371	111,020	112,823
Amortization net of taxes	(42,152)	(47,130)	(84,743)	(41,486)	(215,511)	(219,011)

Indirect interests:

The Company holds indirect interests in the electricity distribution and service companies, directly controlled by Rede Energia Participações S/A, as follows:

2021					
Indirect subsidiaries	% indirect	Assets	Liabilities	Equity	Profit or loss for the year
Electricity Distribution					
Energisa Tocantins	72.54	3,227,111	2,222,169	1,004,942	246,462
Energisa Mato Grosso	73.41	11,717,676	8,558,436	3,159,240	1,101,093
Energisa Mato Grosso do Sul	94.55	5,639,039	4,388,641	1,250,398	554,177
Energisa Sul-Sudeste - Distribuidora de Energia S/A	93.91	2,981,499	2,366,397	615,102	165,623
Multi Energisa Serviços S/A	94.62	27,628	12,112	15,516	8,825
QMRA Participações S.A.	94.62	2,791	386	2,405	43
Rede Power do Brasil S.A.	94.62	496,461	31,942	464,519	201,027
Companhia Técnica de Comercialização de Energia	94.62	5,714	208,394	(202,680)	154
2020					
Indirect subsidiaries	% indirect	Assets	Liabilities	Equity	Profit or loss for the year
Electricity Distribution					
Energisa Tocantins	72.99	3,254,520	2,357,856	896,664	123,737
Energisa Mato Grosso	74.33	9,575,653	6,619,979	2,955,674	378,166
Energisa Mato Grosso do Sul	95.14	4,231,365	2,914,660	1,316,705	210,409
Energisa Sul-Sudeste - Distribuidora de Energia S/A	94.49	2,397,394	1,774,998	622,396	83,293
Multi Energisa Serviços S/A	95.21	25,033	11,828	13,205	4,931
QMRA Participações S.A.	95.20	2,707	348	2,359	9
Rede Power do Brasil S.A.	95.20	497,373	52,160	445,213	75,605
Companhia Técnica de Comercialização de Energia	95.21	5,338	205,611	(200,273)	(16,362)

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

19. Property, plant and equipment

Items of property, plant and equipment are recorded at the historic cost of acquisition or construction, minus accumulated depreciation and impairment, when applicable.

The consolidated property, plant and equipment breaks down as follows by nature:

	Parent company					
	Average depreciation rate (%)	Balances in 2020	Addition	Transfers	Depreciation	Balances in 2021
Property, plant and equipment in service						
Cost:						
Land	-	606	-	-	-	606
Buildings and improvements	3.38%	28,065	-	-	-	28,065
Plant and equipment	14.96%	26,146	-	19,148	-	45,294
Vehicles	14.29%	17,486	-	333	-	17,819
Furniture and fixtures	6.26%	16,483	-	214	-	16,697
Total property, plant and equipment in service		88,786	-	19,695	-	108,481
Accumulated depreciation:						
Buildings and improvements		(4,752)	-	-	(941)	(5,693)
Plant and equipment		(13,924)	-	-	(4,306)	(18,230)
Vehicles		(12,336)	-	-	(1,386)	(13,722)
Furniture and fixtures		(13,730)	-	-	(255)	(13,985)
Total accumulated depreciation		(44,742)	-	-	(6,888)	(51,630)
Subtotal Property, Plant and Equipment		44,044	-	19,695	(6,888)	56,851
Property, plant and equipment in progress		22,120	11,422	(19,695)	-	13,847
Total of Property, plant and equipment		66,164	11,422	-	(6,888)	70,698

	Parent company						
	Average depreciation rate (%)	Balances in 2019	Addition	Transfers	Low	Depreciation	Balances in 2020
Property, plant and equipment in service							
Cost:							
Land	-	606	-	-	-	-	606
Buildings and improvements	3.38%	28,065	-	-	-	-	28,065
Plant and equipment	14.07%	25,072	-	1,074	-	-	26,146
Vehicles	14.29%	16,990	-	574	(78)	-	17,486
Furniture and fixtures	6.89%	16,161	-	322	-	-	16,483
Total property, plant and equipment in service		86,894	-	1,970	(78)	-	88,786
Accumulated depreciation:							
Buildings and improvements		(3,807)	-	-	-	(945)	(4,752)
Plant and equipment		(10,766)	-	-	-	(3,158)	(13,924)
Vehicles		(11,022)	-	-	58	(1,372)	(12,336)
Furniture and fixtures		(13,426)	-	-	-	(304)	(13,730)
Total accumulated depreciation		(39,021)	-	-	58	(5,779)	(44,742)
Subtotal Property, Plant and Equipment		47,873	-	1,970	(20)	(5,779)	44,044
Property, plant and equipment in progress		16,049	8,041	(1,970)	-	-	22,120
Total of Property, plant and equipment		63,922	8,041	-	(20)	(5,779)	66,164

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Consolidated						
	Average depreciation rate (%)	Balances in 2020	Addition (1)	Transfers (2)	Write-offs (3)	Depreciation	Balances in 2021
Property, plant and equipment in service							
Cost:							
Land	-	3,962	-	(1,919)	-	-	2,043
Reservoirs, Dams and Power Tunnels	2.96%	4,552	-	-	-	-	4,552
Buildings and improvements	3.71%	67,153	-	171	-	-	67,324
Plant and equipment	11.83%	351,738	26,764	231,331	(136)	-	609,697
Vehicles	14.46%	81,114	-	2,375	(3,340)	-	80,149
Furniture and fixtures	6.29%	91,021	33	2,353	-	-	93,407
Total property, plant and equipment in service		599,540	26,797	234,311	(3,476)	-	857,172
Accumulated depreciation:							
Reservoirs, Dams and Power Tunnels		(956)	-	-	-	(75)	(1,031)
Buildings and improvements		(26,643)	-	16,637	7	(1,579)	(11,578)
Plant and equipment		(194,547)	(47)	(18,905)	56	(30,425)	(243,868)
Vehicles		(54,963)	-	1,979	2,966	(7,723)	(57,741)
Furniture and fixtures		(61,800)	-	408	-	(3,083)	(64,475)
Total accumulated depreciation		(338,909)	(47)	119	3,029	(42,885)	(378,693)
Subtotal Property, Plant and Equipment		260,631	26,750	234,430	(447)	(42,885)	478,479
Property, plant and equipment in progress		157,009	317,343	(235,313)	-	-	239,039
Total of Property, plant and equipment		417,640	344,093	(883)	(447)	(42,885)	717,518

- (1) R\$ 7,077 of the R\$ 344,093 consists of the asset acquired by the direct subsidiary ALSOL.
- (2) The amount of R\$ 883 (R\$ 13,946 in 2020) consists of reclassifications to the contractual asset - infrastructure under construction.
- (3) The amount of R\$ 447 (R\$ 3,958 in 2020), denotes write-offs in the year, initially recorded in Deactivation orders - ODD and at the end of the process the amounts are transferred to profit or loss for the year in other operating income (expenses).

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Consolidated						
	Average depreciation rate (%)	Balances in 2019	Addition	Transfers (1)	Write-offs (2)	Depreciation	Balances in 2020
Property, plant and equipment in service							
Cost:							
Land	-	3,962	-	-	-	-	3,962
Reservoirs, Dams and Power Tunnels	2.96%	4,552	-	-	-	-	4,552
Buildings and improvements	3.30%	66,260	-	955	(62)	-	67,153
Plant and equipment	13.07%	264,985	-	89,874	(3,121)	-	351,738
Vehicles	14.27%	77,557	-	5,585	(2,028)	-	81,114
Furniture and fixtures	6.49%	90,921	-	248	(148)	-	91,021
Total property, plant and equipment in service		508,237	-	96,662	(5,359)	-	599,540
Accumulated depreciation:							
Reservoirs, Dams and Power Tunnels		(881)	-	-	-	(75)	(956)
Buildings and improvements		(24,961)	-	-	66	(1,748)	(26,643)
Plant and equipment		(166,870)	-	(33)	(4,716)	(22,928)	(194,547)
Vehicles		(49,032)	-	(45)	2,034	(7,920)	(54,963)
Furniture and fixtures		(63,222)	-	529	4,017	(3,124)	(61,800)
Total accumulated depreciation		(304,966)	-	451	1,401	(35,795)	(338,909)
Subtotal Property, Plant and Equipment		203,271	-	97,113	(3,958)	(35,795)	260,631
Property, plant and equipment in progress		81,296	186,772	(111,059)	-	-	157,009
Total of Property, plant and equipment		284,567	186,772	(13,946)	(3,958)	(35,795)	417,640

20. Intangible assets

	Parent company		Consolidated	
	2021	2020	2021	2020
Intangible assets - concession agreement	-	-	14,023,772	14,171,278
Concession right	-	-	279,493	314,013
Right-of-use	396	838	49,393	60,372
Intangible assets - Software and Other	71,499	45,419	290,821	231,184
Total	71,895	46,257	14,643,479	14,776,847

20.1 Intangible assets - concession agreement - Consolidated

	Average amortization rate (%)	Balances in 2020	Transfers (1)	Write-offs (2)	Amortization (3)	Balances in 2021
Intangible assets						
In service:	10.19%	29,190,203	1,550,141	(252,820)	-	30,487,524
Accumulated Amortization		(12,045,256)	(5,835)	168,154	(1,416,763)	(13,299,700)
Total Intangible Assets		17,144,947	1,544,306	(84,666)	(1,416,763)	17,187,824
(-) Obligations Subject to the Concession In Service						
Cost	3.81%	5,844,484	464,563	(194)	-	6,308,853
Accumulated Amortization		(2,870,815)	(12)	-	(273,974)	(3,144,801)
Total obligations linked to the Concession		2,973,669	464,551	(194)	(273,974)	3,164,052
Total Intangible Assets		14,171,278	1,079,755	(84,472)	(1,142,789)	14,023,772

(1) The amount of R\$ 1,079,755 (R\$ 1,231,374 in 2020) denotes transfers of contractual assets - Infrastructure under construction;

(2) The amount of R\$ 84,472 (R\$ 235,400 in 2020) denotes write-offs in the year, initially recorded in Deactivation orders - ODD and at the end of the process the amounts are transferred to profit or loss for the year in other operating income (expenses).

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- (3) In the financial year the subsidiaries recorded PIS and COFINS credits on the amortization of assets and equipment in the amount of R\$ 38,059 (R\$ 37,206 in 2020), which does not include the amount of R\$ 5,387 (R\$ 3,386 in 2020) as the depreciation expense on the provision for grid incorporation.

	Average amortization rate (%)	Balances in 2019	Transfers (1)	Write-offs (2)	Amortization	Balances in 2020
Intangible assets						
In service:	10.80%	28,441,118	1,302,215	(553,130)	-	29,190,203
Accumulated Amortization		(11,000,550)	577	317,730	(1,363,013)	(12,045,256)
Total Intangible Assets		17,440,568	1,302,792	(235,400)	(1,363,013)	17,144,947
(-) Obligations Subject to the Concession In Service						
Cost	3.80%	5,773,053	71,431	-	-	5,844,484
Accumulated Amortization		(2,633,727)	(13)	-	(237,075)	(2,870,815)
Total obligations linked to the Concession		3,139,326	71,418	-	(237,075)	2,973,669
Total Intangible Assets		14,301,242	1,231,374	(235,400)	(1,125,938)	14,171,278

The assets used by the subsidiaries in their operations are tied to public energy distribution services, and may not be removed, sold, transferred or pledged under mortgage guarantee without the prior, express consent of the Regulatory Authority. ANEEL Normative Resolution 691/2015 issued December 8, 2015 regulates the freeing up of the public electricity service concessions' infrastructure, awarding preliminary authorization for the release for the purpose of disposal. It also determines the proceedings of the disposal be deposited into a specific bank account and the funds reinvested into the concession's assets.

Amortization of intangible assets reflects the way by which the future benefits from using the assets are expected to be consumed by the Company or limited to the concession term based on the economic benefits generated annually. The consumption of these assets is related to the estimated useful life of each item comprising the set of tangible assets contained in the distribution infrastructure. The average weighted amortization rate used is 10.19% (10.80% in 2020).

Obligations linked to the concession:

The balance of intangible assets and concession financial asset is reduced by obligations linked to the concession, consisting of:

Obligations linked to the concession:	2021	2020
Consumer contributions (1)	2,509,124	2,402,800
Participation of the Government, States and Municipalities (2)	5,215,602	4,658,335
Government Subsidy - RGR funds ⁽³⁾	302,599	317,267
Reversal reserve (4)	6,913	7,678
Revenue from surplus demand and Surplus Reactive Energy	338,858	329,713
(-) Accumulated amortization	(3,158,406)	(2,870,815)
Total	5,214,690	4,844,978
Allocation:		
Concession financial asset	1,137,636	1,059,792
Infrastructure- Intangible assets in service	3,164,052	2,973,669
Contractual asset - infrastructure under construction and intangible assets in progress	913,002	811,517
Total	5,214,690	4,844,978

- (1) Consumer contributions refer to third-party participation in construction work to supply electricity to areas not embraced by the electricity concession operators' expansion projects, and amounts invested in energy efficiency programs and Research and Development - R&D, whose results reverted to assets intended for property, plant and equipment in service.

- (2) Government subsidies (funds from the Energy Development Account - CDE) and state government funds are allocated to the Light for All program. The balance includes the effect of returning LPT Tranche 4 of the subsidiary EAC in December/2019; funds from the Fuel Consumption Account - CCC involving subrogation of the right of use due to the implementation of electricity projects that lower the CCC expenditure.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- (3) Concession indemnity - property, plant and equipment in progress - this item relates to receivables to be paid out of the Global Reversal Reserve - RGR pursuant to MME Ordinance 484 (January 26, 2021). These receivables correspond to the non-depreciated value of distribution assets recorded under Property, Plant and Equipment in Progress in valuations of the complete regulatory asset base, as approved by the power sector regulator in SFF/ANEEL Technical No. 219/2020 and 220/2020-SFF/ANEEL (note 16).
- (4) The reversal reserve, constituted up until December 31, 1971, represents the amount of proceeds deriving from the reversal fund, which have been invested in the Company's expansion project, charged interest of 5 % per annum paid monthly.

20.2 Concession right - consolidated

	Consolidated	
	2021	2020
Recognized by subsidiaries ⁽¹⁾	538,012	538,012
Recognized by parent company ⁽²⁾	298,589	298,589
Acquisition of interest ⁽³⁾	102,046	96,825
Accumulated amortization	(659,154)	(619,413)
Subtotal	279,493	314,013

The change is as follows:

	Consolidated	
	2021	2020
Opening balance	314,013	334,046
Acquisition of equity interest	5,221	19,713
Amortization in the year	(39,741)	(39,746)
Closing balance	279,493	314,013

(1) Intangible assets recognized by the subsidiary:

Refers to the concession right incorporated by the subsidiary ESE which is being amortized from April 1998 and will continue to be amortized until the electricity distribution concession ends in December 2027.

The amortization will reduce the income and social contribution taxes by 34%. As of December 31, 2021 the balance to be amortized by the subsidiary is R\$ 129,281 (R\$ 153,908 in 2020).

(2) Intangible assets recognized by parent company:

Donates the concession rights for equity interests in the subsidiaries EBO, ESE and EPB, in the amount of R\$ 86,351 (R\$ 96,210 in 2020). In accordance with IAS 16, since January 1, 2017 the Company has been recording amortization of the concession asset over the remaining period of the respective concession exploration licenses, by the straight-line method.

The Company holds the share control of the specific purpose entity Parque Eólico Sobradinho, located in the municipality Sobradinho - BA, which owns windfarm ventures amounting to R\$ 7,022 (R\$ 7,022 in 2020). The amounts paid to acquire the wind farm have been recorded under concession arrangements, to be amortized over 35 years as from start-up.

(3) Business combinations - Acquisition of equity interest

- (i) Rede Group - the equity interests assuring the share control of the companies comprising Rede Group were officially transferred to Energisa on April 11, 2014, pursuant to the Investment and Share Purchase and Sale Commitment and Other Covenants.

The goodwill determined under the acquisition of the Companies stands at R\$ 165,552 and was recognized in "investment" for the parent company and "intangible assets" in the consolidated statement. The symbolic acquisition price of R\$ 1.00 (one real) was based on the mark-to-market of the equity of the companies acquired. The goodwill determined on the acquisition is primarily due to the fact the PPA calculations did not include the renewal of the electricity distribution concessions introduced by Law 12.783/2013, which despite the issuance of Decree 8.461/2015, which regulated the extension of the electricity distribution concession agreements, suspended by the Federal Audit Court, which meant it was not possible to sign the new concession agreement, and the variance between the average used to determine the price and the best estimate of the equity at fair value at the effective acquisition date.

Capital gains on the greater interest in the capital increases via capital contributions made at the

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- subsidiaries JQMJ, BBPM, Denerge and Rede Energia amounting to R\$ 96,345 was deducted from the goodwill (R\$ 165,552), amounting to R\$ 69,207. Given the sale of the assets of the indirect subsidiary Tangará S/A, R\$ 6,361 was transferred to assets held for sale in May 2015. R\$ 45,203 was amortized in the financial year ended December 31, 2021 (R\$ 39,952 in 2020).
- (ii) Dinâmica Diretos Creditórios - On May 14, 2015 the Company acquired the share control of the subsidiary Dinâmica Direitos Creditórios, recording goodwill of R\$ 4,512 (R\$ 4,512 in 2020) and:
- (iii) Alsol Energia Renováveis S.A. - the transfer was formalized to Energisa of 87.01% of the capital of Alsol Energias Renováveis S.A. on June 17, 2019, with goodwill being determined of R\$ 29,467 (R\$ 29,467 in 2020). In December 2021 the subsidiary formalized the transfer from URB Energia Limpa S.A, determining goodwill of R\$ 5,221.

The amortization of these concession rights and reduction to the income and social contribution taxes has been projected as follows:

Amortization period	Consolidated	Reduction in income and social contribution taxes
2022 and 2023	34,663	8,373
2024 and 2025	74,289	16,745
2026 and 2027	74,289	16,745
2028 and 2029	30,412	2,093
2030 and 2031	22,402	-
2032 and 2033	5,872	-
2034 onwards	37,566	-
Total	279,493	43,956

20.3 Intangible assets - right-of-use

Denotes the right to use properties originated by applying accounting standards CPC 06 (R2), which are amortized over the useful life defined in each contract.

	Parent company						
	Average amortization rate (%)	Balances at 2020	Addition	Transfers	Low	Amortization	Balances in 2021
Property usage rights							
Cost	8.26%	1,170	427	27	(801)	-	823
Accumulated Amortization		(332)	-	(27)	-	(68)	(427)
Total		838	427	-	(801)	(68)	396

	Parent company				
	Average amortization rate (%)	Balances at 2019	Addition	Amortization	Balances in 2020
Property usage rights					
Cost	21.63%	795	375	-	1,170
Accumulated Amortization		(101)	-	(231)	(332)
Total		694	375	(231)	838

	Consolidated						
	Average amortization rate (%)	Balances at 2020	Addition	Transfer	Low	Amortization	Balances in 2021
Property usage rights							
Cost	17.07%	91,534	25,632	704	(19,887)	-	97,983
Accumulated Amortization		(31,162)	-	(704)	-	(16,724)	(48,590)
Total		60,372	25,632	-	(19,887)	(16,724)	49,393

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Average amortization rate (%)	Consolidated				
		Balances in 2019	Addition	Write-offs	Amortization	Balances in 2020
Property usage rights						
Cost	20.31%	66,588	31,551	(6,605)	-	91,534
Accumulated Amortization		(15,776)	-	-	(15,386)	(31,162)
Total		50,812	31,551	(6,605)	(15,386)	60,372

20.4 Intangible assets - software and other

	Average amortization rate (%)	Parent company				
		Balances in 2020	Additions	Transfers	Amortization	Balances in 2021
Cost of software and other						
In service	20.00%	41,399	-	25,772	-	67,171
Accumulated Amortization		(24,484)	-	-	(10,371)	(34,855)
In Progress		28,504	36,451	(25,772)	-	39,183
Total		45,419	36,451	-	(10,371)	71,499

	Average amortization rate (%)	Parent company				
		Balances in 2019	Additions	Transfers	Amortization	Balances in 2020
Cost of software and other						
In service	20.00%	36,983	-	4,416	-	41,399
Accumulated Amortization		(18,146)	-	-	(6,338)	(24,484)
In Progress		6,479	26,441	(4,416)	-	28,504
Total		25,316	26,441	-	(6,338)	45,419

	Average amortization rate (%)	Consolidated				
		Balances in 2020	Addition	Transfers (1)	Amortization	Balances in 2021
Cost of software and other						
In service	20.00%	487,482	133	73,538	-	561,153
Accumulated Amortization		(341,407)	-	23	(57,897)	(399,281)
In progress		85,109	117,928	(74,088)	-	128,949
Total		231,184	118,061	(527)	(57,897)	290,821

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Consolidated						
	Average amortization rate (%)	Balances in 2019	Addition	Transfers (1)	Write-offs	Amortization	Balances in 2020
Cost of software and other							
In service	20.00%	440,222	711	47,768	(1,219)	-	487,482
Accumulated Amortization		(295,858)	-	(430)	538	(45,657)	(341,407)
In progress		10,460	101,985	(27,336)	-	-	85,109
Total		154,824	102,696	20,002	(681)	(45,657)	231,184

(1) The amount of R\$ 527 (R\$ 20,002 in 2020) consists of reclassifications to intangible assets - Infrastructure under construction.

21. Trade payables

	2021	2020	2021	2020
CCEE ⁽¹⁾	-	-	227,277	702,729
Bilateral Contracts ⁽²⁾	-	-	1,305,241	1,266,962
Use of the high-voltage national grid ⁽²⁾	-	-	104,781	103,553
Connection to the grid ⁽²⁾	-	-	25,630	23,062
Service charges in the system ⁽³⁾	-	-	605,706	108,486
Use of the distribution system (CUSD) ⁽²⁾	-	-	35,280	33,278
Ampla - CUSD	-	-	5,636	4,499
Materials, services and other ⁽⁴⁾	6,094	12,643	380,737	314,233
Total	6,094	12,643	2,690,288	2,556,802
Current	6,094	12,643	2,573,437	2,445,104
Noncurrent	-	-	116,851	111,698

(1) CCEE - the CCEE account consists of the two most recent MCP provisions and primarily decreased due to the drop in the PLD (Difference Settlement Price), the average of which approached the floor, when comparing November-December/21 against November-December/20. In addition to pricing energy settlements in the spot market, the PLD also determines the expenses related to the hydrological risk, which under Law 12.783/2013 are covered by the distribution companies which can pass through these costs to consumers via rate adjustments.

(2) **Bilateral contracts** - denotes electricity acquisitions in the year, signed with generators presenting substantial variance in US dollars, directly impacting the cost of Itaipu contracts and because of price adjustments of other contracts for inflation indexes (IPCA/IGP-M/INPC);

(3) **System service charges** - the change in the values of System Service Charges is due to the forecast increase resulting from higher thermal output of , outside the cost merit primarily due to energy safety reasons. Despite the improved hydrological conditions thanks to the rainfall in Q4 of 2021, there is still cause for concern about reservoir levels and dispatching thermal power plants out of the merit order is fundamental to guaranteeing a secure supply to SIN in 2022.

(4) **Materials, services and other** - denote the acquisitions of materials, services and other items required to implement, conserve and maintain the electricity generation, distribution, transmission, trading and other services with an average settlement of 30 days.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The breakdown of the loans and borrowings portfolio and main contractual conditions are as follows

	Total		Charges Annual Charges	Maturity	Amortization of principal	(Effective interest rate) (3)		Security (*)
	2021	2020						
Energisa S/A								
Commercial paper 4 th issuance (1)	-	320,370	CDI + 0.55% p.y	Jun/21	Final	4.97%		-
FRN Santander - 4130335 (1)	47,295	70,260	CDI + +0.8948% p.y	Nov/22	Final	5.31%		-
FRN Santander - 4132130 (1)	68,942	80,081	CDI + +0.90% p.y	Nov/24	Semiannual as from Nov/21	5.32%		-
ESA X ABC - NP 5 th Issuance/ Series 4	-	99,136	CDI + +2.75% p.y	Apr/21	Final	7.17%		-
ESA X ABC - NP 5 th Issuance/ Series 3	-	1,451	CDI + +2.75% p.y	Jan/21	Final	7.17%		-
ESA X PACTUAL - CCB91/20	-	151,431	CDI + +2.50% p.y	Apr/21	Final	6.92%		-
ESA X BRADESCO - NP 6 th Issuance Series 1 (1)	71,748	67,188	CDI + +2.30% p.y	Dec/23	Final	6.72%		-
ESA X BRADESCO - NP 6 th Issuance/ Series 2 (1)	142,425	133,373	CDI + +2.30% p.y	Dec/24	Final	6.72%		-
ESA X BANCO DA CHINA BRASIL -CCB - L0036-2020 (1)	85,221	85,041	CDI + +2.15% p.y	Dec/23	Final	6.77%		-
ESA X SANTANDER - CCB - 1035848	147,454	-	CDI + +1.70% p.y	Apr/23	Final	6.12%		-
ESA X BTG - FIDC (6)	213,428	-	CDI + +2.35% p.y	Jan/25	Final	6.77%		-
Commercial Paper 7 th Issuance (1)	725,310	-	CDI + +1.80% p.y	Jul/24	Final	6.22%		-
Borrowing cost incurred on acquisition	(6,415)	(1,938)						
Total Local Currency	1,495,408	1,006,393						
Resolution 4131 - Itaú (1)	-	208,910	4.0375% p.y	May/21	Annual	11.43%		A
ESA X ICBC - CCB - ICBCBRPANAMAWK2021001 (1)	279,063	-	1.85% p.y	Jun/24	Final	9.24%		A
Borrowing cost incurred on acquisition	(618)	-						
Mark-to-market of debt (2)	(7,343)	2,178						
Total foreign currency	271,102	211,088						
Total Energisa S/A	1,766,510	1,217,481						
Energisa Sergipe								
FINAME - Itaú BBA (8)	-	5,584	2.50% to 8.70% p.y (Fixed)	Jan/25	Monthly	2.50% to 8.70%		A
INERGUS financing	14,038	12,162	IPC + +5.41% p.y	Jul/44	Monthly	15.15%		A
INERGUS financing - Migration	82,549	94,033	IPCA + +5.78% p.y	Jun/26	Monthly	15.84%		A
INERGUS Financing - DB Plan x 2018 DEFICIT	55,289	-	INPC + 5.78% p.y	Dec/36	Monthly	15.94%		A
Commercial paper issuance 6 (1)	160,268	152,307	CDI + 0.80% p.y	Mar/22	Final	5.22%		A
ESE X BNDES - 20.2.0495-1 TRANCHE A (1)	47,224	-	IPCA + +4.83% p.y	Oct/27	Monthly from Apr/22 onwards	14.89%		A
ESE X BNDES - 20.2.0495-1 TRANCHE B (1)	61,074	-	IPCA + +4.83% p.y	Dec/34	Monthly from Nov/27	14.89%		A
Borrowing cost incurred on acquisition	(479)	(171)						
Total Local Currency	419,963	263,915						
Resolution 4131 - Bank of America ML (1)	-	178,877	Libor + 1.20% p.y	Jan/21	Final	8.75%		A
Resolution 4131 - JL Morgan (1)	-	18,786	Libor + 1.30% p.y	Sep/21	Final	8.85%		A
Mark-to-market of debt (2)	-	(582)						
Total foreign currency	-	197,081						
Total Energisa Sergipe	419,963	460,996						
Energisa Paraíba								
FINAME - Itaú (8)	-	10,029	2.50% to 8.70% p.y (Fixed)	Jan/25	Monthly	2.50% to 8.70%		A
FUNASA financing	2,437	3,143	INPC + 5.28% p.y	Dec/29	Monthly	15.44%		A
CCB Bradesco 24032020 (1)	135,416	139,414	CDI + 1.6698% p.y	Mar/23	Final	6.09%		A
CCB Itaú 25032020	-	20,333	CDI + 4.10% p.y	Mar/21	Final	8.52%		A
EPB X BTG PACTUAL - BNDES 3/20 - TRANCHE A (1)	113,461	-	IPCA + 5.03% p.y	Apr/31	Monthly from Apr/22 onwards	15.09%		A + R
EPB X BTG PACTUAL - BNDES 3/20 - TRANCHE B (1)	51,692	-	IPCA + 5.03% p.y	Dec/34	Monthly from Feb/31	15.09%		A + R
EPB X ENERGISA PREV - 2020 Migration (7)	17,117	-	INPC + 5.28% p.y	Jun/33	Monthly	15.44%		A

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Total		Charges Annual Charges	Maturity	Amortization of principal	(Effective interest rate) (3)			Security (*)
	2021	2020							
EPB X ENERGISA PREV - 2020 Deficit (7)	77,291	-	INPC + 5.28%	Nov/33	Monthly	15.44%			A
EPBXENERGISA PREV- Deficit 2015 2018 2019 (7)	1,682	-	INPC + 5.28%	Nov/33	Monthly	15.44%			A
Borrowing cost incurred on acquisition	(21)	(179)	-	-	-	-			-
Total Local Currency	399,075	172,740							
Total Energisa Paraíba	399,075	172,740							
Energisa Minas Gerais									
BNDES pass-through I - Itaú BBA	-	39	TJLP + 4.75% p.y .	Jan/21	Monthly	9.13%			A
BNDES pass-through II - Itaú BBA	-	26	UMBND + 3.75% p.y (*)	Jan/21	Monthly	3.86%			A
BNDES pass-through III - Itaú BBA	-	16	TJLP + 5.95% p.y	Jan/21	Monthly	10.33%			A
BNDES pass-through IV - Itaú BBA	-	25	5.50% p.y (Fixed)	Jan/21	Monthly	5.50%			A
FINAME - Itaú BBA (8)	-	4,261	2.50% to 8.70% p.y (Fixed)	Dec/24	Monthly	2.50% to 8.70%			A
CCB Bradesco 24032020 (1)	-	79,212	CDI + 4.8005%	Mar/21	Final	9.22%			A
CCB Itaú 25032020	-	40,671	CDI + 4.00%	Mar/21	Final	8.42%			A
SANTANDER FRN 4137169	-	38,336	CDI + 4.10%	Jun/21	Final	8.52%			A
SANTANDER FRN 4137171	-	38,336	CDI + 4.10%	Dec/21	Final	8.52%			A
EMG X BTG PACTUAL - BNDES 2/20 (1)	74,001	-	IPCA + 5.03%	Dec/34	Monthly from Apr/22 onwards	15.09%			A + R
EMG X SANTANDER - CCB -1035866	25,423	-	CDI + 1.70%	Apr/23	Final	6.12%			A
Borrowing cost incurred on acquisition	(10)	(93)	-	-	-	-			-
Total Local Currency	99,414	200,829							
EMG X SCOTIABANK - LOAN 4131 - 17062021 (1)	44,123	-	1.5173%p.y (Fixed)	Jun/24	Final	8.91%			A
Resolution 4131 - BBM Loan (1)	-	81,249	2.77%p.y (Fixed)	Apr/21	Final	10.16%			A
EMG X BAML - LOAN 4131 - 28012021 (1)	102,234	-	1.83%p.y (Fixed)	Feb/24	Final	9.22%			A
EMG X BAML - LOAN 4131 - 09122021 (1)	39,373	-	2.19%p.y (Fixed)	Jun/24	Final	9.22%			A
Mark-to-market of debt (2)	(1,116)	269	-	-	-	-			-
Total foreign currency	184,614	81,518							
Total Energisa Minas Gerais	284,028	282,347							
Energisa Nova Friburgo									
FINAME - Itaú (8)	-	466	2.50% to 6.00% p.y (Fixed)	Nov/24	Monthly	2.50% to 6.00%			A
FRN 4131519 (1)	10,087	15,029	CDI + 0.80% p.y	Nov/22	Semiannual as from Nov/21	5.22%			A
FRN 4137167	-	12,198	CDI + 4.10% p.y	Dec/21	Final	8.52%			A
FRN 4137163	-	12,198	CDI + 4.10% p.y	Jun/21	Final	8.52%			A
CCB Safra 001660057	20,058	20,454	CDI + 1.80% p.y	Jun/23	Final	6.22%			A
Borrowing cost incurred on acquisition	(77)	(20)	-	-	-	-			-
Total Local Currency	30,068	60,325							
Total Energisa Nova Friburgo	30,068	60,325							
Energisa Borborema									
FINAME - Itaú BBA (8)	-	955	2.50% to 8.70% p.y (Fixed)	Nov/24	Monthly	2.50% to 8.70%			A
Floating Interest Note - Santander (1)	10,088	15,029	CDI + 0.80% p.y	Nov/22	Semiannual as from Nov/21	5.22%			A
Safra CCB 001660031	20,059	20,454	CDI + 1.80% p.y	Jun/23	Final	6.22%			A
Santander FRN 4137155	-	13,940	CDI + 4.10% p.y	Jun/21	Final	8.52%			A
Santander FRN 4137161	-	13,940	CDI + 4.10% p.y	Dec/21	Final	8.52%			A
Santander FRN 4137241	-	20,904	CDI + 4.10% p.y	Jul/21	Final	8.52%			A
Borrowing cost incurred on acquisition	(77)	(20)	-	-	-	-			-
Total Local Currency	30,070	85,202							
EBO X SCOTIABANK - LOAN 4131 - 17062021 (1)	44,123	-	1.5173%p.y (Fixed)	Jun/24	Final	8.91%			A
Mark-to-market of debt (2)	(915)	-	-	-	-	-			-
Total foreign currency	43,208	-							
Total Energisa Borborema	73,278	85,202							

2021 Results | Notes

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	Total		Charges Annual Charges	Maturity	Amortization of principal	(Effective interest rate) (3)		Security (*)
	2021	2020						
Energisa Mato Grosso								
FIDC Energisa Group IV - Series 1	353,756	353,498	TR + 7.00% p.y	Oct/34	Monthly from Oct/29 onwards	7.05%		R
FIDC Energisa Group IV - Series 2	443,566	481,684	CDI + 0.70% p.y	Apr/31	Monthly from Apr/21 onwards	5.12%		R
Commercial Paper 2 nd Issuance (1)	320,270	304,361	CDI + 0.80% p.y	Mar/22	Final	5.22%		A
Santander FRN 4133870 (1)	194,743	192,161	CDI + 0.95% p.y	Feb/23	Semiannual as from Feb/22	5.37%		A
CCB BRADESCO 24032020 (1)	-	137,301	CDI + 4.8005% p.y	Mar/21	Final	9.22%		A
CCB ITAÚ 1011200300114	-	30,499	CDI + 4.10% p.y	Mar/21	Final	8.52%		A
Santander FRN 4135786	-	332,290	CDI + 4.60% p.y	Mar/21	Final	9.02%		A
Santander FRN 4137163	-	69,701	CDI + 4.10% p.y	Jun/21	Final	8.52%		A
Santander FRN 4137165	-	69,700	CDI + 4.10% p.y	Dec/21	Final	8.52%		A
EMT X BNDES - 20.2.0494-1 TRANCHE A (1)	145,584	-	IPCA+ 4.83% p.y	Oct/27	Monthly from Apr/22 onwards	14.89%		A + R
EMT X BNDES - 20.2.0494-1 TRANCHE B (1)	188,279	-	IPCA+ 4.83% p.y	Dec/34	Monthly from Nov/27	14.89%		A + R
EMT X ENERGISA PREV - 2020 Migration (7)	2,019	-	INPC + 5.460% p.y	Dec/31	Monthly	15.62%		A
EMT X ENERGISA PREV - 2017 Deficit (7)	6,779	-	INPC + 5.45% p.y	Nov/33	Monthly	15.61%		A
EMT X ENERGISA PREV - Deficit 2015 to 2019 (7)	170	-	INPC + 5.47% p.y	Oct/39	Monthly	15.63%		A
Borrowing cost incurred on acquisition	(1,417)	(518)						
Total Local Currency	<u>1,653,749</u>	<u>1,970,677</u>						
Resolution 4131 - Bank of America ML (1)	-	128,375	Libor + 1.20% to 1.60% p.y	Jan/21	Final	8.75%	to 9.15%	A
Citibank Loan - 4131 (1)	40,068	74,624	Libor + 1.70% p.y	Jun/22	Annual from 2021 onwards	9.25%		A
Citibank EDC Loan - 4131 (1)	40,065	74,619	Libor + 1.80% p.y	Jun/22	Annual from 2021 onwards	9.35%		A
EMT X SCOTIABANK - LOAN 4131 - 11062021 (1)	130,840	-	1.2070% p.y	Jun/24	Final	8.60%		A
J P MORGAN Loan (1)	-	139,083	Libor + 1.05% p.y	Nov/21	Final	8.60%		A
Merrill Lynch Loan (1)	67,509	68,115	0.6870% p.y	Dec/22	Final	-0.20%		A
Scotiabank Loan (1)	274,583	255,699	2.1964% p.y	Dec/22	Final	9.59%		A
Citibank Loan 56416 (1)	64,793	60,347	Libor + 0.60% p.y	Feb/23	Final	8.15%		A
Merryl Lynch Loan 12062020 (1)	-	88,973	2.83% p.y	Jan/21	Final	10.22%		A
Merryl Lynch Loan 25082021 (1)	256,476	-	Libor + 1.70% p.y	Sep/23	Final	9.25%		A
Citibank Loan 59606 (1)	111,759	-	Libor + 1.18% p.y	Aug/23	Final	8.73%		A
Borrowing cost incurred on acquisition	(109)	(328)						
Mark-to-market of debt (2)	1,071	8,059						
Total foreign currency	<u>987,055</u>	<u>897,566</u>						
Total Energisa Mato Grosso	<u>2,640,804</u>	<u>2,868,243</u>						
Energisa Mato Grosso do Sul								
FIDC Energisa Group IV - Series 1	291,785	291,571	TR + 7.00% p.y	Oct/34	Monthly from Oct/29 onwards	7.05%		R
FIDC Energisa Group IV - Series 2	202,403	219,794	CDI + 0.70% p.y	Apr/31	Monthly from Apr/21 onwards	5.12%		R
Commercial Paper (1)	75,735	71,866	CDI + 0.95% p.y	Mar/23	Final	5.37%		A
CCB Safra 001660014	80,230	81,816	CDI + 1.80% p.y	Jun/23	Final	6.22%		A
EMS X SANTANDER FRN 4137245	-	67,937	CDI + 4.10% p.y	Aug/21	Final	8.52%		A
EMS X BNDES 20.2.0493-1 TRANCHE A (1)	118,850	-	IPCA+ 4.83% p.y	Oct/27	Monthly from Apr/22 onwards	14.89%		A + R
EMS X BNDES 20.2.0493-1 TRANCHE B (1)	153,706	-	IPCA+ 4.83% p.y	Dec/34	Monthly from Nov/27	14.89%		A + R
EMS X ENERGISA PREV - 2020 Migration (7)	547	-	INPC + 5.00% p.y	Apr/29	Monthly	15.16%		A
Commercial Paper 3 rd Issuance (1)	51,809	-	CDI + 1.75% p.y	Jul/24	Final	6.17%		A
EMS X SANTANDER CCB 1038715 (1)	155,185	-	CDI + 1.70% p.y	Jul/23	Final	6.12%		A
Borrowing cost incurred on acquisition	(1,496)	(230)						
Total Local Currency	<u>1,128,754</u>	<u>732,754</u>						

2021 Results | Notes

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	Total		Charges Annual Charges	Maturity	Amortization of principal	(Effective interest rate) (3)		Security (*)
	2021	2020						
Loan Citi - 4131 (1)	40,346	75,142	Libor + 1.70% p.y	May/22	Annual from 2021	9.25%		A
Loan Citi EDC - 4131 (1)	40,337	75,125	Libor + 1.80% p.y	May/22	Annual from 2021	9.35%		A
Resolution 4131 - Bank of America ML (1)	71,635	72,278	0.99% p.y Fixed	May/22	Final	0.10%		A
EMS X BAML - LOAN 4131 - 28012021 (1)	86,080	-	1.83% p.y Fixed	Feb/24	Final	9.22%		A
Loan Citi - 59382 (1)	151,383	-	Libor + 1.16% p.y	Jul/24	Final	8.71%		A
Borrowing cost incurred on acquisition	(92)	(314)	-	-	-	-		-
Mark-to-market of debt (2)	(1,508)	1,202	-	-	-	-		-
Total foreign currency	388,181	223,433						
Total Energisa Mato Grosso do Sul	1,516,935	956,187						
Energisa Tocantins								
Light for All I - Eletrobrás	1,073	4,293	6.0% p.y CDI + 4.00%	Apr/22	Monthly	6.00%		R
CCB ITAÚ 101120030007500	-	20,335	p.y IPCA+ 4.83%	Mar/21	Final	8.42%		R
ETO X BNDES - 20.2.0496-1(1)	180,080	-	p.y INPC + 4.964%	Dec/34	Monthly from Apr/22 onwards	14.89%		A + R
ETO X ENERGISA PREV - 2020 Migration (7)	1,297	-	p.y INPC + 5.45%	Jun/30	Monthly	15.12%		A
ETO X ENERGISA PREV - 2017 Deficit (7)	16	-	p.y INPC + 4.75%	Nov/33	Monthly	15.61%		A
ETO X ENERGISA PREV- 2017 2018 2019 Deficit (7)	53	-	p.y	Aug/23	Monthly	14.91%		A
Borrowing cost incurred on acquisition	(791)	-	-	-	-	-		-
Total Local Currency	181,728	24,628						
Resolution 4131 - Itaú (1)	-	270,261	4.352% p.y (Fixed)	Jun/21	Final	11.74%		R
Loan Citi - 4131 (1)	31,326	58,349	Libor + 1.70% p.y	May/22	Annual from 2021 onwards	9.25%		A
Loan Citi EDC - 4131 (1)	31,317	58,331	Libor + 1.80% p.y	May/22	Annual from 2021 onwards	9.35%		A
Merrill Lynch Loan (1)	-	161,733	Libor + 1.20% p.y	Jan/21	Final	8.75%		A
ETO X BAML - LOAN 4131 - 28012021(1)	86,080	-	1.83% p.y Fixed	Feb/24	Final	9.22%		A
Borrowing cost incurred on acquisition	(87)	(297)	-	-	-	-		-
Mark-to-market of debt (2)	(16)	3,349	-	-	-	-		-
Total foreign currency	148,620	551,726						
Total Energisa Tocantins	330,348	576,354						
Energisa Sul Sudeste								
CCB ITAÚ 101120030007400	-	40,672	CDI + 4.00%	Mar/21	Final	8.42%		A
ESS X BNDES - 20.2.0497-1 (1)	138,636	-	IPCA + 5.10%	Dec/34	Monthly from Apr/22 onwards	15.16%		A + R
ESS X ENERGISA PREV- 2020 Migration (7)	7,731	-	INPC + 4.906%	Apr/31	Monthly	15.07%		A
ESS X ENERGISA PREV- 2017 deficit (7)	73	-	INPC + 5.45%	Nov/33	Monthly	15.61%		A
ESS X ENERGISA PREV- 2017 2018 2019 Deficit (7)	400	-	INPC + 4.75%	Aug/29	Monthly	14.91%		A
ESS - COMMERCIAL PAPER 3 rd ISSUANCE SERIES 1 (1)	9,255	-	CDI + 1.50%	Aug/22	Final	5.92%		A
ESS - COMMERCIAL PAPER 3 rd ISSUANCE SERIES 2 (1)	9,801	-	CDI + 1.50%	Aug/23	Final	5.92%		A
ESS - COMMERCIAL PAPER 3 rd ISSUANCE SERIES 3 (1)	94,079	-	CDI + 1.50%	Aug/24	Final	5.92%		A
Borrowing cost incurred on acquisition	(997)	-	-	-	-	-		-
Total Local Currency	258,978	40,672						
Loan Citi - 4131 (1)	19,143	35,654	Libor + 1.70% p.y	Jun/22	Annual from 2021 onwards	9.25%		A
Loan Citi EDC - 4131 (1)	19,147	35,656	Libor + 1.80% p.y	Jun/22	Annual from 2021 onwards	9.35%		A
Merrill Lynch Loan (1)	-	102,546	Libor + 1.20% p.y	Aug/21	Final	8.75%		A
Merrill Lynch Loan (1)	154,544	155,944	0.87% Fixed p.y	Jun/22	Final	-0.02%		A
Scotiabank Loan (1)	68,646	63,925	2.1964% Fixed p.y	Dec/22	Final	9.59%		A
Merrill Lynch Loan (1)	168,909	170,425	0.7257% Fixed p.y	Jan/23	Final	8.12%		A
Scotiabank Loan - 14122021 (1)	137,599	-	1.9805% Fixed p.y	Dec/24	Final	9.37%		A
Borrowing cost incurred on acquisition	(52)	(157)	-	-	-	-		-
Mark-to-market of debt (2)	200	4,042	-	-	-	-		-
Total foreign currency	568,136	568,035						
Total Energisa Sul Sudeste	827,114	608,707						

2021 Results | Notes

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	Total		Charges Annual Charges	Maturity	Amortization of principal	(Effective interest rate) (3)		Security (*)
	2021	2020						
Energisa Rondônia								
CCEE - Eletrobrás (5)	131,366	681,980	5.00% p.y	Oct/48	Monthly from 2024 onwards	5.00%		R
FRN 4131614 (1)	42,887	49,911	CDI + 0.90% p.y	Nov/24	Semiannual as from Dec/21	5.32%		A
ERO X BTG PACTUAL - BNDES 4/200 (1)	210,125	-	IPCA + 5.03%	Dec/34	Monthly from Apr/22 onwards	15.09%		A + R
ERO X SANTANDER - CCB - 1035862	45,762	-	CDI + 1.70% p.y	Apr/23	Semiannual as from Dec/21	6.12%		A
ERO X SANTANDER - CCB -	108,033	-	CDI + 1.70% p.y	Jul/23	Final	6.12%		A
ERO X SANTANDER - FRN - CCB1043148 (1)	137,171	-	CDI + 1.70% p.y	Jun/23	Final	6.12%		A
Total Local Currency	<u>675,344</u>	<u>731,891</u>						
Scotiabank Loan (1)	68,646	63,925	2.1964% p.y	Dec/22	Final	9.59%		A
Citibank Loan 56545 (1)	76,420	71,172	Libor + 0.60% p.y	Feb/23	Final	8.15%		A
Citibank Loan 56737 (1)	161,875	150,744	Libor + 0.75% p.y	Mar/23	Final	8.30%		A
Citibank Loan 59105 (1)	210,515	-	Libor + 1.24% p.y	May/24	Final	8.79%		A
Mark-to-market of debt (2)	<u>2,757</u>	<u>2,914</u>						
Total foreign currency	<u>520,213</u>	<u>288,755</u>						
Total Energisa Rondônia	<u>1,195,557</u>	<u>1,020,646</u>						
Energisa Acre								
CCEE - Eletrobrás (5)	62,463	225,730	5.00% p.y	Dec/48	Monthly from 2024 onwards	5.00%		R
CCB BRADESCO 24032020 (1)	-	66,538	CDI + 4.8005% p.y	Mar/21	Final	9.22%		R
EAC X BTG PACTUAL - BNDES 1/20	104,980	-	IPCA + 5.03%	Dec/34	Monthly from Apr/22 onwards	15.09%		A + R
EAC X SANTANDER - CCB 1035864	101,691	-	CDI + 1.70% p.y	Apr/23	Final	6.12%		R
EAC - COMMERCIAL PAPER 1 st ISSUANCE SERIES 2 (1)	13,251	-	CDI + 1.80% p.y	Jul/22	Final	6.22%		A
EAC - COMMERCIAL PAPER 1 st ISSUANCE SERIES 4 (1)	13,433	-	CDI + 1.81% p.y	Jul/23	Final	6.23%		A
EAC - COMMERCIAL PAPER 1 st ISSUANCE SERIES 1 (1)	11,729	-	CDI + 1.81% p.y	Jan/22	Final	6.23%		A
EAC - COMMERCIAL PAPER 1 st ISSUANCE SERIES 3 (1)	13,526	-	CDI + 1.81% p.y	Jan/23	Final	6.23%		A
EAC - COMMERCIAL PAPER 1 st ISSUANCE SERIES 5 (1)	12,981	-	CDI + 1.81% p.y	Jan/24	Final	6.23%		A
EAC - COMMERCIAL PAPER 1 st ISSUANCE SERIES 6 (1)	246,231	-	CDI + 1.81% p.y	Jul/24	Final	6.23%		A
Borrowing cost incurred on acquisition	<u>(635)</u>	<u>(78)</u>						
Total Local Currency	<u>579,650</u>	<u>292,190</u>						
Merrill Lynch Loan (1)	324,937	491,770	1.40% p.y	Dec/23	Monthly from 2020 onwards	0.51%		R + A
Merrill Lynch Loan (1)	-	40,870	0.7619% p.y	Dec/21	Final	0.13%		R + A
Mark-to-market of debt (2)	<u>1,038</u>	<u>6,329</u>						
Total foreign currency	<u>325,975</u>	<u>538,969</u>						
Total Energisa Acre	<u>905,625</u>	<u>831,159</u>						
Energisa Soluções								
FINAME - Itaú BBA (8)	-	1,086	2.50 to 6.00% p.y (Fixed)	Sep/24	Monthly	2.50%	to 6.00%	A
Total Local Currency	<u>-</u>	<u>1,086</u>						
Banco BBM Loan 4131	-	27,637	2.96% p.y	Mar/21	Final	10.35%		A
ESOL X BBM - LOAN AGREEMENT N° 56735	19,724	-	1.74% p.y	Feb/24	Final	9.13%		A
ESOL X BBM - LOAN AGREEMENT N° 56890	27,670	-	1.77% p.y	Jun/24	Final	9.16%		A
Mark-to-market of debt (2)	<u>(952)</u>	<u>19</u>						
Total foreign currency	<u>46,442</u>	<u>27,656</u>						
Total Energisa Soluções	<u>46,442</u>	<u>28,742</u>						
Energisa Soluções Construções								
FINAME - Itaú BBA (8)	-	795	6.00% p.y (Fixed)	Nov/24	Monthly	6.00%		A
FINAME - Itaú BBA (8)	-	486	SELIC + 5.14% to 5.20%	Apr/22	Monthly	9.52%	to 9.58%	A

2021 Results | Notes

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	Total		Charges Annual Charges	Maturity	Amortization of principal	(Effective interest rate) (3)		Security (*)
	2021	2020						
FINAME - Itaú BBA (8)	-	1,200	TJLP + 4.80% to 4.87% p.y	Apr/22	Monthly	9.18 %	to 9.25 %	A
Total Local Currency	-	2,481						
Total Energisa Soluções Construções	-	2,481						
Energisa Transmissão								
ETE X CITIBANK LOAN 56417 (1)	174,942	162,939	Libor + 0.60% p.y	Feb/23	Final	8.15%		A
Mark-to-market of debt (2)	(626)	(1,046)						
Total foreign currency	174,316	161,893						
Total Energisa Transmissão	174,316	161,893						
Energisa Pará I								
BASA - CCB 048-19/0002-0 (4)	196,132	168,174	IPCA + 1.8854% p.y	Jul/39	Monthly from 2023 onwards	11.95%		A + R + S
Borrowing cost incurred on acquisition	(1,233)	(1,362)						
Total Local Currency	194,899	166,812						
Total Energisa Pará I	194,899	166,812						
Energisa Pará II								
BASA - CCB 128-20/0050-8 (4)	187,777	75,024	IPCA + 1.6834% p.y	Jul/40	Monthly from 08/24	11.74%		A + R + S
Borrowing cost incurred on acquisition	(1,483)	(1,563)						
Total Local Currency	186,294	73,461						
Total Energisa Pará II	186,294	73,461						
Energisa Comercializadora								
SANTANDER FRN 4127249	-	41,808	CDI + 4.10% p.y	Jun/21	Final	8.52%		A
XP Comercializadora LP01-204	50,004	-	IPCA	Dec/24	Final	10.06%		S
Total Local Currency	50,004	41,808						
ECOM X BBM - LOAN AGREEMENT No. 56889	44,254	-	1.76% p.y (Fixed)	Jun/24	Annual from 06/23 onwards	9.15%		A
ECOM X BBM LOAN AGREEMENT No. 56339	33,945	31,610	Libor + 0.56% p.y	Sep/22	Final	8.11%		A
Mark-to-market of debt (2)	(1,026)	(368)						
Total foreign currency	77,173	31,242						
Total Energisa Comercializadora	127,177	73,050						
Energisa Rio Peixe I								
SCOTIABANK - LOAN 4131 - 20102021 (1)	116,855	-	1.4748% p.y (Fixed)	Apr/23	Final	8.86%		A + R + S
Mark-to-market of debt (2)	130	-						
Total foreign currency	116,985	-						
Total Energisa Rio Peixe I	116,985	-						
Energisa Rio Peixe II								
SCOTIABANK - LOAN 4131 - 20102021 (1)	116,855	-	1.4748% p.y (Fixed)	Apr/23	Final	8.86%		A
Mark-to-market of debt (2)	130	-						
Total foreign currency	116,985	-						
Total Energisa Rio Peixe II	116,985	-						
Energisa Tocantins Transmissora								
BASA - CCB 128-21/0008-1(4)	55,348	-	IPCA + 2.4569% p.y	May/41	Monthly from 10/24	12.52%		A + R + F
Borrowing cost incurred on acquisition	(1,048)	-						
Total Local Currency	54,300	-						
Total Energisa Tocantins Transmissora	54,300	-						
Alsol								
BNDES - 21.9.0069 -2 TRANCHE A	12,550	-	4.55% p.y (Fixed)	Oct/37	Monthly from 11/22	4.55%		A + R
BNDES - 21.9.0069 -2 TRANCHE B	12,721	-	IPCA + 6.79% p.y	Oct/37	Monthly from 11/22	16.85%		A + R
Borrowing cost incurred on acquisition	(172)	-						
Total Local Currency	25,099	-						
Total Energisa Tocantins Transmissora	25,099	-						
Rede Energia S.A.								
"RJ" Creditors - Bicbanco	6,932	6,320	1.0% p.y (Fixed)	Nov/35	Final	1.00%		R
"RJ" Creditors - BNB	15,277	13,929	1.0% p.y (Fixed)	Nov/35	Final	1.00%		R

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Total		Charges Annual Charges	Maturity	Amortization of principal	(Effective interest rate) (3)	Security (*)
	2021	2020					
Total Local Currency	22,209	20,249					
Total Rede Energia S.A.	22,209	20,249					
Denerge							
FI-FGTS (Restructured)	299,861	291,215	TR + 4.00% p.y	Nov/35	Final	4.05%	-
Total Local Currency	299,861	291,215					
Total Denerge	299,861	291,215					
Cia Téc.de Comercialização de Energia							
"RJ" Creditors - BMG	5,333	4,862	1.0% p.y (Fixed)	Nov/35	Final	1.00%	-
Total Local Currency	5,333	4,862					
Total Cia Téc.de Comerc.de Energia	5,333	4,862					
In local currency	7,790,200	6,184,190					
In foreign currency	3,969,005	3,778,962					
Energisa Consolidated	11,759,205	9,963,152					

(*) A=Endorsement of Energisa S/A, F=Guarantee, R=Receivables, S=Surety Covenants:

- (1) Covenant terms - The contract has covenants which in general require the maintenance of certain financial indexes at certain levels. These guarantees are structured based on benchmarks established by Energisa S/A., with the main ones listed below:

Covenants	Index Required	Enforceability
Net Debt / Adjusted Ebitda	Not exceeding: 4.0x through maturity For the loan via FRN between Energisa S.A. and Santander, maturing in Nov/22 and the loan via FRN between Energisa S.A. and Santander maturing in Nov/24.	Quarterly and Annual
Net Debt / Adjusted Ebitda	Not exceeding: 4.25x through maturity For the 6 th issuance of Commercial Papers of Energisa S/A maturing in Dec/24, 7 th issuance of Commercial Papers of Energisa S/A maturing in Jul/24, loan via CCB between Bank of China and Energisa S/A, maturing in Dec/23, and the loan via CCB between ICBC and Energisa S/A maturing in Jun/24.	Quarterly and Annual

Failure to maintain these levels could result in early maturity of the debts (see note 38 - financial instruments and risk management). These requirements were being performed as of December 31, 2021.

- (2) The operations are being measured at fair value through profit and loss, according to the fair value hedge accounting or designated as fair value options (see note 38 - Financial instruments and risk management).
- (3) The effective interest rate present the changes in the financial year ended December 31, 2021. The effects of hedge accounting are not being taken into account for foreign-currency debt, demonstrated in note 38 - Financial instruments and risk management.
- (4) In July 2019, June 2020 and June 2021 the subsidiaries Energisa Pará Transmissora de Energia I S/A (EPA I) e a Energisa Pará Transmissora II S/A (EPA II) and Energisa Tocantins Transmissora de Energia S/A (ETT) took out financing from Banco da Amazônia, whose financial index has to comply with the following covenants limit:

Debt service coverage ratio (ICSD), equal to or greater than 1.3%, determined annually, after 12 (twelve) months of principal payment until the end of the contract.

- (5) In accordance with Law no. 14.120 of March 01, 2021, R\$ 728,404 was written off from the balance of financing at the Electric Trading Chamber - CCEE, with R\$ 560,949 for Energisa Rondônia and R\$ 167,455 for Energisa Acre.
- (6) The value of the loan with the bank BTG Pactual is related to the shareholder agreement that provides a put option against Energisa to acquire the shares from the bank in the initial amount of R\$ 200,000 restated annually at the rate of CDI + 2.35%, which can be exercised following the nonperformance of certain obligations set out in the regulations of the shareholders agreement or at any time as from year four of the agreement.
- (7) The Contract signed with Energisaprev - Fundação Energisa de Previdência, as a result of migrating from the defined-benefit plan to the defined-contribution plan, took place in the years 2021 and 2020; and

Amendments have been made to the pension plans under PREVIC Resolution 31/2020. As a result, the plan sponsor has been required to make certain reclassifications between the post-employment benefits and loans, financing and debt service charges line items.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

(8) On April 15, May 17 and June 15, 2021 the indirect subsidiaries prepaid their FINAME loans to the bank Banco Itaú Unibanco S/A, as shown in the following table.

Issuer	Settlement Date	Contract Amount
EMG	04/15/2021	3,645
EBO	04/15/2021	853
ENF	04/15/2021	418
ESOL	04/15/2021	1,007
EPB	05/17/2021	8,627
ESE	05/17/2021	4,834
ESOLC	06/15/2021	1,777
Total		21,161

Guarantees:

To guarantee payment of the portions, the subsidiaries maintain short-term investments of R\$ 88,575 (R\$ 96,887 in 2020), recorded under "short-term investments in money market and secured funds" in the consolidated non-current assets.

The foreign-currency financing contracts are subject to a currency swap and financial derivative instruments (see note 38 - Financial instruments and risk management).

The Company and its subsidiaries usually allocate interest payments on financing to the cash flow statement.

The main indicators used to restate the loans and financing presented the following percentage variations and effective rates in the years:

Currency/indicators	2021	2020
USD x R\$	7.39%	28.93%
TJLP	4.38%	4.87%
SELIC	4.38%	2.76%
CDI	4.42%	2.77%
IPCA	10.06%	4.52%
IGP-M	16.78%	23.14%
LIBOR	0.16%	0.28%
UMBNB	0.11%	0.10%
TR	0.05%	0.00%
IPC-FIPE	9.74%	5.64%
Euro	-0.89%	40.78%

The financing classified in noncurrent liabilities are scheduled as follows:

	Parent company	Consolidated
2023	317,128	3,004,353
2024	1,125,965	2,905,880
2025	200,000	464,877
2026	-	255,299
2026 onwards	-	2,908,745
Total	1,643,093	9,539,154

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

23. Debentures

Changes in debentures are as follows:

	Parent company						
	Balances in 2020	Funding	Principal Payment	Interest Payment	Charges, monetary and exchange restatement and costs	Costs Appropriated	Balances in 2021
Measured at cost - floating							
CDI	1,309,695	1,000,000	(472,314)	(48,168)	78,082	-	1,867,295
IPCA	2,466,139	330,000	(447,716)	(157,925)	397,167	-	2,587,665
Funding costs	(3,996)	-	-	-	1,894	(10,455)	(12,557)
Total cost	3,771,838	1,330,000	(920,030)	(206,093)	477,143	(10,455)	4,442,403
Current	968,050						1,144,143
Noncurrent	2,803,788						3,298,260

	Parent company						
	Balances in 2019	Funding	Principal payment	Interest payment	Charges, monetary and exchange restatement and costs	Costs appropriated	Balances in 2020
Measured at cost - floating							
CDI	1,230,730	639,896	(561,340)	(43,589)	43,998	-	1,309,695
IPCA	2,306,799	480,000	(410,768)	(165,330)	255,438	-	2,466,139
Funding costs	(2,514)	-	-	-	2,105	(3,587)	(3,996)
Total cost	3,535,015	1,119,896	(972,108)	(208,919)	301,541	(3,587)	3,771,838
Current Liabilities	969,384						968,050
Noncurrent Liabilities	2,565,631						2,803,788

	Consolidated							
	Balances in 2020	Funding (*)	Principal Payment	Interest Payment	Charges, monetary and exchange restatement and costs	Costs Appropriated	Mark-to-market of debt	Balances in 2021
Measured at cost - floating								
Fixed	60,606	-	-	(3,339)	9,202	-	-	66,469
Floating								
CDI	5,839,183	1,730,000	(1,261,496)	(264,753)	346,378	-	-	6,389,312
IPCA	4,224,232	1,000,000	(447,716)	(246,665)	696,619	-	-	5,226,470
Funding costs	(70,649)	-	-	-	18,745	(40,165)	-	(92,069)
Mark-to-market	323,445	-	-	-	-	-	(319,459)	3,986
Total cost	10,376,817	2,730,000	(1,709,212)	(514,757)	1,070,944	(40,165)	(319,459)	11,594,168
Current	1,780,414							1,863,714
Noncurrent	8,596,403							9,730,454

(*) Issuance of debentures by subsidiaries in FY 2021:

Company	Funding	Date	Series	Issuance no.	Effective interest rate
ESA	330,000	10/29/2021	1 st	15 th	16.15%
ESA	700,000	10/29/2021	2 nd	15 th	6.06%
ESA	300,000	10/29/2021	3 rd	15 th	6.22%
ETE	300,000	03/05/2021	Single	3 rd	6.22%
ALSOL	130,000	03/15/2021	Single	2 nd	6.67%
ERO	300,000	06/18/2021	Single	5 th	6.32%
EMS	320,000	10/29/2021	Single	16 th	16.15%
EMT	350,000	10/29/2021	Single	14 th	16.15%
Total	2,730,000				

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Consolidated							
	Balances in 2019	Funding (*)	Principal payment	Interest payment	Charges, monetary and exchange restatement and costs	Costs appropriated	Mark-to-market of debt	Balances in 2020
Measured at cost - floating								
Fixed	55,507	-	-	(3,339)	8,438	-	-	60,606
Floating								
CDI	4,917,344	2,328,954	(1,392,084)	(225,386)	210,355	-	-	5,839,183
IPCA	3,736,006	750,000	(410,768)	(250,211)	399,205	-	-	4,224,232
Funding costs	(53,566)	-	-	-	17,524	(34,607)	-	(70,649)
Mark-to-market	283,335	-	-	-	-	-	40,110	323,445
Total cost	8,938,626	3,078,954	(1,802,852)	(478,936)	635,522	(34,607)	40,110	10,376,817
Current Liabilities	1,167,067							1,780,414
Noncurrent Liabilities	7,771,559							8,596,403

(*) The Company and its subsidiaries made the following debenture issuances over the course of 2020:

Company	Funding	Date	Series	Issuance no.	Effective interest rate
ESA	63,500	05/05/2020	Single	12 th	5.36%
ESA	576,396	08/25/2020	Single	13 th	4.24%
ESA	480,000	10/15/2020	1 st and 2 nd	14 th	10.06% and 10.23%
EMT	130,000	02/15/2020	Single	11 th	3.23%
EMS	75,000	01/22/2020	Single	13 th	3.07%
EBO	20,000	02/15/2020	Single	1 st	3.23%
ENF	41,300	02/15/2020	1 st and 2 nd	1 st	3.23% and 3.38%
EPB	60,000	02/15/2020	Single	7 th	3.23%
ESE	275,000	02/15/2020	Single	8 th	3.23%
EMG	60,000	02/15/2020	Single	12 th	3.23%
ESS	60,000	02/15/2020	Single	5 th	3.38%
EMT	381,354	08/25/2020	Single	12 th	4.24%
EMS	139,471	08/25/2020	Single	14 th	4.24%
EPB	146,933	08/25/2020	Single	8 th	4.24%
ETE	140,000	10/15/2020	1 st and 2 nd	2 nd	10.06% and 10.23%
EMT	130,000	10/15/2020	1 st and 2 nd	13 th	10.06% and 10.23%
ERO	100,000	11/18/2020	Single	4 th	4.17%
EAC	200,000	11/18/2020	Single	13 th	4.17%
Total	3,078,954				

The breakdown of debenture balances and main contractual conditions are as follows:

Operations	Total		Issuance	No. Securities Issued / free float	Yields	Maturity	Amortization of principal	Effective interest rate	Security (**)
	2021	2020							
ENERGISA S/A									
Debentures 7 th Issuance/Series 2 (*)	-	218,550	08/15/2015	166,667 / 117,001	IPCA+8.75% p.y	Aug / 21	Final	18.81%	F
Debentures 7 th Issuance / Series 3 (*)	242,170	218,550	08/15/2015	166,667 / 117,001	IPCA+8.75% p.y	Aug / 22	Final	18.81%	F
Debentures 7 th Issuance / Series 5	-	219,669	08/15/2015	166,667 / 117,001	IPCA+10.25% p.y	Aug / 21	Final	20.31%	F
Debentures 7 th Issuance / Series 6	243,424	219,669	08/15/2015	166,667 / 117,001	IPCA+10.25% p.y	Aug / 22	Final	20.31%	F
Debentures 8 th Issuance / Series 1	257,231	232,219	06/15/2017	197,598 / 197,598	IPCA+5.60% p.y	Jun / 22	Final	15.66%	R
Debentures 8 th Issuance / Series 2	230,942	208,486	06/15/2017	177,348 / 177,348	IPCA+5.6601% p.y	Jun / 24	Final	15.72%	R
Debentures 9 th Issuance / Series 1	78,187	70,585	10/15/2017	7,126 / 7,126	IPCA+4.4885% p.y	Oct / 22	Final	14.55%	R
Debentures 9 th Issuance / Series 2	14,578	13,162	10/15/2017	1,328 / 1,328	IPCA+4.7110% p.y	Oct / 24	Final	14.77%	R
Debentures 9 th Issuance Series 3	27,153	24,513	10/15/2017	2,472 / 2,472	IPCA+5.1074% p.y	Oct / 27	Final	15.17%	R
Debentures 9 th Issuance / Series 4	256,090	505,641	10/15/2017	87,074 / 87,074	107.75% CDI	Oct / 22	Annual, after Oct/20	4.76%	R
Debentures 10 th Issuance	-	157,200	06/20/2018	70,000 / 47,121	CDI+1.10% p.y	Jun / 21	Annual, after Jun/19	5.52%	SG
Debentures 11 th Issuance	606,925	547,811	04/15/2019	500,000 / 500,000	IPCA+4.6249% p.y	Apr / 26	Final	14.68%	SG
Debentures 12 th Issuance	-	64,054	05/05/2020	63,500 / 63,500	CDI+3.80% p.y	May / 21	Final	8.22%	SG

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Operations	Total		Issuance	No. Securities Issued / free float	Yields	Maturity	Amortization of principal	Effective interest rate	Security (**)
	2021	2020							
Debentures 13 th Issuance	594,758	582,800	08/25/2020	576,396 / 573,396	CDI+2.30% p.y	Aug / 25	Annual after Aug/23	6.72%	SG
Debentures 14 th Issuance / Series 1	62,623	56,460	10/15/2020	55,000 / 55,000	IPCA+4.2297% p.y	Oct / 27	Final	14.29%	SG
Debentures 14 th Issuance / Series 2	484,149	436,465	10/15/2020	425,000 / 425,000	IPCA+4.4744% p.y	Oct / 30	Annual, after Oct/28	14.53%	SG
Debentures 15 th Issuance Series 1	340,283	-	10/15/2021	330,000 / 330,000	IPCA+6.0872% p.y	Oct / 31	Annual, after Oct/29	16.15%	SG
Debentures 15 th Issuance Series 2	711,456	-	10/15/2021	700,000 / 700,000	CDI+1.64% p.y	Oct / 26	Final	6.06%	SG
Debentures 15 th Issuance Series 3	304,991	-	10/15/2021	300,000 / 300,000	CDI+1.80% p.y	Oct / 26	Final	6.22%	SG
Borrowing costs	(12,557)	(3,996)	-	-	-	-	-	-	-
Total ENERGISA S A	4,442,403	3,771,838							
ENERGISA SERGIPE									
6 th Issuance	79,192	71,491	09/15/2018	65,000 / 65,000	IPCA+5.0797% p.y	Sep / 25	Annual after Sep/23	15.14%	A
7 th Issuance	50,283	50,073	06/10/2019	50,000 / 50,000	CDI + 0.73% p.y	Jun / 24	Final	5.15%	A
Debentures 8 th Issuance	282,916	277,916	02/15/2020	275,000 / 275,000	CDI + 0.95% p.y	Feb / 23	Final	5.37%	A
Borrowing costs	(1,014)	(1,514)	-	-	-	-	-	-	-
Total ENERGISA SERGIPE	411,377	397,966							
ENERGISA PARAÍBA									
Debentures 4 th Issuance	-	33,882	02/15/2018	18,000 / 3,352	CDI+1.00% p.y	Feb / 21	Final	5.42%	SG
Debentures 5 th Issuance	164,476	148,483	09/15/2018	135,000 / 135,000	IPCA+5.0797% p.y	Sep / 25	Annual after Sep/23	15.14%	A
Debentures 6 th Issuance Series 1	72,408	72,104	06/10/2019	72,000 / 72,000	CDI + 0.73% p.y	Jun / 24	Final	5.15%	A
Debentures 6 th Issuance Series 2	48,275	48,072	06/10/2019	48,000 / 48,000	CDI + 0.83% p.y	Jun / 26	Final	5.25%	A
Debentures 7 th issuance	61,727	60,636	02/15/2020	60,000 / 60,000	CDI + 0.95% p.y	Feb / 23	Final	5.37%	A
Debentures 8 th Issuance	151,614	148,566	08/25/2020	146,933 / 146,933	CDI + 2.30% p.y	Aug / 25	Annual after Aug/23	6.72%	A
Borrowing costs	(1,386)	(1,899)	-	-	-	-	-	-	-
Total ENERGISA PARAÍBA	497,114	509,844							
REDE ENERGIA									
4 th Issuance	66,469	60,606	12/22/2009	370,000 / 0	1% p.y	Nov / 35	Final	1.00%	SG
Total REDE ENERGIA	66,469	60,606							
ENERGISA MATO GROSSO DO SUL									
Debentures 8 th Issuance	102,263	201,202	09/15/2017	30,000 / 30,000	107.50% CDI	Sep / 22	Annual after Sep/20	4.75%	A
Debentures 10 th Issuance	-	11,066	02/15/2018	15,000 / 1,095	CDI +0.95%	Feb / 21	Final	5.37%	SG
Debentures 11 th Issuance	188,843	170,480	09/15/2018	155,000 / 155,000	IPCA+5.0797% p.y	Sep / 25	Annual after Sep/23	15.14%	A
Debentures 12 th Issuance	110,623	110,160	06/10/2019	110,000 / 110,000	CDI + 0.73% p.y	Jun / 24	Final	5.15%	A
Debentures 13 th Issuance	19,339	56,905	01/22/2020	7,500 / 7,500	CDI + 0.70% p.y	Jan / 22	Semi annual	5.15%	A
Debentures 14 th Issuance	143,914	141,021	08/25/2020	139,471 / 139,471	CDI + 2.30% p.y	Aug / 25	Annual after Aug/23	6.72%	A
Debentures 16 th Issuance	329,970	-	10/15/2021	320,000 / 320,000	IPCA+6.0872% p.y	Oct / 31	Annual, after Oct/29	16.15%	A
Borrowing costs	(1,567)	(2,171)	-	-	-	-	-	-	-
Total ENERGISA MATO GROSSO DO SUL	893,385	688,663							
ENERGISA MATO GROSSO									
Debentures 8 th Issuance	-	87,547	02/15/2018	47,000 / 8,658	CDI+1.10% p.y	Feb / 21	Final	5.52%	SG
Debentures 9 th Issuance	469,059	423,451	09/15/2018	385,000 / 385,000	IPCA+5.0797% p.y	Sep / 25	Annual after Sep/23	15.14%	A
Debentures 10 th Issuance Series 1	118,164	117,668	06/10/2019	117,500 / 117,500	CDI + 0.73% p.y	Jun / 24	Final	5.15%	A
Debentures 10 th Issuance Series 2	32,689	32,553	06/10/2019	32,500 / 32,500	CDI + 1.05% p.y	Jun / 29	Annual, after Jun/27	5.47%	A
Debentures 11 th Issuance	133,742	131,378	02/15/2020	130,000 / 130,000	CDI + 0.95% p.y	Feb / 23	Final	5.37%	A
Debentures 12 th Issuance	393,503	385,591	08/25/2020	381,354 / 381,354	CDI + 2.30% p.y	Aug / 25	Annual after Aug/23	6.72%	A
Debentures 13 th Issuance Series 1	68,431	61,696	10/15/2020	60,100 / 60,100	IPCA+4.2297% p.y	Oct / 27	Final	14.29%	A
Debentures 13 th Issuance Series 2	79,628	71,786	10/15/2020	69,900 / 69,900	IPCA+4.4744% p.y	Oct / 30	Annual, after Oct/28	14.53%	A
Debentures 14 th Issuance	360,906	-	10/15/2021	350,000 / 350,000	IPCA+6.0872% p.y	Oct / 31	Annual, after Oct/29	16.15%	A

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Operations	Total		Issuance	No. Securities Issued / free float	Yields	Maturity	Amortization of principal	Effective interest rate	Security (**)
	2021	2020							
Borrowing costs	(17,310)	(6,157)							
Total EMT ENERGISA MATO GROSSO	1,638,812	1,305,513							
ENERGISA MINAS GERAIS									
Debentures 10 th Issuance	60,917	54,994	09/15/2018	50,000 / 50,000	IPCA+5.0797% p.y	Sep / 25	Annual after Sep/23	15.14%	A
Debentures 11 th Issuance Series 1	34,192	34,050	06/10/2019	34,000 / 34,000	CDI + 0.73% p.y	Jun / 24	Final	5.15%	A
Debentures 11 th Issuance Series 2	36,206	36,055	06/10/2019	36,000 / 36,000	CDI + 0.83% p.y	Jun / 26	Final	5.25%	A
Debentures 12 th Issuance	61,727	60,636	02/15/2020	60,000 / 60,000	CDI + 0.95% p.y	Feb / 23	Final	5.37%	A
Borrowing costs	(761)	(999)							
Total ENERGISA MINAS GERAIS	192,281	184,736							
ENERGISA TOCANTINS									
Debentures 4 th Issuance	292,403	263,969	09/15/2018	240,000 / 240,000	IPCA+5.0797% p.y	Sep / 25	Annual after Sep/23	15.14%	A
Debentures 5 th Issuance Series 1	238,972	237,970	06/10/2019	237,596 / 237,596	CDI + 0.95% p.y	Jun / 24	Final	5.37%	A
Debentures 5 th Issuance Series 2	163,364	162,677	06/10/2019	162,404 / 162,404	CDI + 1.15% p.y	Jun / 26	Final	5.57%	A
Borrowing costs	(3,413)	(4,495)							
Total ENERGISA TOCANTINS	691,326	660,121							
ENERGISA SUL SUDESTE									
Debentures 4 th Issuance	85,285	76,992	09/15/2018	70,000 / 70,000	IPCA+5.0797% p.y	Sep / 25	Annual after Sep/23	15.14%	A
Debentures 5 th Issuance	61,773	60,681	02/15/2020	60,000 / 60,000	CDI+1.15% p.y	Feb / 25	Final	5.57%	A
Borrowing costs	(816)	(1,075)							
Total ENERGISA SUL SUDESTE	146,242	136,598							
ENERGISA TRANSMISSÃO									
Debentures 1 st Issuance Series 1	90,671	81,840	12/15/2018	75,500 / 75,500	IPCA+4.9238% p.y	Dec / 25	Final	14.98%	A
Debentures 1 st Issuance Series 2	61,809	55,788	12/15/2018	51,462 / 51,462	IPCA+5.1410% p.y	Dec / 28	Annual after Dec/26	15.20%	A
Debentures 1 st Issuance Series 3	147,764	133,371	12/15/2018	123,038 / 123,038	IPCA+4.9761% p.y	Dec / 25	Final	15.04%	A
Debentures 2 nd Issuance Series 1	65,356	58,924	10/15/2020	57,400 / 57,400	IPCA+4.2297% p.y	Oct / 27	Final	14.29%	A
Debentures 2 nd Issuance / Series 2	94,095	84,828	10/15/2020	82,600 / 82,600	IPCA+4.4744% p.y	Oct / 30	Annual, after Oct/28	14.53%	A
Debentures 3 rd issuance	308,361	-	03/05/2021	300,000 / 300,000	CDI + 1.80% p.y	Mar / 24	Final	6.22%	A
Borrowing costs	(6,500)	(6,389)							
Total ENERGISA TRANSMISSÃO	761,556	408,362							
ENERGISA NOVA FRIBURGO									
Debentures 1 st Issuance / Series 1	15,432	15,159	02/15/2020	15,000 / 15,000	CDI + 0.95% p.y	Feb / 23	Final	5.37%	A
Debentures 1 st Issuance Series 2	27,077	26,598	02/15/2020	26,300 / 26,300	CDI + 1.15% p.y	Feb / 25	Final	5.57%	A
Borrowing costs	(106)	(155)							
Total ENERGISA NOVA FRIBURGO	42,403	41,602							
ENERGISA BORBOREMA									
Debentures 4 th Issuance	20,575	20,213	02/15/2020	20,000 / 20,000	CDI + 0.95% p.y	Feb / 23	Final	5.37%	A
Borrowing costs	(33)	(61)							
Total ENERGISA BORBOREMA	20,542	20,152							
ENERGISA RONDÔNIA									
Debentures 1 st Issuance Series 1	991,927	1,507,576	11/26/2018	155,000 / 155,000	CDI+1.65% p.y	Nov / 23	Final	6.07%	A
Debentures 4 th Issuance	101,269	100,274	11/18/2020	100,000 / 100,000	CDI+2.20% p.y	Nov / 23	Final	6.62%	A
Debentures 5 th Issuance	301,523	-	06/18/2021	300,000 / 300,000	CDI+1.90% p.y	Jun / 24	Final	6.32%	A
Borrowing costs	(1,245)	(1,896)							
Total ENERGISA RONDÔNIA	1,393,474	1,605,954							
ENERGISA ACRE									
Debentures 3 rd issuance	202,540	200,548	11/18/2020	200,000 / 200,000	CDI+2.20% p.y	Nov / 23	Final	6.62%	A
Borrowing costs	(661)	(1,006)							
Total ENERGISA ACRE	201,879	199,542							
ALSOL									
Debentures 1 st Issuance	102,001	100,711	10/23/2019	100,000 / 100,000	CDI+1.20% p.y	Oct / 24	Final	5.62%	A
Debentures 2 nd issuance	133,618	-	03/15/2021	130,000 / 130,000	CDI+2.25% p.y	Mar / 25	Annual after Feb/23	6.67%	A
Borrowing costs	(856)	(293)							
Total ALSOL	234,763	100,418							

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Operations	Total		Issuance	No. Securities Issued / free float	Yields	Maturity	Amortization of principal	Effective interest rate	Security (**)
	2021	2020							
TOTAL	11,682,251	10,124,021							
Borrowing costs	(43,844)	(38,543)							
Borrowing costs	(48,225)	(32,106)							
Total funding costs	(92,069)	(70,649)							
Mark-to-market of debt	3,986	323,445							
Total local currency	11,594,168	10,376,817							
CONSOLIDATED	11,594,168	10,376,817							

(*) The R\$ 74,191 (R\$ 129,368 in 2020) denotes the mark-to-market value of debentures conjugated with subscription bonuses.

(**) F= Gipar Guarantee, R = Receivables, A = Energisa S/A. Aval and SG = No Guarantee

In the last quarter of FY 2015 the Company issued three common debenture series jointly with an underwriting bonus (part of the 7th Energisa Debenture Issue 1, 2 and 3, which is equal to converting such debentures into Energisa shares. On the issuance date, the sum of the three series was R\$ 500,001. Series 1 and 2 ended in August 2020 and August 2021 respectively. The debenture value was recorded as debt, while concurrently IFRS9/CPC48 provides that the convertibility option should be priced and stated, which led to recognition in finance cost. Loss on securities were recorded in the financial year ended December 31, 2021 of R\$ 116,583 (loss of R\$ 45,196 in 2020) recorded in the statement of profit or loss for the period in finance costs - Mark-to-market of derivatives, with the financial instrument's balance amounting to R\$ 1,212,508 (R\$ 1,095,925 in 2020).

The right to exercise the underwriting bonus (convertibility) by debenture holders would take place at the price of one UNIT (ENGI11) at R\$ 15.69, while it closed at R\$ 44.37 on December 31, 2021. This is an "in the money" option, which reflects the good likelihood of conversion. Despite this large likelihood of exercising the conversion right, resulting in a debt reduction and an Equity Capital increase, maintaining the indebtedness plus the effect of a derivative financial instrument. The funds raised under the issuance were allocated to investments in electricity distribution infrastructure entailing the expansion, renewal or enhancement of electricity distribution infrastructure.

Covenant terms:

The debentures have covenants which in general require the maintenance of certain financial indexes at certain levels, with the main ones listed below:

Covenants	Index Required	Enforceability
	Not exceeding: 4.0x from March 2021 to February 2022 and 3.5 from March 2022 onward. For Energisa S/A's 7 th debentures issuance.	Quarterly and Annual
Net Debt / Adjusted Ebitda (*)	Not exceeding: 4.0x from March 2021 through maturity. For Energisa S/A's 8 th , 9 th and 11 th debentures issuances.	Quarterly and Annual
	Not exceeding: 4.25x through maturity For Energisa S/A's 13 th and 14 th debentures issuances.	Quarterly and Annual

Failure to maintain these levels could result in early maturity of the debts. These requirements were being performed as of December 31, 2021.

Maturities

As of December 31, 2021 the maturities of the debentures in noncurrent liabilities are scheduled as follows:

Year	Parent company	Consolidated
2023	189,638	2,168,229
2024	428,111	2,398,367
2025	189,832	1,291,305
2026	1,285,969	1,530,764
2026 onwards	1,204,710	2,341,789
Total	3,298,260	9,730,454

24. Operating leases

The Company and its subsidiaries are lessees in contracts for non-residential properties for the installation of customer service branches, establishments to carry out commercial activities and distribution centers. Land leases involve the subsidiary Alsol, which builds photovoltaic power stations on the land.

The measurement and remeasurement of its lease liability and right-of-use in accordance with CPC 06 (R2) proceeded to use the discounted cash flow method without including future inflation projected in the flows to be discounted, in accordance with the prohibition imposed by the standard. Due to the Brazilian economy and its current long-term interest rates, this prohibition could trigger misstatements in the information to be provided.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Because of this, the Company and its subsidiaries assessed these effects and concluded they were immaterial on the financial statements. The lease obligations are not stated net of PIS and COFINS, because the PIS and COFINS credits on lease contracts are not material enough to require a specific disclosure.

The movements for the financial year are as follows:

Parent company								
	Average contractual term (years)	Effective rate p.y (%)	Balances in 2020	Addition	Amortization	Interest	Write-offs	Balances in 2021
Operational leases - property	6	8.89	883	427	(167)	70	(801)	412
Total			883	427	(167)	70	(801)	412
Current Liabilities			168					86
Noncurrent Liabilities			715					326

Parent company							
	Average contractual term (years)	Effective rate p.y (%)	Balances in 2019	Addition	Amortization	Interest	Balances in 2020
Operational leases - property	6	8.89	719	375	(264)	53	883
Total			719	375	(264)	53	883
Current Liabilities			112				168
Noncurrent Liabilities			607				715

Consolidated								
	Average contractual term (years)	Effective rate p.y (%)	Balances in 2020	Addition	Amortization	Interest	Write-offs	Balances in 2021
Operational leases - property	4.57	8.89	48,198	15,637	(20,455)	4,528	(19,887)	28,021
Operational leases - land	25	8.89	14,378	9,995	631	(478)	-	24,526
Total			62,576	25,632	(19,824)	4,050	(19,887)	52,547
Current Liabilities			20,095					12,934
Noncurrent Liabilities			42,481					39,613

Consolidated								
	Average contractual term (years)	Effective rate p.y (%)	Balances in 2019	Addition	Amortization	Interest	Write-off	Balances in 2020
Operational leases - property	4.57	8.89	48,208	20,933	(12,556)	(1,782)	(6,605)	48,198
Operational leases - land	25	8.89	4,260	10,618	(1,138)	638	-	14,378
Total			52,468	31,551	(13,694)	(1,144)	(6,605)	62,576
Current Liabilities			22,407					20,095
Noncurrent Liabilities			30,061					42,481

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

In 2021 the operational lease payments classified in noncurrent liabilities are scheduled as follows:

	Parent company 2021	Consolidated 2021
2022	59	7,914
2023	59	5,259
2024 onwards	208	26,440
Total	326	39,613

25. Taxes and social contributions

	Parent company		Consolidated	
	2021	2020	2021	2020
Value-added tax on sales and services - ICMS (a)	17	-	1,183,272	975,515
Social Charges	7,628	5,239	82,004	60,330
Corporate Income Tax - IRPJ	-	-	63,927	46,301
Social Contribution on Profit - CSSL	-	-	36,569	31,056
PIS and COFINS Contributions	4,436	4,336	278,113	229,827
PIS and COFINS - on restatement effects due to reduction of ICMS in the calculation base	-	-	-	10,668
Services Tax - ISS	1,096	985	24,377	18,964
Tax on Financial Transactions - IOF	5,903	2,334	7,576	3,461
Income Tax Withheld at Source - IRRF	2,943	1,734	27,201	14,518
Social security contribution on gross revenue - CPRB	-	-	1,085	591
Other	1,666	1,152	31,284	27,102
Total	23,689	15,780	1,735,408	1,418,333
Current	19,602	13,501	875,909	786,939
Noncurrent	4,087	2,279	859,499	631,394

(a) Value Added Tax on Sales and Services - ICMS - The indirect subsidiary ESS has been awarded an injunction suspending payment of ICMS tax on billing amounts for subsidized low-income consumers of R\$ 41,691 (R\$ 37,043 in 2020), with judicial deposit, while the subsidiaries EMT, ESS, ETO, EMS, EPB, ESE, EBO, EMG and ENF have R\$ 625,143 (R\$ 490,704 in 2020) relating to ICMS on the use of the distribution and transmission system by free consumers and ICMS on energy demand which has been suspended under injunctions filed by consumers (see note 7, item 6). All amounts are recorded in noncurrent liabilities and charged to sales in noncurrent assets.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

• Credit Recovery Plans and Program -REFIS-MT, Recomeça Minas Plan and Special Tax Refinancing Plan - PEP/RJ

The subsidiaries entered the Credit Recovery Plans and Program -REFIS-MT, Recomeça Minas Plan and Special Tax Refinancing Plan - PEP/RJ relating to the underpayment of ICMS demand, the portion of rate differential ICMS and the ICMS due on the Distributed Generation Usage Fee due by November 30, 2020, December 31, 2020 and August 31, 2020 respectively, opting to pay the tax debits in a lump sum in the amount of R\$ 302,862, as follows:

Subsidiaries/Origin	ICMS	Restatement	Interest	Fine	TOTAL
ICMS demand ⁽¹⁾					
EMT - REFIS-MT Program	89,350	134,488	-	-	223,838
TOTAL - ICMS demand	89,350	134,488	-	-	223,838
ICMS rate differential ⁽²⁾					
EMT - REFIS-MT Program	1,000	440	22	15	1,477
TOTAL - ICMS rate differential	1,000	440	22	15	1,477
ICMS Distributed Generation ⁽³⁾					
EMT - REFIS-MT Program	58,381	17,395	644	758	77,178
EMG - Recomeça Minas Program	33	-	-	1	34
ENF - Special Tax Refinancing Plan	132	-	1	3	136
EAC - Acre Refis Program	198	-	1	-	199
TOTAL - ICMS Distributed Generation	58,744	17,395	646	762	77,547
TOTAL	149,094	152,323	668	777	302,862

ICMS paid voluntarily:

Based on an analysis conducted by their legal and tax advisors, the subsidiaries decided to voluntarily pay the Distributed generation ICMS. The subsidiary EMT paid it for the period December 2020 to March 2021 and the subsidiaries EPB, EBO and EMG for the period September 2017 to July 2021, as follows:

Source	ICMS	Restatement	Interest	Fine	TOTAL
ICMS Distributed Generation (DG)					
EMT	22,213	1,628	1,548	4,768	30,157
EPB	16,183	-	561	-	16,744
EBO	1,277	-	47	-	1,324
EMG	2,276	-	180	270	2,726
EAC	1,040	-	25	208	1,273
ERO	12,389	-	526	2,477	15,392
TOTAL - ICMS Distributed Generation	55,378	1,628	2,887	7,723	67,616
GRAND total paid	204,472	153,951	3,555	8,500	370,478

⁽¹⁾ ICMS Demand: the cases related to assessments issued by Mato Grosso state on the grounds that the subsidiary EMT contravened decisions exempting certain clients from paying ICMS on the demand. On 09/30/2021 EMT paid R\$ 223,838 to Mato Grosso state. The subsidiary had not made a provision based on the risk assessments compiled by its legal advisers. The principal of R\$ 89,350 was charged to Clients, consumers, concession operators and others in the consolidated statement and a provision was made of R\$ 81,191 with the difference of R\$ 8,159 recognized as an effective loss in consolidated other profit or loss, while the portion of monetary restatement of R\$ 134,488 was recognized in other finance costs in the consolidated statement of profit or loss for the year.

⁽²⁾ ICMS rate differential: denotes the rate differential for materials and equipment acquired in other states. On 09/30/2021 EMT paid R\$ 1,477 to Mato Grosso state, recording R\$ 1,000 in other credits in current assets and the interest, fines and monetary restatement of R\$ 477 recognized in other finance costs in the consolidated statement of profit or loss for the year.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- ⁽³⁾ Distribution generation ICMS: this is the ICMS due on distribution system usage or connection charges, used by distributed generation consumers (DG). The amounts were paid to the states over the course of 2021. The subsidiaries EMT, EPB, EBO, EMG, EAC and ERO recorded the amount of R\$ 135,692 in Clients, consumers, concession operators and others in the consolidated operators in noncurrent assets and made a provision for estimated losses of R\$ 2,191 charged to other finance costs in the consolidated statement of profit or loss for the year as this entailed the portion of the dispute. The calculated amounts of R\$ 145,163 consist of the portion of R\$ 77,547 of the subsidiaries EMT, EMG and ENF maturing by November 30, 2020, December 31, 2020 and August 31, 2020 respectively, which enables the settlement of amounts with decreases established in the Legislation and R\$ 67,616 consists of the ICMS calculated by the subsidiaries EMT, EMG, ENF, EPB, EBO, EAC and ERO for the remaining period. R\$ 4,768 of the amounts paid voluntarily by the subsidiary EMT was recognized as a provision for probable losses in consolidated other finance costs and is subject to an administrative proceeding before the state finance department.

The fines, interest and monetary restatement resulting from the operations were recorded under other finance costs and profit or loss for the year (consolidated) less reductions to the Credit Recovery Plans and Programs of R\$ 461,634.

26. Financing of taxes - consolidated

The tax financing in progress is as follows:

Company/Tax	Consolidated						
	Principal	Fine	Interest	Total financed	Means of Accession	Monetary Correction Index	Financing Term
ERO							
Financing of ICMS Assessment Notice filed	8,999	1,620	25,063	35,682	Ordinary	UPF/SELIC	03/2020 to 04/2025
Financing of ICMS Assessment Notice filed	2,572	772	5,888	9,232	Ordinary	UPF/SELIC	03/2020 to 04/2025
Reversal of CIAP Credits	270	243	227	740	Ordinary	SELIC	03/2021 to 02/2026
Reversal of CIAP Credits	376	339	290	1,005	Ordinary	SELIC	03/2021 to 02/2026
Reversal of CIAP Credits	227	204	155	586	Ordinary	SELIC	03/2021 to 02/2026
Reversal of CIAP Credits	130	117	64	311	Ordinary	SELIC	03/2021 to 02/2026
Reversal of CIAP Credits	141	127	82	350	Ordinary	SELIC	03/2021 to 02/2026
ESS							
ICMS	91,786	4,589	6,869	103,244	Ordinary	SELIC	04/2013 to 05/2023
DENERGE							
COFINS	394	79	526	999	Ordinary (not social security)	SELIC	10/2016 to 09/2021
Consolidated Total	104,895	8,090	39,164	152,149			

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

See below the movements occurring in the years:

Company/Tax	Consolidated							Outstanding Installments
	2020	Restatement	Addition	Payments	2021	Current	Noncurrent	
ERO								
Financing of ICMS Assessment Notice filed	8,923	1,356	-	-	10,279	3,246	7,033	58
Financing of ICMS Assessment Notice filed	29,640	7,523	-	(28,160)	9,003	7,490	1,513	38
Reversal of CIAP Credits	-	513	253	(129)	637	153	484	50
Reversal of CIAP Credits	-	715	325	(175)	865	208	657	50
Reversal of CIAP Credits	-	431	174	(101)	504	121	383	50
Reversal of CIAP Credits	-	247	75	(54)	268	64	204	50
Reversal of CIAP Credits	-	268	94	(61)	301	72	229	50
ESS								
ICMS	37,278	3,542	-	(18,455)	22,365	17,314	5,051	17
DENERGE								
COFINS	359	99	-	(323)	135	135	-	1
Total	76,200	14,694	921	(47,458)	44,357	28,803	15,554	364

Company/Tax	Consolidated							Outstanding Installments
	2019	Restatement	Addition	Payments	2020	Current	Noncurrent	
ERO								
Financing of ICMS Assessment Notice filed	-	-	9,232	(309)	8,923	-	8,923	58
Financing of ICMS Assessment Notice filed	-	-	35,682	(6,043)	29,639	8,983	20,656	50
ESS								
ICMS	50,517	5,217	-	(18,455)	37,279	17,314	19,965	29
DENERGE								
COFINS	450	163	-	(254)	359	151	208	9
Total	50,967	5,380	44,914	(25,061)	76,200	26,448	49,752	146

The consolidated balances of the financed taxes are scheduled as follows:

	Consolidated
	2021
2022	28,803
2023	9,613
2024	4,562
2024 onwards	1,379
Total	44,357

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

27. Sector charges - consolidated

	2021 (restated)	2020 (restated)
Energy Development Account - CDE	48,523	3,438
National Scientific and Technological Development Fund - FNDCT	6,973	6,889
Ministry of Mining and Energy - MME	3,489	3,425
National Electricity Conservation Program - PROCEL	30,695	9,198
Research and Development - R&D ⁽¹⁾	153,737	184,292
Energy Efficiency Program - PEE ⁽¹⁾	208,353	255,188
Alternative Energy Sources Incentive Program - PROINFA	1,478	1,479
Total	453,248	463,909
Current	323,370	201,358
Non-current	129,878	262,551

⁽¹⁾ Sector charges account for 1% of net operating revenue and aim to finance and combat electricity waste and the technological development of the electric sector related to the Energy Efficiency Program (PEE) and Research and Development (R&D) programs. These claims are restated monthly according to the variance of the SELIC interest rate.

Law 14.120/2021, which amended Law 9.991/2000, determines that R&D and PEE funds not committed to contracted or initiated ventures should be allocated to the CDE to help keep rates down. Pursuant to Order 904/2021, from April/2021 the DisCos and TransCos should make a monthly pass-through of part of the R&D and PEE accounts to the CCEE, which controls the CDE. This legislative amendment justifies the movements from non-current to current.

PEE and R&D project expenditure is recorded as work in progress until completion of the relevant project, at which time the expenditure is recorded as program funding, while the realization of obligations on the acquisition of intangible assets is charged to the concession obligations balance.

28. Provisions for labor, civil, tax and regulatory risks

The Company is party to judicial and administrative proceedings before courts and government agencies. These cases result from the normal course of business, and involve civil, labor, tax and regulatory matters.

Probable losses:

A provision is recognized when the obligation is deemed a probable loss by the Company's legal advisors. The obligation is charged to expenses the financial year. This obligation can be measured with reasonable certainty and is restated according to the developments in the judicial proceeding or financial charges incurred and may be reversed if the estimated loss is no longer deemed probable, or written off when the obligation is settled. Because of their nature, judicial proceedings will be resolved when one or future events occur or do not occur.

The occurrence of these events is not within the Company's control and legal uncertainties surround the financial year of significant judgment and estimates made by Management regarding the outcome of future events.

See below the change in provisions for probable losses:

Parent company	Labor claims	
	2021	2020
Opening balances - noncurrent - -2020 and 2019	108	3,164
Making of provisions	6,139	3,599
Reversal of provisions	(446)	(3,102)
Payments made	(522)	(3,575)
Monetary restatement	126	22
Closing balances - noncurrent - -2021 and 2020	5,405	108
Restricted and escrow deposits (*)	(316)	(301)

(*) The Company has restricted and escrow deposits recorded in its noncurrent assets of R\$ 1,177 (R\$ 741 in 2020). No provisions for risks have been made for R\$ 861 (R\$ 440 in 2020) of this total, as the chances of loss have been rated as possible or remote.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Consolidated	Labor	Civil	Tax	Regulatory	2021	2020
Opening balances - noncurrent - -2020 and 2019	213,632	596,451	1,221,289	107,215	2,138,587	2,169,725
Making of provisions	58,323	145,805	166,973	794	371,895	607,920
Reversal of provisions	(57,617)	(154,078)	(305,022)	(2,974)	(519,691)	(554,589)
Payments made	(81,071)	(120,351)	-	-	(201,422)	(144,719)
Monetary restatement	11,336	17,965	46,003	5,446	80,750	60,250
Closing balances - noncurrent - -2021 and 2020	144,603	485,792	1,129,243	110,481	1,870,119	2,138,587
Restricted and escrow deposits (*)					(172,187)	(56,145)

(*) The Company and direct and indirect subsidiaries have escrow deposits and pledges in their noncurrent assets amounting to R\$ 1,003,852 (R\$ 767,415 in 2020). Of this total, the indirect subsidiary ESS has ICMS deposits on the low-income subsidy subject to legal disputes of R\$ 51,384 (R\$ 43,845 in 2020) and in the financial year the subsidiaries EPB and EBO have Generation Distributed ICMS deposits of R\$ 16,183 and R\$ 1,277 respectively, and around R\$ 762,821 (R\$ 667,425 in 2020) has no provisions for risks, as the cases are rated as a possible or remote defeat.

• Labor claims

Most of the claims address: (i) Work-related accidents; (ii) Overtime and respective obligations; (iii) Severance notice period and respective obligations; (iv) Salary parity; (v) Allowance for driving vehicles; (vi) FGTS (40% on inflationary restatement); (vii) health hazard allowance. Provisions have been made for the aforesaid labor proceedings rated as having a probable chance of defeat by the Company and its subsidiaries' legal advisers. In general proceedings rated as having a probable chance of defeat take between 3 and 5 years to reach the final judgment and effective disbursement of the amounts provisioned for, in the event the Company does not prevail.

• Civil

The civil proceedings are mainly disputing compensation for moral and property damages and consumer complaints for issues such as (i) Improper cut-offs from electricity supply, (ii) Improper listing in credit protection agency (SPC/Serasa); (iii) Cancellation/Revision of consumption irregularity invoice; (iv) Cancellation/Revision of normal consumption invoice; (v) Reimbursement for electrical damage; (vi) Connection or changing of ownership of consumer unit; (vii) Luz no Campo Program/Light for All program; (viii) Incorporation/ Compensation for construction of private electricity grid; and (ix) Accidents involving third parties.

• Tax

Denotes disputes involving the Pis, COFINS, INSS, ISS, ICMS, IRPJ and CSLL taxes. The requirement to pay the liabilities has been stayed under the proceedings, either because administrative proceedings are in progress or because the tax enforcements in progress have been duly guaranteed.

The consolidated statement includes the tax contingency made by the subsidiary ERO of R\$ 608,325 (R\$ 580,699 in 2020), in accordance with the negotiating terms and conditions with Rondônia State to settle cases addressing ICMS for the periods January 1999 to December 2016.

The Company and its direct and indirect subsidiaries are also subject to several claims due to conflicting interpretations of tax legislation, arising out of the normal course of business.

The Company and its subsidiaries determine the chance of defeat based on the opinion of their legal advisers.

Provisions are revised and adjusted to reflect changes in circumstances, such as the applicable statute of limitations, the completion of tax inspections or exposure identified as a result of new issues or court decisions.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

• Regulatory

The subsidiaries EMT, EMS, ETO, ESS, ERO and EAC have proceedings before ANEEL, due to non-compliance with regulations.

Possible losses

The Company and its subsidiaries are party to labor, civil, tax and regulatory claims in progress where the chance of loss has been estimated as possible, meaning no provision was required.

See below the movement in the provisions for possible losses:

Parent company	Labor claims	Civil	Tax	2021	2020
Opening balances - 2020 and 2019	1,453	46,202	79,707	127,362	122,850
New cases	63	-	-	63	369
Change in rating and claim amount	(338)	(40,840)	-	(41,178)	276
Closing	(1,037)	-	-	(1,037)	(368)
Monetary restatement	59	1,007	2,991	4,056	4,235
Closing balances 2021 and 2020	200	6,369	82,698	89,267	127,362

Consolidated	Labor claims	Civil	Tax	Regulatory	2021	2020
Opening balances - 2020 and 2019	215,439	2,561,773	3,337,650	27,744	6,142,606	5,579,164
New cases	100,861	227,269	113,246	60,787	502,163	2,093,854
Change in rating and claim amount	(55,947)	(831,670)	(57,575)	(40,049)	(985,241)	(1,267,117)
Closing (*)	(36,559)	(185,377)	(684,766)	(5,423)	(912,125)	(456,868)
Monetary restatement	25,761	255,089	110,869	1,531	393,250	193,573
Closing balances 2021 and 2020	249,555	2,027,084	2,819,424	44,590	5,140,653	6,142,606

(*) Includes R\$ 663,912 for the ICMS demand case of the subsidiary EMT, paid in 2021.

See below the comments of our legal advisers regarding cases rated as a possible risk.

• Labor claims

Labor proceedings consist of the following claims: claims submitted by employees seeking overtime, danger hazard allowances, "on call" time, indemnity for work-related accidents, in addition to claims from former employees of service providers hired by the subsidiaries, claiming joint liability for severance pay and salaries and charging union fees, notice, compensation for damages resulting from work-related accidents, public procurements, severance incentivization plan, transposition to federal institutions.

• Civil

Civil proceedings consist primarily of the following claims: (i) revision or cancellation of electricity invoices due to the uncertainty of the amount; (ii) compensation for property and moral damages due to the suspension of the electricity supply due to non-payment, irregularities in meters, surges in voltages or temporary blackouts, in addition to processes involving disputes about grid incorporation.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Main cases:

Subsidiaries

EPB

. Case 0002664-83.2015.815.0131 involving R\$ 70,217 (R\$ 63,282 in 2020), disputing issues related to contractual severance (annulment action filed by Cooperativa de Eletrificação Rural). The plaintiff is contesting the transfer of the electrification network made by Cervap and Energisa, requiring annulment of the public transaction date between the companies and all resulting effects. In October 2021 the case had its rating changed from possible to remote based on the reassessment of legal advisers.

EMS

. Collective civil action 00651268720144013800 in the amount of R\$ 202,610 (R\$ 182,600 in 2020), by which the Energy Consumer Defense Association is claiming a return of amounts unfairly charged in double. The impact in the case of defeat is a possible recalculation of the rates practiced, resulting in a change to the contractual bases of the concession agreement and the entire methodology for creating rates prepared by the Concession authority.

. Public civil action 00081923720034036000 in the amount of R\$ 75,225 (R\$ 67,795 in 2020), by which the Federal Prosecutions Department is claiming the annulment of ANEEL Resolution 167, which established the Company's rate replacement index, to establish an index other than the IGP-M price index.

EMT

. Case 1004068-45.2018.4.01.3600 in the amount of R\$ 362,619 (R\$ 326,806 in 2020), where plaintiff is claiming recognition of legality and to demand the payment for use of the highway easements awarded to CRO to erect electric power distribution grids, ordering EMT to pay overdue and outstanding portions for this use and signing the pending contracts and to present the executive plans for the occupied area.

. Compensation claim 17436-75.2014.811.0041 in the amount of R\$ 83,926 (R\$ 75,637 in 2020) filed by Conel Construções Elétricas Ltda, in order to obtain reimbursement for material and moral damages due to the allegedly unjustified termination by the defendant of the service provision agreement.

. Compensation claim 54570-73.2013.811.0041 in the amount of R\$ 47,560 (R\$ 42,863 in 2020), seeking reimbursement of amounts due to excessive cost of the service provision agreements and nonperformance of obligations established in the agreements.

. Compensation claim 13549-66.2015.811.0003 for R\$ 41,078 (R\$ 37,021 in 2020) involving issues related to moral and property damages.

Compensation claim 1005691-76.2017.8.11.0041 for R\$ 34,146 (R\$ 30,774 in 2020) involving issues related to contractual clauses.

ETO

. Case 0007336-94.2008.4.01.3400 for R\$ 40,006 (R\$ 36,055 in 2020), disputing contractual issues involving the repossession/expropriation of land to build high-voltage distribution lines and substations.

ERO

. Compensation claim 0013664-30.2015.401.4100 in the amount of R\$ 54,414 (R\$ 490,404 in 2020), seeking reimbursement of amounts due to excessive cost of the service provision agreements and nonperformance of obligations established in the agreements. In December 2021 the case had its claim amount altered based on the reassessment of legal advisers.

. Compensation claim 7040117-63.2016.8.22.0001 in the amount of R\$ 126,999 (R\$ 114,456 in 2020), filed by Petrobrás Distribuidora S.A. relating to the collection proceeding for the supply of diesel.

. Public Civil Action 0011930-44.2015.401.41000 in the amount of R\$ 5 (R\$ 53,784 in 2020), filed by the Brazilian Bar Association disputing issues related to energy shortages. In December 2021 the case had its claim amount altered based on the reassessment of legal advisers.

Rede Energia Participações

. Enforcement proceeding 01415375820128260100 for a fixed sum, involving R\$ 56,381 (R\$ 46,920 in 2020), to charge alleged credits established in Bank Credit Notes issued by Centrais Elétricas do Pará - CELPA. If CELPA is convicted, this debit could have to be subject to the Judicial Reorganization Plan.

CTCE

. Arbitration proceeding 07/2021 received in November 2021 in the amount of R\$ 42,990, filed by Tocantins Energética to pay the fine for the alleged unfair termination of the contract between the parties. Even if it loses the case, the Company believes the payment will be subject to the terms of CTCE's Judicial Reorganization Plan.

• Tax

The tax and labor claims basically consist of disputes about: (i) PIS and COFINS on electricity invoices; (ii) offsetting and appropriation of ICMS credits; (iii) income tax and social contribution; (iv) collection of ISS on concession services provided; (v) offsetting and appropriation of ICMS credits on equipment for providing for energy

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

transmission and distribution services allocated to the company's permanent assets, (vi) tax bookkeeping, (vii) CIAP non-bookkeeping fine; (viii) ICMS due to disallowance of credits on the acquisition of diesel for on-demand manufacturing (ix) the reflections of nontechnical losses in the PIS, COFINS, IRPJ and CSLL calculation base, and (xi) demand for IOF on advances for future capital increase - AFAC.

Main cases:

Parent company

. Assessment notice 18471.000772.2008-26 in the amount of R\$ 64,696 (R\$ 62,356 in 2020), seeking collection of the IOF tax in the period 2003 to 2005, on the advance for future capital increase - AFAC on behalf of the subsidiary Energisa SE.

Subsidiary:

ETO

Case 5003614-42.2012.827.2729 - tax debit collection resulting from assessment notice for ICMS on purchases of property, plant and equipment by the company, in the amount of R\$ 206,707 (R\$ 159,717 in 2020). Issues related to substance are being disputed in annulment action 0013057-97.2015.8.27-2729, filed by the Company before charging the State of Tocantins.

ESE

. Assessment notice 10.510.724763/2011-12 for an amount of R\$ 195,523 (R\$ 188,452 in 2020), by which the federal tax authority is asserting the alleged failure to include in the taxable income and social contribution calculation bases expenses considered nondeductible on the amortization of goodwill referring to the privatization of the Company, and the allegedly improper offsetting of tax losses and the social contribution calculation base. The value decrease is due to the case being split after a partial victory at the Administrative Council for Tax Appeals (CARF). The Special Appeal is pending judgment by the Ministry of Finance.

. Assessment Notice 0801303-84.2019.4.05.8500, for R\$ 82,843 (R\$ 79,848 in 2020), disputing the IRPJ/CSLL calculation base involving revenue from the Extraordinary Rate-Setting Review - RTE. The case had its claim amount changed based on the reassessment of legal advisers.

. Assessment Notice 201942403 for R\$ 37,230 (R\$ 35,884 in 2020), in which Sergipe state is contending the allegedly failure to pay ICMS on electricity sales to the direct public administration agency and its foundations and authorities.

EPB

Assessment Notice 0830317-38.2018.8.15.2001, received in February 2021, relating to Value Added Tax on Sales and Services (ICMS). In November 2021 the case had its chance of defeat changed from possible to remote, based on the legal advisors' opinion. Issues related to substance are being disputed in annulment action 0827852-56.2018.8.15-2001, in the amount of R\$ 60,271 (R\$ 57,960 in 2020).

EMG

. Tax Enforcement 0087729-97.2016.8.13.0153 for R\$ 45,185 (R\$ 39,634 in 2020), discussing the breach of the ICMS deferral on electricity acquisitions due to the tax-exempt sales to low-income consumers and government authorities. In November 2021 the case had its chance of defeat changed from possible to remote, based on the legal advisors' opinion.

EMS

. Ordinary Action 5009015-61.2019.4.03.6000 involving R\$ 74,361 (R\$ 72,751 in 2020), disputing the charging of PIS and COFINS liabilities for the accrual periods December 2007 to February 2008, deriving from the disallowance of credits appropriated on the non-cumulative basis on amounts to be returned to consumers by order of ANEEL.

EMT

. The proceedings involving ICMS on energy demand amounting to R\$ 663,912 (R\$ 652,495 in 2020) were settled under the Credit Recovery Program of Mato Grosso state - REFIS-MT on September 30, 2021. These proceedings were related to the assessments for the alleged non-payment of the tax required by court decisions. The program was entered in light of the opportunity provided by REFIS, the costs involved in managing this litigation and the possibility of recovering amounts settled in the recourse action.

. Case 0010774-95.2017.4.01.3600, for R\$ 120,997 (R\$ 118,952 in 2020), involving a dispute about a tax enforcement filed by the federal government as a result of the company being excluded from the financing program introduced by Law 11941/09 in 2011 and therefore losing the benefits awarded.

Administrative proceeding 14094.720008/2018-36, for R\$ 87,017 (R\$ 84,306 in 2020) due to nonratification of the changes made to the Declarations of Federal Contributions and Taxes - DCTFs for the period 2014 to 2016.

. Administrative Proceeding 59994/2012, for R\$ 87,841 (R\$ 65,369 in 2020), related to the awarding of ICMS tax incentives in Mato Grosso state.

All proceedings related to the recognition of credit for ICMS rate differentials on goods purchased for property,

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

plant and equipment of R\$ 131,910 in 2020 were reclassified as remote following a Federal Supreme Court (STF) decision in Direct Unconstitutionality Action (ADI) 4623/MT, which recognized the unconstitutionality of Mato Grosso State's prohibition on recognizing credit for ICMS rate differentials under article 25 of Law no. 7098/1998.

ERO

. Assessment Notice 10240-722.819/2020-12 involving R\$ 353,536 (R\$ 340,650 in 2020) which reduced the value of the tax loss (IRPJ) and negative calculation base of CSLL, due to the disallowance of the expense on non-technical losses in 2016 and 2017.

. Assessment Notice 10240-721.054/2020-95 involving R\$ 248,208 (R\$ 239,161 in 2020) for the charging of alleged Social Integration Program ("PIS") and Contribution to Social Integration Program ("COFINS") debits on disallowed credit contributions related to non-technical losses and incidence of contributions on amounts received as CCC (Fuel Consumption Account).

. Assessment Notice 20202700100096 for R\$ 160,324 (R\$ 154,480 in 2020) addressing issues related to ICMS and fine due to disallowance of diesel oil credits in 2015.

. Assessment Notice 201922700100392 for R\$ 150,771 (R\$ 145,276 in 2020) addressing issues related to ICMS and fine due to disallowance of diesel oil credits in 2014.

. Assessment Notice 20202700100099 for R\$ 81,154 (R\$ 78,196 in 2020) addressing issues related to ICMS and fine due to disallowance of diesel oil credits in 2016.

. Annulment Action 0012763-90.2013.8.22.0001 for R\$ 35,123 (R\$ 33,843 in 2020), disputing the payment of ICMS on energy losses in FY 2001.

. Assessment Notice 20192700100393 for R\$ 33,572 (R\$ 32,348 in 2020) addressing issues related to alleged mistakes in the accounting records in 2014.

EAC

. Assessment Notice 39910/2020 in the amount of R\$ 61,250 (R\$ 59,036 in 2020), disputing issues related to ICMS (tax not paid/collective) determiner in 2016, due to errors in the ICMS calculation and the use of tax credits in amounts above the amount the company is entitled to appropriate in its tax records in relation to: i) determining reversals related to the acquisition of diesel oil to produce electricity, exempt portion, energy loss and sale value difference; ii) inconsistency in amounts corresponding to the provision and offsetting the rate differential determined monthly; iii) non-ratification by the tax authority of the total cancellations made by the taxpayer; iv) difference in the calculation base in relation to the energy produced and effectively sold to the end consumer.

. Assessment Notice 11.314/2018 (2018/81/46743), for R\$ 46,525 (R\$ 44,843 in 2020), disputing issues related to charging the calculation base difference, rate differential, CIAP Journal and diesel oil credit reversal.

. Assessment Notice 2019/81/33314 (AI 12.097) issued by Acre state, for R\$ 34,641 (R\$ 33,389 in 2020) formalizing the recording of an ICMS tax liability due to "underpayment of ICMS for FY 2015 due to the misappropriation of tax credits, difference in the calculation base for electricity sales and monthly payments lower than that effectively owed". The tax auditors said the taxpayer incurred the following violations: (i) reversal of ICMS credits on Diesel Oil; (ii) exempt portion (art. 35 (I) of LCE 55/1997); (iii) energy losses (art. 35 (IV) of LCE 55/1997); (iv) sale value lower than acquisition cost (art. 35 (V) of LCE 55/1997); (v) amount referring to the provision (debit) and offset (credit) of the rate differential; (vi) failure to ratify all of the cancellations as per occurrences verified and set out in Article One (VIII) of Conv. ICMS 30/2004, due to the existence of expired credits (art. 33 (1) of LCE 5/1997), situations which mean that such tax credits cannot be recorded by the taxpayer; (vii) differences in the calculation base for electricity effectively sold to the end consumer; and (viii) ICMS difference payable for FY 2015. The Company filed a contestation on September 20, 2019.

Regulatory

The subsidiaries EMT, EMS, ETO, ESS, ERO and EAC have proceedings before ANEEL primarily deriving from the penalty applied as a result of Assessment Notices issued by audits.

29. Incorporation of grids - consolidated

In order to be able to meet requests for connections by new consumer units, the applicant, individually or jointly, and the public agencies, including the indirect management, can contribute funds, in part or in full, for the works necessary to bring forward the connection or carry out the works to extend the grid by contracting a legally qualified third party. The funds advanced or the value of the works carried out by the party concerned shall be reimbursed by the subsidiaries EMT, EMS, ETO, ESS and ERO by the year in which the supply application is met according to the Universalization Plans, for cases of consumers meeting the qualification criteria without cost or by the deadlines establishing the regulations addressing the performance with financial participation of the party concerned.

In the case of the subsidiary ERO, under ANEEL's Monitoring Plan for the privatized distribution company, every

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

month information is submitted about the status of reimbursements to consumers that advanced funds in the past for the construction of the electricity grid.

After notifying ANEEL in advance, stage two began in September 2020 of the project to incorporate grids in the state, in order to serve all processes under analysis.

The balances of private grid incorporations are subject to arrears and restatement charges in accordance with the resolutions that apply to each case.

See below the movements occurring in the financial years:

Description	2021	2020
Balance in 2020 and 2019	222,733	198,522
Additions in the year	57,326	24,210
Monetary restatement and interest	219,165	49,221
Payments/Write-offs	(149,361)	(49,220)
Balance in 2021 and 2020	349,863	222,733
Current	349,863	69,955
Non-current	-	152,778

30. Other liabilities

Description	Parent company		Consolidated	
	2021	2020	2021	2020
Employee profit sharing	20,394	17,156	128,408	130,597
Payroll payable	7,372	6,589	47,493	43,507
Banco Daycoval Rede Energia RJ	50,693	50,693	50,693	50,693
Other employee benefits	4,079	2,863	34,960	28,425
Insurance premiums	100	71	10,220	7,557
Advances from customers	5,743	5,233	67,256	79,022
Withholding of contractual guarantee of contractors	227	314	61,559	41,147
Financing of regulatory fines	-	-	6,675	926
Rate amounts and charges recoverable - TUSD	-	-	12,201	12,201
ANEEL inspection fee - monthly contribution	-	-	2,298	1,234
Emergency charges (ECE and EAE)	-	-	18,388	18,166
Eletrobrás reimbursement - acquisition of the business combination ⁽¹⁾	-	-	171,345	163,610
EPB Reimbursement - Salto Paraíso (2)	-	-	44,759	43,340
Voluntary consumption reduction bonus ⁽³⁾	-	-	236,565	-
Effects of reducing ICMS on the PIS and COFINS calculation base ⁽⁴⁾	-	-	3,708,305	1,053,993
Reimbursement obligations - CCC ⁽⁵⁾	-	-	6,437	6,437
Other accounts payable ⁽⁶⁾	24,137	20,107	200,772	219,814
Total	112,745	103,026	4,808,334	1,900,669
Current	88,356	79,056	775,557	507,926
Noncurrent	24,389	23,970	4,032,777	1,392,743

(1) Denotes the portion to be reimbursed to Eletrobrás by the subsidiaries ERO and EAC, established in the share control purchase and sale contract, denoting non-depreciated amounts of electricity distribution assets recorded in Property, plant and equipment in Progress - AIC in the complete valuation processes of the regulatory bases ratified by the National Electricity Regulatory Agency - Aneel, through Technical Notes 219/2020 and 220/2020-SFF/ANEEL, which approved the Extraordinary Rate-Setting Review of the subsidiaries ERO and EAC, respectively, which meet the requirements of art. 2 of Draft Law 998 of 2020, issued October 13, 2020, is as follows:

	ERO		EAC		Consolidated	
	2021	2020	2021	2020	2021	2020

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Opening balance	119,895	-	43,715	-	163,610	-
Addition	1,312	-	-	-	1,312	-
Payment			(2,281)		(2,281)	
Accrual - Eletrobrás reimbursement	-	116,248		42,385	-	158,633
Financial Restatement	7,345	3,647	1,359	1,330	8,704	4,977
Closing balance	128,552	119,895	42,793	43,715	171,345	163,610

The subsidiary EAC began settling the balance with Eletrobras in October 2021.

In FY 2021 Eletrobrás explained the ratified amounts in Technical Note 219/2020 pursuant to letter CTA-DF-1049/2021. R\$ 1,422 was consequently added, including a principal of R\$ 1,312 and monetary restatement of R\$ 110, which are new additions to be reimbursed to Eletrobrás. The accumulated amount ratified by both parties will be reimbursed to Eletrobrás in 60 installments to be paid 30 days after the parties approve the calculation results.

The contracts are restated at 111% of the Selic rate.

- (2) Denotes the integration of the connection of the plants at the SE Salto Paraíso with reimbursement to be paid by the subsidiary EMT to EBP (Enel Brasil Participações) by offsetting the credit deriving from the distribution system usage agreement (“CUSD”). The balance is restated monthly by applying the change in the IPCA price index with monthly settlements, commencing in June 2018.
- (3) Program encouraging voluntary reduction in electricity consumption introduced by Resolution 2 issued on August 31, 2021 by the Chamber of Exceptional Rules for Hydroenergy Management operating under the auspices of the Ministry of Mines and Energy, less R\$ 55 as of December 31, 2021, as per note 11.4.
- (4) **Effects of reducing ICMS on the PIS and COFINS calculation base - consolidated.**

In March 2017 the Supreme Federal Court (STF) made a ruling with general repercussions (matter 69) and confirmed that ICMS is not subject to PIS and COFINS. However, the Federal Government filed a motion for clarification seeking to mitigate the effects and to determine the amount of ICMS to be excluded from the tax calculation base.

On May 13, 2021 the Federal Supreme Court (STF) fully upheld the General Precedent (Topic 69 - “ICMS is not a component of the PIS and COFINS tax base”) to the effect that ICMS amounts stated on invoices should be excluded from the PIS and COFINS tax base.

Aligning itself with the General Precedent, the federal tax authority issued SEI Opinion 7698/2021/ME, as ratified by Administrative Order 246/2021/PGFN-ME, under which tax attorney generals are no longer required to appeal on or dispute any actions relying on General Precedent Topic 69.

The respective Federal Regional Courts delivered final and unappealable decisions in June and July 2019 in the cases of the subsidiaries EPB, EBO and ETO, respectively and in May and June 2020 for Companhia Força e Luz do Oeste (taken over by ESS in 2017) and ESE. The rulings in legal proceedings filed by the subsidiaries EMT, ERO, ENF and EAC were made final and unappealable on September 21, 2021, October 22, 2021, November 12, 2021 and December 06, 2021. The other cases disputing exclusion of ICMS from the PIS and COFINS calculation base are in progress.

Relying on the advice of our legal advisors and Management’s best estimates, subsidiaries EPB, EBO, ETO, ESS, ESE, EMT, EMS, EMG, ENF, ERO and EAC recognized R\$ 3,584,548 (R\$ 1,065,087 in 2020) in PIS and COFINS assets recoverable and R\$ 3,708,305 (R\$ 1,053,993 in 2020) in current liabilities, net of attorneys’ and consultant fees and taxes. The liability was made because we understand the amounts to be recovered as tax credits on the contributions passed through in their entirety to consumers in accordance with the regulatory standards. The pass-through to consumers depends on the effective use of the tax credit by the subsidiaries in accordance with the rules of the federal tax authorities and the National Electricity Regulatory Agency - ANEEL, still pending issuance. The impacts are summarized as follows:

		Consolidated			
		2021		2020	
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Recoverable Pis and COFINS taxes - Effects of reducing ICMS (a)	3,584,548		1,065,087	-
Effects of reducing ICMS on the PIS and COFINS calculation base (b)	-	(3,773,261)	-	(1,053,993)
(-) Transfer to sector financial liability- pass-through to Consumers (c)	-	64,956	-	-
Total	3,584,548	(3,708,305)	1,065,087	(1,053,993)
Total Current	294,961	-	-	-
Total Noncurrent	3,289,587	(3,708,305)	1,065,087	(1,053,993)

Statement of profit or loss for the year	Consolidated	
	2021	2020
Revenues		
Effects of reducing ICMS on the PIS and COFINS calculation base - other liabilities	(2,147,020)	(315,074)
Effects of reducing ICMS on the PIS and COFINS calculation base - recoverable taxes	2,147,020	315,074
Finance income/loss		
Other financial revenue		
Restatement of recoverable PIS and COFINS taxes - Effects of reducing ICMS	597,455	84,232
Other financial expenses		
Restatement of Other liabilities Effects of reducing ICMS on the PIS and COFINS calculation base	(602,009)	(84,232)
Profit or loss for the year	(4,554)	-

- (a) Subsidiaries benefited by final decisions on their claims began to offset credits in May 2021. In the financial year ended December 31, 2021, recoverable taxes were offset for qualified credits of R\$ 225,018.
- (b) Less R\$ 40,859 (R\$ 11,094 in 2020), for costs incurred on legal and consultancy services and taxes.
- (c) ANEEL Technical Opinions 143/2021-SGT/ANEEL (June 28, 2021) and 150/2021-SGT/ANEEL (July 05, 2021) and 185/2021-SGT/ANEEL, which ratified the rate-setting reviews and rate adjustments of the indirect subsidiaries ETO, ESS and EPB, respectively, incorporated in their rates respectively R\$ 12,981, R\$ 29,180 and 22,795 in tax credits arising from the exclusion of ICMS tax from the PIS and COFINS tax base, pursuant to the final decisions on their respective claims. The resulting rate reductions (ETO - 0.95%), (ESS -1.56%) and (EPB - 1.02%) will be passed through to consumers. These amounts were reclassified to financial sector liabilities - pass-throughs to consumers as per OCPC08.
- (5) Reimbursement obligations - CCC - the subsidiary ERO has R\$ 146,241 recorded as taxes and charges payable on the acquisition of fuel, price differences for diesel oil between the invoice and ANP price list and specific oil consumption. After completion of the first CCC inspection stage conducted by ANEEL, which adjusted the CCC reimbursement obligations and entitlements through April 2017, in the financial year ended December 31, 2020 the subsidiary ERO reversed the amount of R\$ 40,488 against the CCC reimbursement entitlement - Total generation cost, R\$ 46,177 as a reduction in other finance costs and R\$ 53,139 as these entail original amounts credited to operating costs and expenses - electricity purchased for resale in profit or loss for the year. As regards specific consumption of diesel oil, as stage II of the ANEEL audit is not yet finished, the amount of R\$ 6,437 (R\$ 6,437 in 2020) was maintained in non-current liabilities.
- (6) The parent company and consolidated statements include R\$ 17,671 as the portion of the ALSOL business combination acquisition to be paid on the next 4 years to the sellers: and the amount of R\$ 11,000 for the settlement made by the subsidiary ETO and the Municipality of Palmas et al. ETO was responsible for making the pass-through in a lump-sum to third parties, subjugating the rights to receive said amount to the Municipal Government of Palmas. The receivable was recorded against Other receivables, and a provision for expected losses made in the same amount in Other income in the consolidated statement of profit loss for the year, see note 35.

31. Equity

31.1 Share capital

The share capital as of December 31, 2021 is R\$ 3,363,685 (R\$ 3,363,685 in 2020), represented by 1,814,561,910 registered shares (1,814,561,910 in 2020), consisting of 755,993,938 common shares (755,993,938 in 2020) and 1,058,567,972 preferred shares (1,058,567,972 in 2020), with no par value. The amount of shares converted into

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Units (share certificate denoting ownership of 4 preferred shares and 1 common share of the Company) is 262,237,689 (262,473,214 in 2020).

The company recorded the amount of R\$ 65,723 (R\$ 65,723 in 2020) directly in shareholders' equity regarding transaction costs incurred on funds raised via new share issuances, which were recorded separately as a decrease in shareholders' equity.

Preferred shares have no voting rights, have priority in capital reimbursements in premiums and to are included in the public offering of the control sale, being assured a price equal to 80% of the amount paid for voting shares comprising the control block.

The share capital can be raised up to the limit of 3,000,000,000 shares, with up to 1,000,000,000 common shares and up to 2,000,000,000 preferred shares, subject to resolution of the Board of Directors, which will decide the payment terms, features of the shares to be issued and the issuance price. An amendment to the bylaws is not required for this.

The Company's Board of Directors' meeting held April 15, 2021 approved: (i) the new Company share buyback program, which primarily aims to cover obligations undertaken by the Company under the Stock Option Programs approved, and (ii) Company shares not transferred to the beneficiaries of the 1st Share Options Program - ILP be held in the Treasury to preferably be awarded to beneficiaries of the other Share Option Programs - IPL underway or to be subsequently canceled or disposed of, without reducing the Company's capital.

Treasury shares were purchased from April 16 to 23, 2021 – a total of 1,100,000 (one million one hundred thousand) Units representing 1,100,000 (one million one hundred thousand) common shares and 4,400,000 (four million four hundred thousand) preferred shares. A total of R\$ 48,141 was spent on purchasing the above.

On June 7, 2021 approximately 176,163 Units worth R\$ 8,286 were delivered in connection with the Company's and its subsidiaries' 1st Long-Term Incentive Program, made against other capital reserves.

The balance of treasury shares at December 31, 2021 was R\$ 40,431, corresponding to 923,837 Units. The market value of the treasury shares at December 31, 2021 was R\$ 40,991.

31.2 Capital Reserve

	2021	2020
Disposal of treasury stock	1,849	1,849
Transactions between partners ⁽¹⁾	188,779	307,896
Funding cost - capital increase	(65,723)	(65,723)
Tax incentives for reinvestments ⁽²⁾	8,042	8,042
PUT investment ⁽³⁾	43,175	41,173
Variable compensation program (ILP) ⁽⁴⁾	21,989	14,591
Balances in 2021 and 2020	198,111	307,828

(1) Transactions amongst partners - since 2019 this includes a deduction of R\$ 42,280 for income and social contribution taxes payable on the portion of equity appreciation.

(2) Reinvestment tax incentives (reflects) - benefits intended for companies with operational ventures in the fields embraced by Sudene and SUDAM, with the reinvestment of 30% (thirty percent) of the tax payable through 2018 and 50% from 2019, in equipment modernization or upgrading projects through 2023.

Funds released, less the project management fee of 2%, as per article 19 (2) of Law No. 8167/1991, were provided in other capital reserves and after their approval within 180 (one hundred and eighty) days as from the end of the financial year in which the official release notice was issued by the regional development agency, will be capitalized.

(3) PUT Investment - denotes the difference in the shares buyback option paid in by the employees and retirees of the subsidiaries ERO and EAC of R\$ 7,765, consisting of 191,679,293 ERO shares and 14,374,919,056 EAC shares, with R\$ 1,371 recorded in the equity value of shares recorded in non-current assets - Investments - other equity interests and R\$ 44,546 in the item derivative financial instruments in noncurrent liabilities.

(4) Variable compensation program - ILP - implementation of the Variable Compensation Program through the granting of shares known as the Long-term incentive (ILP) (see note 14).

Transactions between partners	2021	2020
Opening balance -2020 and 2019	307,896	335,817
Gain/loss on investments in the distribution of dividends in direct and indirect subsidiaries and treasury stock ⁽¹⁾	(119,117)	(27,921)
Closing balance -2021 and 2020 (restated)	188,779	307,896

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- (1) The amount of R\$ 119,117 (R\$ 27,921 in 2020) denotes the losses made on transactions for investing in the distribution of dividends in direct and indirect subsidiaries of R\$ 70,976 and treasury stock of R\$ 48,141, directly recorded in Equity (note 18).

31.3 Profit reserve - legal reserve

Allocated 5% of the net income for the year prior to any other allocations, limited to 20% of the share capital, in accordance with article 193 of Law No. 6404/76.

31.4 Profit reserve - retained earnings reserve

The amount allocated to the profit retention reserve in the financial year ended December 31, 2021 was R\$ 1,645,602 (R\$ 899,360 in 2020), withheld based on the capital budget approved at the Annual General Meeting.

31.5 Profit reserve limit

Management will propose to the Annual General Meeting the capitalization of R\$ 843,500, so that the balance of the profit reserve does not exceed the share capital, as required by art. 199 of Law 6.404/76. Following this increase, the share capital will rise to R\$ 4,207,185 without the number of shares changing.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

31.6 Profit reserve - retained earnings due to a change in the accounting practices

The gain on a favorable acquisition occurred on the acquisition of an NCI in subsidiaries in FY 2007. R\$ 60,000 and R\$ 131,210 respectively was capitalized at the EGM held in 2012 and 2011. The remaining balance of R\$ 62,539 has been recorded as retained earnings due to a change in the accounting practice, in shareholders' equity, as explained in CPC 15 and ICPC 09, at the disposal of the General Shareholders' Meeting.

31.7 Dividends

The corporate bylaws determine the distribution of a mandatory dividend of 35% of the net income for the year, adjusted as stipulated by article 202 of Law 6.404 issued December 15, 1976, and allows dividends to be paid out in interim results.

Management is proposing to pay out the following dividends:

	2021	2020
Net income for the year (*)	2,818,178	1,468,945
Expired dividends	-	3,721
Adjustment made by subsidiaries, net of tax	-	960
Legal reserve (5%)	(140,909)	(73,447)
Adjusted net income	2,677,269	1,400,179
Minimum mandatory dividends 35%	937,044	490,063
Dividends at the rate of R\$ 0.13 per common share and preferred share and R\$ 0.65 per Unit and in 2020 at the rate of R\$ 0.056 per common share and preferred share and R\$ 0.28 per Unit. (**)	235,292	101,615
Dividends equal to R\$ 0.44 per common share and preferred share and R\$ 2.20 per Unit and in 2020 at the rate of R\$ 0.2141 and R\$ 1.07 per Unit. (***)	796,375	388,448
Additional dividends proposed in 2020 - corresponded to R\$ 0.0059 per common and preferred share and R\$ 0.03 per Unit	-	10,756
Total dividends	1,031,667	500,819
% over adjusted net income	38.53%	35.77%

(*) The net profit for the years 2021 and 2020 were restated according to explanatory note 3.3.

(**) On August 12, 2021 the Energisa S/A Board of Directors approved the payment of interim dividends from the earnings for the period ended June 30, 2021 amounting to R\$ 235,292 (R\$ 0.65 per Unit and R\$ 0.13 per common and preferred share). These dividends were paid from September 29, 2021 and Company shareholders with holdings on or before 08/17/2021 were entitled to the dividends, including shares bought on the stock exchange on or before that date.

(***) The minutes from the Energisa S.A. Board of Directors Meeting held December 21, 2021 approved the declaration of interim dividends presented in the statement of financial position prepared by the Company through September 30, 2021 amounting to R\$ 796,375, or R\$ 2.20 per Unit and R\$ 0.44 per common and preferred share, in order to pay the minimum non-discretionary dividend. Payments were made on March 02, 2022 based on the Company's share position as of December 30, 2021, including trading up to this date.

The additional dividends proposed declared in excess of the minimum mandatory dividend after the accounting period reported on by the financial statements are recorded separately in the equity, as they do not constitute a present obligation, and the respective liability is not recorded until it has been approved, in accordance with ICPC-08, and will be paid on a date to be determined by the board meeting.

The Company usually allocates dividend receipts from subsidiaries to investments to the cash flow statement.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

31.8 Profits reserve - income tax incentives reserve (subsidiaries)

Because the subsidiaries EPB, ESE, EBO, EMT, ETO and EAC operate in the infrastructure sector of the North-East region, central and western and northern regions they obtained a reduction to the income tax payable for the purposes of investments in projects expanding their installed capacity, as determined by article 551 (3) of Decree 3000, dated March 26, 1999.

This reduction was approved by the Constitutive Reports, which impose a number of obligations and restrictions:

- The amount obtained as a benefit cannot be distributed to the shareholders;
- The amount should be recorded as a profit reserve and can be used to absorb losses, providing all of the profit reserves have been used up beforehand, except for the legal reserve or capital increase capitalized by December 31 of the following year with the approval of the AGM/AGE; and
- The amount should be invested in activities directly related to production in the region subject to the tax incentive.

The tax incentives are now recorded in profit or loss for the financial year and subsequently transferred to the profits reserve and income tax reduction reserve.

See the information about the incentives obtained by:

Subsidiaries	Government Agency	No. of constitutive report	Income tax decrease (consolidated)	
			2021	2020
EPB	SUDENE	197/2012	82,573	72,978
ESE	SUDENE	205/2012	55,072	32,041
EBO	SUDENE	206/2012	11,350	6,787
EMT	SUDAM	114/2014	215,844	128,587
ETO	SUDAM	113/2014	57,493	31,369
EAC	SUDAM	018/2021	23,695	-
Total			446,027	271,762

These amounts were recorded directly in net income for the financial year under consolidated "current income and social contribution taxes", and were allocated to the tax incentive reserve in the subsidiaries' equity.

31.9 Other comprehensive income

Denotes the recording of the employee benefit plan net of tax. These balances have been recorded in accordance with CPC 26 (IAS 01) - Presentation of financial statements.

See the changes occurring in the years:

	2021	2020
Opening balance - 2020 and 2019	(297,093)	(345,002)
Actuarial gain and loss - post-employment benefits	181,311	72,589
Taxes on actuarial gain and loss - post-employment benefits	(61,646)	(24,680)
Closing balance - 2021 and 2020	(177,428)	(297,093)

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

31.10 Noncontrolling interests

Disclosure of the interests in subsidiaries in accordance with IFRS 12 and CPC 45, is as follows:

Movement in noncontrolling interest:

	Equity interest and interest in voting capital	Balance in 2020 (restated)	Earnings attributed to noncontrolling interests	Dividends	Other comprehensive income	Transactions between partners	Capital Increase	Balance in 2021 (restated)
Energisa Mato Grosso Distribuidora de Energia S/A	2.49%	77,018	27,163	(26,606)	775	31	-	78,381
Energisa Tocantins Distribuidora de Energia S/A	23.33%	219,602	57,497	(37,705)	2,707	(7,660)	-	234,441
Energisa Mato Grosso do Sul Distribuidora de Energia S/A	0.07%	889	361	(441)	6	-	-	815
Rede Power do Brasil	0.01%	47	20	(21)	-	-	-	46
Cia Técnica de Comercialização de Energia	0.02%	(43)	-	-	-	-	-	(43)
Multi Energisa Serviços S/A	0.10%	16	9	(8)	-	-	-	17
Rede Energia Participações S.A	0.25%	17,701	4,564	(5,019)	151	(8,374)	-	9,023
Energisa Rondônia - Distribuidora de Energia S/A	4.50%	(7,089)	(11,342)	-	(9)	(87)	-	(18,527)
Energisa Acre - Distribuidora de Energia S/A	4.91%	49,276	13,609	-	30	17	-	62,932
Energisa Sul Sudeste Distribuidora de Energia S/A	0.75%	4,668	1,242	(1,486)	187	3	-	4,614
Energisa Participações Minoritárias S.A.	17.28%	499,464	156,882	(167,134)	5,273	18,810	200,000	713,295
Denerge S/A	0.02%	542	336	(335)	10	(101)	-	452
Alsol	10.52%	4,841	314	-	4	(112)	6,308	11,355
Total		866,932	250,655	(238,755)	9,134	2,527	206,308	1,096,801

	Equity interest and interest in voting capital	Balance in 2019	Earnings attributed to noncontrolling interests	Dividends	Other comprehensive income	Transactions between partners	Capital Increase	Balance in 2020 (restated)
Energisa Mato Grosso Distribuidora de Energia S/A	2.49%	60,655	15,841	(3,283)	294	3,511	-	77,018
Energisa Tocantins Distribuidora de Energia S/A	23.33%	180,243	47,532	(9,717)	1,322	222	-	219,602
Energisa Mato Grosso do Sul Distribuidora de Energia S/A	0.07%	821	193	(126)	(1)	2	-	889
Rede Power do Brasil	0.01%	42	11	(6)	-	-	-	47
Cia Técnica de Comercialização de Energia	0.02%	(172)	(2)	-	-	131	-	(43)
Multi Energisa Serviços S/A	0.10%	19	7	(11)	1	-	-	16
Rede Energia Participações S.A	0.43%	13,002	4,918	(929)	52	(1,264)	1,922	17,701
Energisa Rondônia - Distribuidora de Energia S/A	4.48%	12,832	(14,177)	-	(79)	(5,665)	-	(7,089)
Energisa Acre - Distribuidora de Energia S/A	4.91%	50,993	468	-	(19)	(2,166)	-	49,276
Energisa Sul Sudeste Distribuidora de Energia S/A	0.75%	4,301	932	(577)	9	3	-	4,668
Energisa Participações Minoritárias S.A.	14.69%	435,767	80,637	(19,132)	1,239	953	-	499,464
Denerge S/A	0.03%	400	2,390	(38)	2	(2,212)	-	542
Alsol	10.79%	5,059	(221)	-	-	3	-	4,841
Total		763,962	138,529	(33,819)	2,820	(6,482)	1,922	866,932

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

32. Operating revenue

32.1 Gross operating revenue - parent company

	2021	2020
Operating revenue		
Specialized services (*)	268,133	247,100
Other operating revenue		-
Deductions from operating revenue		
PIS	(4,450)	(4,077)
COFINS	(20,495)	(18,780)
ISS	(6,032)	(5,743)
Net operating revenue	237,156	218,500

(*) Refers to administrative services and the sharing of human resources provided to its subsidiaries.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

32.2 Operating revenue - consolidated

	2021 (restated)			2020 (restated)		
	Outside the scope of the independent auditors		2021	Outside the scope of the independent auditors		2020
	No. of consumers	MWh	R\$	No. of consumers	MWh	R\$
Residential	6,737,511	14,244,864	12,336,425	6,582,927	14,203,903	10,771,782
Industrial	41,334	1,986,161	1,624,628	42,167	2,208,324	1,545,710
Commercial	548,203	5,543,701	5,022,431	539,370	5,750,767	4,530,091
Rural	796,215	3,668,396	2,650,206	797,431	3,727,031	2,207,045
Public authorities	71,855	1,479,492	1,230,704	71,849	1,453,162	1,057,781
Public lighting	8,219	1,748,656	951,974	8,112	1,700,834	749,579
Public service	9,243	1,064,773	690,995	8,887	1,166,128	623,029
Company consumption	1,794	41,834	-	1,768	41,983	-
Subtotal	8,214,374	29,777,877	24,507,363	8,052,511	30,252,132	21,485,017
Electricity sales to concession operators	2	4,404,934	1,291,775	2	3,057,062	856,137
Sales not invoiced net	-	8,189	320,070	-	28,016	113,589
Provision of the transmission and distribution system	1,656	-	1,975,832	1,262	-	1,604,153
Voluntary consumption reduction bonus	-	-	(236,620)	-	-	-
Bonus - Reimbursement from the CDE Fund	-	-	236,620	-	-	-
Energy sold to free clients	-	4,778,361	984,123	-	5,481,032	1,039,458
Construction revenue - assets (1)	-	-	2,697,365	-	-	2,122,081
Transmission infrastructure maintenance and operation revenue	-	-	27,232	-	-	5,522
Revenue from construction performance obligation margins and efficiency gain on implementing infrastructure	-	-	195,480	-	-	110,217
Contract asset compensation - electricity transmission	-	-	185,427	-	-	117,246
Specialist services	-	-	108,754	-	-	117,153
Regulatory Penalties	-	-	(89,136)	-	-	(79,523)
Effects of reducing ICMS on the PIS and COFINS calculation base - other liabilities	-	-	(2,147,020)	-	-	(315,074)
Effects of Reducing ICMS on the PIS and COFINS calculation base - recoverable taxes	-	-	2,147,020	-	-	315,074
Concession financial asset	-	-	686,306	-	-	222,606
(-) Revenue from surplus demand	-	-	-	-	-	(11,868)
(-) Surplus Reactive Energy	-	-	-	-	-	(12,082)
Creation and amortization - CVA assets and liabilities (2)	-	-	2,559,713	-	-	171,152
Subsidies for service awarded under concession (CDE and low-income)	-	-	1,411,161	-	-	1,486,868
Consumer Financial Participation - Reimbursable AIC	-	-	(14,667)	-	-	-
Other operating revenue	-	-	287,633	-	-	221,173
Total - gross operating revenue	8,216,032	38,969,361	37,134,431	8,053,775	38,818,242	29,568,899
Deductions from operating revenue						
ICMS	-	-	5,899,343	-	-	5,190,475
PIS	-	-	505,217	-	-	456,293
COFINS	-	-	2,327,099	-	-	2,101,744
CPRB	-	-	7,246	-	-	6,506
ISS	-	-	22,425	-	-	20,208
Rate Flag Deductions (2)	-	-	(16,955)	-	-	(42,210)
Energy Efficiency Program - PEE	-	-	86,674	-	-	66,385
Consumer charges - Procel	-	-	22,072	-	-	16,782
Energy Development Account - CDE	-	-	1,698,459	-	-	1,481,031
Research and Development Program - R&D	-	-	43,709	-	-	33,351
National Scientific and Technological Development Fund - FNDCT	-	-	44,119	-	-	33,475
Ministry of Mining and Energy - MME	-	-	22,079	-	-	16,739
Inspection fee for electricity services - TFSEE	-	-	30,638	-	-	24,874
Total - deductions from operating revenue	-	-	10,658,927	-	-	9,390,069
Total - net operating revenue	8,216,032	38,969,361	26,475,504	8,053,775	38,818,242	20,178,830

(1) Of the concession's total infrastructure construction revenue, the amount of R\$ 2,069,178 (R\$ 1,827,219 in 2020) denotes the construction revenue of the distribution companies and R\$ 628,191 (R\$ 294,862 in 2020) denotes the construction revenue of the transmission

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

companies. Of the total construction cost presented in the Statement of Profit or Loss of R\$ 2,697,365 (R\$ 2,122,081 in 2020) the amount of R\$ 2,651,204 (R\$ 2,109,262 in 2020) denotes the construction cost of the distribution companies and R\$ 582,026 (R\$ 282,043 in 2020) denotes the construction cost of the transmission companies.

- (2) Rate Flags - from January 2015 energy bills started using the Rate Flag System, which aims to balance the distribution companies' exposure to short-term costs in energy generation. ANEEL triggers the use of rate flags monthly in a technical notification, and the proceeds resulting from applying the rate flag can be fully or partly reverted to CCRBT, as per the monthly notice disclosed by Aneel.

The revenue earned by subsidiaries on rate flags in the financial year ended December 31, 2021 amounted to 2,053,990 (R\$ 114,892 in 2020), and R\$ 16,955 (R\$ 42,210 in 2020) was received from CCRBT. The net effect of the rate flags on the distribution subsidiaries' consolidated earnings through December 31, 2021 was therefore R\$ 2,070,945 (R\$ 157,102 in 2020).

33. Operating costs and expenses

The operating costs and expenses stated in profit or loss for the year are broken down into the following types of expenses:

Parent company				
	Cost of Services provided to Third Parties	General and administrative operating expenses	Total	
			2021	2020
Personnel and management	114,477	35,719	150,196	133,190
Variable compensation program (ILP)	-	2,857	2,857	2,525
Post-employment benefits	388	3,102	3,490	1,813
Material	(692)	2,876	2,184	2,271
Outsourced services	20,194	41,339	61,533	60,644
Depreciation and amortization	3,308	14,019	17,327	12,348
Provisions for labor, civil, tax and regulatory risks	-	5,171	5,171	(3,078)
Other	1,743	5,256	6,999	5,412
	139,418	110,339	249,757	215,125

Consolidated						
	Service Cost			Operating Expenses	Total	
	Electric Energy	Operating Cost	Provided to Third Parties	General and Administrative	2021	2020
Electricity purchased for resale	13,234,625	-	-	-	13,234,625	9,805,819
Charge for using transmission and distribution system	1,735,309	-	-	-	1,735,309	1,458,274
Personnel and management	-	1,069,443	7,618	382,831	1,459,892	1,356,803
Variable compensation program (ILP)	-	-	-	7,398	7,398	9,629
Post-employment benefits	-	13,608	506	52,288	66,402	10,018
Material	-	191,134	422	61,655	253,211	197,975
Outsourced services	-	559,967	65,926	191,628	817,521	791,810
Depreciation and amortization	-	1,116,922	9,156	116,908	1,242,986	1,228,702
Allowance for doubtful accounts - PPECLD	-	-	245,917	-	245,917	380,390
Provision for labor, civil, tax and regulatory risks	-	(184,514)	-	(138,023)	(322,537)	(85,043)
Infrastructure construction cost	-	-	2,651,204	-	2,651,204	2,109,262
Other	-	53,723	6,876	212,725	273,324	221,788
	14,969,934	2,820,283	2,987,625	887,410	21,665,252	17,485,427

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

34. Electricity purchased for resale

	Consolidated			
	MWH ⁽¹⁾		Electricity purchased for resale (Reais thousand)	
	2021	2020	2021	2020
Energy from Itaipú - Binational	3,422,388	3,369,414	1,504,998	1,254,130
Auction energy	19,837,858	18,701,043	4,769,744	3,806,669
Bilateral energy and other supplies	6,521,868	7,214,248	3,728,990	3,980,551
CCC reimbursement	-	-	(724,169)	(1,175,474)
Angra Quotas Normative Resolution 530/12 ⁽²⁾	1,171,041	1,144,332	288,659	322,945
Short-term electricity - CCEE	290,811	580,107	2,862,179	1,075,723
Physical Guarantee Quotas- Ratifying Resolution 1,410	8,492,297	8,206,667	1,663,669	1,120,372
Alternative Energy Sources Incentive Program - PROINFA	738,154	722,670	312,333	247,875
Reserve Energy - ERR	-	-	124,614	162,075
(-) Recoverable portion of noncumulative PIS/COFINS	-	-	(1,296,392)	(989,047)
Total	40,474,417	39,938,481	13,234,625	9,805,819

(1) Information outside the scope of the independent auditors.

(2) Includes the value of Normative Resolution 1585/2013.

35. Other Income

	Parent company		Consolidated	
	2021	2020	2021	2020
Other Revenue:				
Gains on deactivation	207	726	81,119	34,570
Physical surpluses (see item 14 of note 13)	-	-	89,597	87,613
Recoverable value of receivables assigned ⁽¹⁾	-	-	99,389	-
Other	249	-	29,001	9,482
Total	456	726	299,106	131,665
Other Expenses:				
Losses on deactivation	-	-	(176,303)	(86,476)
Mark-to-market of contracts ⁽²⁾	-	-	17,435	(21,814)
Accounting surpluses ⁽³⁾	-	-	(133,838)	(133,838)
Other ⁽⁴⁾	-	-	(190,068)	(31,872)
Total	-	-	(482,774)	(274,000)

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Description of the operations ⁽¹⁾	2021
Fair value of receivables assigned	254,707
Reversal due to reviewing the estimate for the allowance for doubtful accounts	91,028
Cost of receivables assigned	(246,346)
Effects - other income - recoverable value of assigned receivables	99,389
(+) Cost of Goods and/or Services Sold - Provision for expected credit losses	69,632
(+) Finance Revenue - other	9,660
(-) Finance costs - Adjustment to present value	7
Effects determined before tax	178,688

⁽¹⁾ See note 4.

⁽²⁾ Consolidated energy sales include the mark-to-market of energy trading contracts, amounting to a gain in 2021 of R\$ 19,212 (loss of R\$ 21,814 in 2020). The subsidiary ECOM operates in the Free Contracts System (“ACL”) and signed bilateral energy purchase and sale contracts with the counterparties. These transactions resulted in a loss and gain with an energy surplus, which was recognized at fair value. Realization of the fair value through the physical settlement of energy purchase and sale contracts in the consolidated statement, as shown below.

	2021	2020
Mark-to-market of energy trading sale contracts	924,165	452,170
Mark-to-market of energy trading purchase contracts	(904,953)	(473,984)
	19,212	(21,814)
(-) Pis and Cofins Taxes	(1,777)	-
Effect net of taxes	17,435	(21,814)

⁽³⁾ Accounting Surpluses - the subsidiaries ERO and EAC made write-offs for accounting surpluses of R\$ 93,951 and R\$ 59,990 respectively, in valuations of the complete regulatory asset base, as approved by the power sector regulator in SFF/ANEEL Technical No. 219/2020 and 220/2020-SFF/ANEEL, which approved Extraordinary Rate-Setting Reviews for subsidiaries ERO and EAC. The subsidiaries consequently reversed provisions made in FY 2018 of R\$ 17,101 and R\$ 3,002 for ERO and EAC respectively.

⁽⁴⁾ Includes R\$ 191,456, consisting of: (i) Effects of the subsidiary EMT entering the ICMS Demand REFIS, with R\$ 81,191 relating to the provision for loss, R\$ 8,159 effective loss as per note 7 - Clients, consumers, concession operators and other (consolidated), (ii) R\$ 91,106 relating to profits (losses) not realized on FIDC operations, see note 18 - Investments and (iii) R\$ 11,000, of the indirect subsidiary ETO relating to the settlement between the Municipal Government of Palmas et al, which was responsible for making the pass-through in a lump-sum, subjugating the rights to receive said amount to the Municipal Government of Palmas. The receivable was recorded against Other receivables expected losses recorded in the same amount in Other income in the consolidated statement of profit loss for the year, see note 30.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

36. Finance income and costs

	Parent company		Consolidated	
	2021	2020	2021	2020
Financial revenue:				
Revenue on short-term investments	351,433	148,342	242,526	105,399
Monetary variation and interest on overdue energy bills	-	-	454,751	380,866
Financial restatement of financial sector assets	-	-	37,578	33,703
Selic interest recoverable	1,300	1,732	14,858	31,084
Restatement of judicial deposits	67	39	48,722	27,519
Endorsement commission	27,833	29,363	-	-
Restatement of loans	141,563	62,425	-	-
Restatement of effects of reducing ICMS on the Pis and Cofins calculation base (note 30)	-	-	597,455	84,232
Taxes on financial revenue - PIS and COFINS	(25,562)	(13,417)	(95,914)	(52,924)
CCEE Financial Revenue	-	-	8,824	6,496
Recovery of CDE/CCEE credit	-	-	9,226	2,762
Concession indemnification	-	-	21,155	11,478
Interest Receipts	-	-	14,498	17,525
Exchange variance Energia Itaipu	-	-	5,176	6,891
Other	10,226	219	71,388	80,219
Total financial revenue	506,860	228,703	1,430,243	735,250
Finance costs				
Debt charges - interest(*)	(588,170)	(246,561)	(1,415,891)	(853,995)
Debt charges - monetary and exchange variance	(14,863)	(202,884)	(482,031)	(1,362,442)
(-) Transfer to orders in progress	-	-	39,242	20,926
Mark-to-market of derivatives	322,240	(47,076)	(108,988)	(5,764)
Mark-to-market of debt	9,521	1,880	354,000	(38,784)
Derivative Financial Instruments	32,041	110,872	510,190	1,312,367
Restatement of loans	(22,946)	(6,658)	-	-
Restatement PEE and R&D	-	-	(7,857)	(6,509)
Adjustment to present value - AVP	11	(21)	(78,109)	(5,520)
Restatement of provision for labor, civil, tax and regulatory risks	(126)	(22)	(55,221)	(60,250)
IOF expenses	(7,049)	-	(64,092)	(55,351)
Bank Charges	(1,170)	(778)	(18,827)	(13,921)
Expenses on endorsement commission	(7,271)	(11,212)	(7,271)	(11,212)
Financial restatement - Financial sector liabilities	-	-	(72,574)	(8,386)
Fine and interest	(165)	(1,157)	(107,288)	(124,290)
Interest in grid acquisition	-	-	(45,361)	(49,221)
Health care - Actuary	(703)	(291)	(21,763)	(22,749)
Restatement of effects of reducing ICMS on PIS and COFINS calculation base (note 30)	-	-	(602,009)	(84,232)
Monetary restatement ICMS Demand	-	-	(134,488)	-
Other	(5,954)	(1,238)	(209,451)	(21,713)
Total finance costs	(284,604)	(405,146)	(2,527,789)	(1,391,046)
Net finance income (costs)	222,256	(176,443)	(1,097,546)	(655,796)

(*) Includes the amount of R\$ 3,008 of interest and R\$ 5,589 of exchange variance relating to the debt financing INERGUS - DB Plan x 2018 DEFICIT recognized in December/2021.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

37. Insurance coverage

The insurance policy of the Company and its subsidiaries is based on taking out suitable insurance coverage deemed sufficient to cover losses caused by any impairment to its assets, and indemnification resulting from civil liability or any involuntary material and/or personal damages inflicted on third parties resulting from its operations, considering the nature of its activity. The risk assumptions adopted, given their nature, are not part of an independent audit.

The main items covered are:

Insurance lines	Expiry date	Amount Insured (R\$ thousand)	Total Premium - Parent Company	
			2021	2020
Operating Risks	11/22/2022	90,000	85	80
Auto - Fleet	10/23/2022	Up to R\$ 360 / vehicle	16	15
Collective Life Insurance and Personal Accidents (*)	01/31/2023	151,673	465	382
Civil Liability Directors and Officers (D&O)	03/05/2023	75,000	3	3
Total			569	480

Insurance lines	Expiry date	Amount Insured (R\$ thousand)	Total Premium - Consolidated	
			2021	2020
Operating Risks	03/13/2024	90,000	7,256	5,102
General Civil Liability	11/23/2022	90,000	3,355	3,228
Auto - Fleet	10/23/2022	Up to R\$ 1,110 / vehicle	700	755
General civil liability to 2nd Risk	11/23/2022	10,000	97	97
Aeronautical - civil liability (RETA)	12/12/2022	1,467	3	3
Aeronautical - Hull/LUC	12/12/2022	137,781	472	314
Collective Life Insurance and Personal Accidents (*)	01/31/2023	151,673	3,532	2,902
National transportation	04/04/2022	Up to 2,000/ trip	173	164
Civil Liability Directors and Officers (D&O)	03/05/2023	75,000	331	346
Explorer or Transportation Liability - R.E.T.A (Drones)	01/12/2023	941/drone	23	25
Engineering risks + Civil Liability - Works	06/29/2022	55,450	175	180
Total			16,117	13,116

(*) Amount insured for December/2021 and annualized projected premium.

38. Financial instruments and risk management

Fair value hierarchy

The different levels were assigned as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Because the electricity distribution subsidiaries have classified the concession financial asset as the best estimate of the fair value through profit and loss, the relevant factors for the fair value appraisal are not publicly observable, meaning the fair value hierarchy is classified at level 3. The change and respective restatements in profit or loss for the year were R\$ 686,306 (R\$ 222,606 in 2020) and the main assumptions used, can be seen in note 16.1.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The carrying amounts, fair values and hierarchical levels of the principal financial instrument assets and liabilities have been compared below:

Parent company					
	Level	2021		2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Amortized cost					
Cash and cash equivalents		17,408	17,408	18,629	18,629
Receivables		32,681	32,681	25,582	25,582
Notes and credits receivable		25	25	25	25
Related-party credits		2,432,573	2,432,573	1,277,925	1,277,925
		2,482,687	2,482,687	1,322,161	1,322,161
Fair value through profit or loss					
Money market and secured funds	2	4,665,960	4,665,960	2,636,327	2,636,327
Derivative financial instruments	2	47,504	47,504	64,986	64,986
Financial instruments - share purchase options (1)	3	448,344	448,344	-	-
		5,161,808	5,161,808	2,701,313	2,701,313
Liabilities					
Amortized cost					
Trade payables		6,094	6,094	12,643	12,643
Loans, financing, debentures and debt charges		6,208,913	6,211,315	4,989,319	4,954,638
Operating leases		412	412	883	883
		6,215,419	6,217,821	5,002,845	4,968,164
Fair value through profit or loss					
Derivative financial instruments	2	1,236,824	1,236,824	1,097,117	1,097,117
		1,236,824	1,236,824	1,097,117	1,097,117

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Consolidated					
	Level	2021 (restated)		2020 (restated)	
		Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Amortized cost					
Cash and cash equivalents		773,505	773,505	1,062,102	1,062,102
Clients, consumers, concession operators and other		5,828,558	5,828,558	5,456,990	5,456,990
Credit receivables		103,747	103,747	25,353	25,353
Sector financial assets		2,640,613	2,640,613	1,272,576	1,272,576
		9,346,423	9,346,423	7,817,021	7,817,021
Fair value through profit or loss					
Money market and secured funds	2	5,243,351	5,243,351	5,561,281	5,561,281
Concession financial asset	3	7,618,313	7,618,313	6,062,396	6,062,396
Derivative financial instruments	2	2,051,113	2,051,113	2,013,198	2,013,198
Financial instruments - share purchase options (1)	3	448,344	448,344	-	-
		15,361,121	15,361,121	13,636,875	13,636,875
Liabilities					
Amortized cost					
Trade payables		2,690,288	2,690,288	2,556,802	2,556,802
Loans, financing, debentures and debt charges		23,353,373	23,357,189	20,339,969	20,314,761
Operating leases		52,547	52,547	62,576	62,576
Sector financial liabilities		1,483,990	1,483,990	1,506,815	1,506,815
Tax financing		44,357	44,357	76,200	76,200
Regulatory fees (2)		48,523	48,523	3,438	3,438
		27,673,078	27,676,894	24,545,800	24,520,592
Fair value through profit or loss					
Derivative financial instruments (3)	2	2,082,222	2,082,222	1,399,650	1,399,650
		2,082,222	2,082,222	1,399,650	1,399,650

- (1) On December 27, 2018 the Board of Directors approved the investment agreement with Itaú Unibanco S.A. ("Itaú") regulating the general terms and conditions for Itaú to enter as a noncontrolling shareholder in the share ownership structure of the subsidiary Energisa Participações Minoritárias S.A.

Following the operation's consummation, Itaú Unibanco S.A. became the holder of the entire preferred shares and Energisa S.A., in turn, 100.0% of the common shares issued by the subsidiary. As a result of the operation, Energisa directly and indirectly owned 95.21% of the total share capital of Rede Energia Participações and 88.9% of Energisa Mato Grosso. As of December 31, 2021 the interests are 94.63% and 87.53%, respectively, after the new contributions made by Banco Itaú Unibanco to the subsidiary Energisa Participações Minoritárias S.A.

Note that the rights and obligations of Energisa S.A. and Itaú Unibanco S.A., as shareholders of Energisa Participações Minoritárias, were set out in a shareholders' agreement between the parties. The Company has maintained a call option over all of the noncontrolling shareholder's preferred shares. The fair value of this instrument is measured using unobservable inputs, as the call price incurred by the Company is calculated based on the noncontrolling shareholder's contribution plus 100% of the DI rate variance + 0.75%. By April 2021 this restatement will be conducted at 101% of the DI rate, less dividends distributed to the noncontrolling shareholders. The noncontrolling shareholder does not have the put option, where the noncontrolling interests hold the equity risk, where the parent company can decide whether or not

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

to exercise its call option.

The fair value of the call option in 2021, as recognized under finance revenue in the parent-company and consolidated statement of profit or loss, as a Level 3 financial instrument, is R\$ 448,344, as follows:

Valuation methods	Fair value - call option in 2021	Unobservable inputs	Sensitivity of inputs to fair value
Discounted cash flow method	R\$ 448,344	Dividends (*)	+10% (increase in the fair value of R\$ 75,310) -10% (decrease in the fair value of (R\$ 78,119))

(*) Estimated dividends to be received for the common shares in subsidiary Energisa Participações Minoritárias S.A up to 4/1/2026. In 2021 the fair value of this Level 3 financial instrument is R\$ 448,344, which is the fair value as determined by Management, recognized in the parent-company and consolidated statement of profit or loss.

- (2) Includes the balance of the Energy Development Account - CDE of R\$ 48,523 (R\$ 3,438 in 2020), disclosed in note 27 - consolidated sector charges.
- (3) The Company issued simple debentures conjugated with subscription bonuses. The right to exercise the underwriting bonus (convertibility) by debenture holders would take place at the price of one UNIT (ENGI11). This is an "in the money" option, which reflects the good likelihood of conversion, with the debt record maintained, plus the effect of the derivative financial instrument.

Derivatives

The estimated fair values of the financial assets and liabilities were determined through information available in the market and appropriate valuation methodologies.

The Company and its subsidiaries have the policy of managing market risks, thereby avoiding assuming material positions exposed to fair value fluctuations. They therefore only seek to use instruments which provide greater risk control. The derivative contracts involve swap operations and options with interest and exchange rates, in order to counter the exposure to exchange rate changes and to bring the debt cost in line with market trends. The hedge transactions against adverse exchange variance require constant monitoring in order to preserve the efficiency of their structures. The transactions in force are subject to restructuring at any time and can be reversed or subject to additional transactions in order to reduce potential material losses.

Hedge Accounting

In 2021 the Company and its subsidiaries formally classified part of its swap transactions (hedge instruments) used to swap exchange variance and interest variance for CDI variance as hedge accounting. In 2021 these transactions and the debts (subject to hedges) are being valued as fair value hedges. In these hedge designations, the Company and its subsidiaries documented: (i) the hedge ratio; (ii) the risk management goal and strategy; (iii) the financial instrument's identification; (iv) the item or transaction covered; (v) the nature of the risk to be covered; (vi) the description of the coverage relation; (vii) statement of the correlation between the hedge and the hedged item; and (viii) statement of the hedge's effectiveness.

Swap contracts are designated and effective as fair value hedges in relation to the exchange variance and/or interest rate, when applicable. During the financial year the hedge was highly effective in the exposure of fair value to change in interest rates and as a consequence, the carrying amount of securities classified as hedge was impacted by R\$ 319,459 (R\$ 40,110 in 2020) and recognized in financial income at the same time as the fair value of the interest rate swap was recognized in profit or loss.

Fair Value Option

The Company and its subsidiaries opted to formally classify new debt securities secured, for which the Company and its subsidiaries have derivative financial instruments to swap exchange and interest rate variance, as measured at fair value. The fair value option aims to eliminate or reduce inconsistency in the measurement or recognition of certain liabilities, which would otherwise arise. Both the swaps and the respective debts can therefore be measured at fair value and this option is irreversible, and should only be made upon initial recognition of the transaction. As of December 31, 2021 these debt and derivatives, and any other assets and liabilities measured at fair value through profit or loss have any gains or losses resulting from their remeasurement recognized in the Company's profit and loss.

During the year, the carrying amount of debts classified as fair value option was impacted by R\$ 34,541 (R\$ 1,326 in 2020) and recognized in financial income at the same time the interest rate swap's fair value was recognized in profit and loss.

The Company and its subsidiaries do not have credit risk assessment or derivative instruments taken out for this exposure. In the Company's opinion the change in the credit risk does not have a significant impact.

Uncertainty

The amounts were estimated at the reporting date based on information available in the market and appropriate

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

appraisal techniques. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate fair value. Consequently, the estimates used and presented below do not necessarily indicate the values that could be realized in the current exchange market.

Financial risk management

The Board of Directors is generally responsible for establishing and supervising the risk management model of the Company and its subsidiaries. The Company has therefore implemented operating limits with pre-established amounts and indicators in the “Financial Risk Management policy” (reviewed annually and available on the Company’s site) and in the internal regulations of the Executive Board of the Company and its subsidiaries.

The Risk Management Committee, consisting of the Financial Board and specialist independent consultant, monitors compliance of operations with the “Financial Market Risk Management Policy” by way of the Quarterly Risk Management Report.

Furthermore, the Company and its subsidiaries’ risk management aims to detect, analyze and monitor risks encountered, in order to establish limits and check compliance with them. For this, the Company and its subsidiaries have been using the services of an independent company specialized in cash and debt risk management, which means that the main macroeconomic metrics and their impact on results are monitored on a daily basis, in particular derivative transactions. This allows contracting and repositioning strategies to be devised, pursuing low risk and higher finance income.

Credit risk management

The debt index at the end of the years is the following:

	Consolidated	
	2021 (restated)	2020 (restated)
Debt (a)	23,353,373	20,339,969
Cash and cash equivalents	(773,505)	(1,062,102)
Net debt	22,579,868	19,277,867
Equity	8,037,151	6,478,126
Net debt index	2.81	2.98

(a) The debt is defined as short and long-term loans, financing and debentures (excluding derivatives and financial surety contracts) and debt charges, as detailed in notes 22 and 23.

a) Liquidity risk

By way of the projected cash flow, Management schedules its obligations to generate financial liabilities to the flow of receipts or sources of financing in order to ensure the greatest possible liquidity so as to honor its obligations, thereby avoiding default which hinders the operational progress of Energisa and its subsidiaries.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The contractual maturities of the main financial liabilities, including estimated interest payments and excluding the impact of currency trading agreements at the net position are as follows:

Parent company							
	Average effective weighted interest rate (%) months	Up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
Trade payables		6,094	-	-	-	-	6,094
Loans and financing, debt charges and debentures.	13.42%	494,395	1,083,368	3,078,376	2,241,087	1,798,313	8,695,539
Derivative Financial Instruments		11,200	11,745	(47,504)	-	-	(24,559)
Derivative Financial Instruments - Other (*)		-	1,212,508	1,371	-	(448,344)	765,535
Total		511,689	2,307,621	3,032,243	2,241,087	1,349,969	9,442,609

Consolidated							
	Average effective weighted interest rate (%) months	Up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
Trade payables		2,573,437	-	-	-	116,851	2,690,288
Loans and financing, debt charges and debentures.	11.17%	2,819,485	3,363,434	14,181,097	5,932,727	10,865,564	37,162,307
Derivative Financial Instruments		(57,303)	54,703	(537,108)	(342,213)	(226,065)	(1,107,986)
Derivative Financial Instruments - Other (*)		-	1,238,501	1,371	-	(549,121)	690,751
Total		5,335,619	4,656,638	13,645,360	5,590,514	10,207,229	39,435,360

(*) Includes R\$ 1,371 (R\$ 1,192 in 2020) for the commitment to buy back shares paid in by the employees and retirees of the subsidiaries ERO and EAC.

The liquidity risk denotes the risk of the Company struggling to honor its obligations posed by financial liabilities. The Company monitors the liquidity risk by maintaining investments readily convertible to meet obligations and commitments, in addition to foreseeing its future cash requirements.

Under Brazil's energy model, electricity acquired by energy distribution companies is mainly produced by hydroelectric power plants. A prolonged drought could cause power plant reservoir levels to plummet, resulting in the need to use thermal power plants, which could increase costs for distribution companies. This situation could exert pressure on the distribution companies' cash levels in the short term, leading the government to introduce measures to calibrate the system, such as increasing future rates and rate flags. Coupled with the constant monitoring of the commitments undertaken by the electricity distribution subsidiaries in their energy purchase agreements, these initiatives help to diminish the subsidiaries' exposure to energy cost oscillations.

b) Credit risk

Management believes the risks posed by its cash and cash equivalents, short-term investments and derivative financial instruments are minimal, as there is no concentration and transactions are conducted with banks which assess risk in accordance with the "Financial Risk Management policy". The Board of Directors' Audit Committee was convened in the first quarter of 2010 to oversee the group's management, according to the rules and principles established in the policy.

The credit risk, especially that of Energisa Group's distribution companies, is posed by trade accounts receivable, consumers, concession operators and others, which is, however, mitigated by sales to a broad consumer base and legal prerogatives which allow the provision of services to most defaulting clients to be suspended.

The concession financial asset consisting of estimated portion of capital invested in public service infrastructure not completely amortized by the end of the concession will be an unconditional right to receive money or other financial asset from the concession authority, as compensation for the infrastructure investment.

Sector financial assets denote assets deriving from temporary differences between the ratified costs of Parcel A and other financial components, constituting a right receivable from its electricity distribution subsidiaries. These amounts are effectively settled during the coming rate periods, or in the event the concession is terminated with balances that have not been recovered, they will be included in the compensation base that exists in the case of termination for any reason of the concession.

Part of the receivables referring to sales, energy acquisition and system service charges, incurred at CCEE, are

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

also subject to change depending on the outcome of legal proceedings in progress, filed by a number of companies in the sector. These proceedings have resulted from the interpretation of market rules in force between June 2001 and February 2002, during which the Emergency Electricity Rationing Program was in force.

Exposure to credit risks

The carrying amount of the financial assets denotes the maximum credit exposure as shown below:

	Note	Parent company		Consolidated	
		2021	2020	2021	2020
Cash and cash equivalents	6.1	17,408	18,629	773,505	1,062,102
Money market and secured funds	6.2	4,665,960	2,636,327	5,243,351	5,561,281
Clients, consumers, concession operators and other	7	32,681	25,582	5,828,558	5,456,990
Credit receivables	8	25	25	103,747	25,353
Financial sector assets, net	12	-	-	1,156,623	(234,239)
Concession financial asset	16	-	-	7,618,313	6,062,396
Derivative financial instruments	38	47,504	64,986	2,051,113	2,013,198

c) Interest and exchange rate risk

Part of the local-currency loans and financing presented in note 22 consist of financing from several national development agencies (Eletrobrás, Banco do Nordeste, BNDES, BDMG and FINEP) and other institutions in the capital market. The interest rate is defined by these Agents, taking into account the underlying interest rate, the risk premium compatible with the financed companies, their guarantees and the sector they are engaged in. In the event it is not possible to acquire alternatives or different market hypotheses and/or methods for their estimates, in view of the subsidiaries' business and sector specifics, these are measured by the amortized cost method at the contractual rates.

The Company's results are susceptible to changes in the liabilities indexed in foreign currencies. The US dollar exchange rate closed the year ended December 31, 2021 up by 7.39% over December 31, 2020, quoted at R\$ 5.5805 / USD. The volatility of the US dollar as of December 31, 2021 was 10.79%, compared with 14.12% as of December 31, 2020. The Euro exchange rate closed the financial year ended December 31, 2021 down by 0.89% over December 31, 2020, quoted at R\$ 6.3210/Euros. The Euro experienced volatility of 12.04% as of December 31, 2021.

R\$ 3,969,963 (R\$ 3,780,058 in 2020) of the Company's consolidated bank debts and issuances of R\$ 23,462,751 (R\$ 20,417,886 in 2020) as of December 31, 2021, excluding the effects of unappropriated costs, is denominated in foreign currencies, as per notes 22 and 23. The operations subject to hedging and the respective financial instruments used are detailed below.

The foreign-currency loans have a short- and long-term maturity (last maturity in December 2024) and maximum costs of USD plus 2.20% per annum plus exchange variance.

The parent company and consolidated statement of financial position the following balances denoting the mark-to-market of the financial derivatives related to the foreign exchange rate and interest, resulting from a combination of factors usually adopted for the mark-to-market of these instruments, such as volatility, currency coupon, interest rates and the exchange rate.

	Parent company		Consolidated	
	2021	2020	2021	2020
Current assets	-	64,986	473,525	683,965
Non-current assets	495,848	-	2,025,932	1,329,233
Total assets	495,848	64,986	2,499,457	2,013,198
Current liabilities	(1,235,453)	(547,963)	(1,709,426)	(598,882)
Non-current liabilities	(1,371)	(549,154)	(372,796)	(800,768)
Total liabilities	(1,236,824)	(1,097,117)	(2,082,222)	(1,399,650)

The Company and its subsidiaries have hedged 100% of the forex-indexed liabilities against adverse exchange variance, thereby hedging the principal and interest through maturity. These hedges are split into the following instruments:

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Operation	Notional (USD/EUR)	Financial Cost (% p.y)		Maturity	Description
		Long position	Short position		
ENERGISA S/A					
Resolution 4131 - XP	50,000	USD + 2.47%	CDI + 1.71%	06/28/2024	Fair Value Option
EMG					
Resolution 4131 - Bank of America ML	18,257	USD + 2.153%	CDI + 1.75%	02/02/2024	Fair Value Option
Resolution 4131 - Scotiabank	7,901	USD + 1.785%	CDI + 1.65%	06/17/2024	Fair Value Option
Resolution 4131 - Bank of America ML	7,048	USD + 2.576%	CDI + 1.50%	06/17/2024	Fair Value Option
EMT					
Resolution 4131 - Citibank	7,175	(Libor + 1.70%) x 117.65%	CDI + 1.53%	06/21/2022	Fair Value Option
Resolution 4131 - Citibank	7,175	(Libor + 1.80%)	CDI + 1.53%	06/21/2022	Fair Value Option
Resolution 4131 - Bank of America ML	10,676	EUR + 0.81%	CDI + 0.85%	12/15/2022	Fair Value Option
Resolution 4131 - Scotiabank	49,200	USD + 2.58%	CDI + 1.00%	12/29/2022	Fair Value Option
Resolution 4131 - Citibank	11,598	(Libor + 0.60%) x 117.65%	CDI + 0.65%	02/13/2023	Fair Value Option
Resolution 4131 - Scotiabank	23,432	USD + 1.4200%	CDI + 1.65%	06/17/2024	Fair Value Option
Resolution 4131 - Bank of America ML	45,875	USD + 2.00%	CDI + 1.50%	09/01/2023	Fair Value Option
Resolution 4131 - Citibank	20,000	(Libor + 1.18%) x 117.65%	CDI + 1.63%	08/28/2023	Fair Value Option
EMS					
Resolution 4131 - Citibank	7,214	(Libor + 1.70%) x 117.65%	CDI + 1.55%	05/26/2022	Fair Value Option
Resolution 4131 - Citibank	7,214	(Libor + 1.80%)	CDI + 1.55%	05/26/2022	Fair Value Option
Resolution 4131 - Bank of America ML	11,314	EUR + 1.16%	CDI + 0.95%	05/09/2022	Fair Value Option
Resolution 4131 - Bank of America ML	15,372	USD + 2.153%	CDI + 1.75%	02/02/2024	Fair Value Option
Resolution 4131 - Citibank	27,053	(Libor + 1.16%) x 117.65%	CDI + 1.75%	06/29/2024	Fair Value Option
ETO					
Resolution 4131 - Citibank	5,598	(Libor + 1.70%) x 117.65%	CDI + 1.56%	05/16/2022	Fair Value Option
Resolution 4131 - Citibank	5,598	(Libor + 1.80%)	CDI + 1.56%	05/16/2022	Fair Value Option
Resolution 4131 - Bank of America ML	15,372	USD + 2.153%	CDI + 1.75%	02/02/2024	Fair Value Option
ESS					
Resolution 4131 - Citibank	3,428	(Libor + 1.70%) x 117.65%	CDI + 1.53%	06/21/2022	Fair Value Option
Resolution 4131 - Citibank	3,428	(Libor + 1.80%)	CDI + 1.53%	06/21/2022	Fair Value Option
Resolution 4131 - Bank of America ML	26,675	EURO + 0.853%	CDI + 0.95%	01/17/2023	Fair Value Option
Resolution 4131 - Scotiabank	12,300	USD + 2.584%	CDU + 1.00%	12/29/2022	Fair Value Option
Resolution 4131 - Bank of America ML	24,432	EURO + 1.0235%	CDI + 0.85%	06/06/2022	Fair Value Option
Resolution 4131 - Scotiabank	24,635	USD + 2.33%	CDI + 1.60%	12/17/2024	Fair Value Option
EAC					
Resolution 4131 - Bofa	51,363	EURO + 1.647%	CDI + 1.65%	12/13/2023	Fair Value Option
ERO					
Resolution 4131 - Scotiabank	12,300	USD + 2.58%	CDI + 1.00%	12/29/2022	Fair Value Option
Resolution 4131 - Citi	13,683	(LIBOR + 0.60%) x 117.647%	CDI + 0.65%	02/27/2023	Fair Value Option
Resolution 4131 - Citi	29,000	(LIBOR + 0.60%) x 117.647%	CDI + 0.65%	03/23/2023	Fair Value Option
Resolution 4131 - Citi	37,665	(LIBOR + 1.24%) x 117.647%	CDI + 1.80%	05/28/2024	Fair Value Option
EBO					
Resolution 4131 - Scotiabank	7,901	USD + 1.78%	CDI + 1.65%	06/17/2024	Fair Value Option
ETE					
Resolution 4131 - Citibank	31,314	(Libor + 0.60%) x 117.65%	CDI + 0.65%	02/27/2023	Fair Value Option
ESOL					
Resolution 4131 - Bocom BBM	3,521	USD + 2.33%	CDI + 1.34%	02/01/2024	Fair Value Option
Resolution 4131 - Bocom BBM	4,951	USD + 2.35%	CDI + 1.36%	06/10/2024	Fair Value Option
ECOM					
Resolution 4131 - Bocom BBM	6,081	(Libor + 0.56%) x 133.33%	CDI + 0.59%	09/19/2022	Fair Value Option
Resolution 4131 - Bocom BBM	7,919	USD + 2.34%	CDI + 1.36%	06/10/2024	Fair Value Option
RIO PEIXE I					
Resolution 4131 - Scotiabank	20,874	USD + 1.7350%	CDI + 1.05%	04/27/2023	Fair Value Option
RIO PEIXE II					
Resolution 4131 - Scotiabank	20,874	USD + 1.7350%	CDI + 1.05%	04/27/2023	Fair Value Option

(*) These operations were originally subject to a call option with cap linked to the swap. These operations were reverted, thereby minimizing exposure to foreign exchange variance.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

The Company also has swaps (fixed rates, CDI, TJLP, among others) for the notional value of its local currency debt (Reais). See below the interest swaps:

Operation	Notional (BRL)	Financial Cost (% p.y)		Maturity	Description
		Long position	Short position		
EMT					
Itaú BBA X EMT	81,885	IPCA + 5.60%	101.75% CDI	06/15/2022	Fair Value Hedge
Itaú BBA X EMT	73,494	IPCA + 5.66%	102.65% CDI	06/14/2024	Fair Value Hedge
JP Morgan X EMT	10,544	IPCA + 4.49%	100.90% CDI	10/17/2022	Fair Value Hedge
JP Morgan X EMT	1,965	IPCA + 4.71%	101.60% CDI	10/15/2024	Fair Value Hedge
JP Morgan X EMT	3,657	IPCA + 5.11%	103.50% CDI	10/15/2027	Fair Value Hedge
Itaú BBA X EMT	385,000	IPCA + 5.08%	103.70% CDI	09/15/2025	Fair Value Hedge
JP Morgan X EMT	73,311	IPCA + 4.47%	CDI + 1.78%	04/15/2024	Fair Value Hedge
BofA x EMT	64,107	IPCA + 4.23%	CDI + 0.84%	10/15/2026	Fair Value Hedge
Itaú X EMT	181,887	IPCA + 4.88%	CDI + 0.02%	10/15/2026	Fair Value Hedge
BR Partners X EMT	350,000	IPCA + 6.09%	CDI + 0.80%	10/15/2031	Fair Value Hedge
ETO					
Itaú BBA X ETO	39,771	IPCA + 5.60%	101.75% CDI	06/15/2022	Fair Value Hedge
Itaú BBA X ETO	35,696	IPCA + 5.66%	102.65% CDI	06/17/2024	Fair Value Hedge
JP Morgan X ETO	9,526	IPCA + 4.49%	100.90% CDI	10/17/2022	Fair Value Hedge
JP Morgan X ETO	1,775	IPCA + 4.71%	101.60% CDI	10/15/2024	Fair Value Hedge
JP Morgan X ETO	3,304	IPCA + 5.11%	103.50% CDI	10/15/2027	Fair Value Hedge
Itaú BBA x ETO	240,000	IPCA + 5.08%	103.70% CDI	09/15/2025	Fair Value Hedge
JP Morgan X ETO	55,648	IPCA + 4.47%	CDI + 1.80%	04/11/2024	N.A.
BAML x ETO	7,339	IPCA + 4.23%	CDI + 0.83%	10/13/2026	N.A.
JP Morgan X ETO	82,000	IPCA + 6.09%	CDI + 0.93%	10/15/2031	Fair Value Hedge
ESS					
Itaú BBA X ESS	24,647	IPCA + 5.60%	101.75% CDI	06/15/2022	Fair Value Hedge
Itaú BBA X ESS	18,397	IPCA + 5.60%	101.75% CDI	06/15/2022	Fair Value Hedge
Itaú BBA X ESS	22,121	IPCA + 5.66%	102.65% CDI	06/17/2024	Fair Value Hedge
Itaú BBA X ESS	16,511	IPCA + 5.66%	102.65% CDI	06/17/2024	Fair Value Hedge
JP Morgan X ESS	8,580	IPCA + 4.49%	100.90% CDI	10/17/2022	Fair Value Hedge
JP Morgan X ESS	1,599	IPCA + 4.71%	101.60% CDI	10/15/2024	Fair Value Hedge
JP Morgan X ESS	2,977	IPCA + 5.11%	103.50% CDI	10/15/2027	Fair Value Hedge
Itaú BBA x ESS	70,000	IPCA + 5.08%	103.70% CDI	09/15/2025	Fair Value Hedge
JP Morgan X ESS	55,648	IPCA + 4.47%	CDI + 1.80%	04/11/2024	N.A.
BAML x ESS	7,339	IPCA + 4.23%	CDI + 0.83%	10/13/2026	N.A.
EMS					
JP Morgan X EMS	10,762	IPCA + 4.49%	100.90% CDI	10/17/2022	Fair Value Hedge
JP Morgan X EMS	2,006	IPCA + 4.71%	101.60% CDI	10/15/2024	Fair Value Hedge
JP Morgan X EMS	3,733	IPCA + 5.11%	103.50% CDI	10/15/2027	Fair Value Hedge
Itaú BBA x EMS	155,000	IPCA + 5.08%	103.70% CDI	09/15/2025	Fair Value Hedge
JP Morgan X EMS	69,586	IPCA + 4.47%	CDI + 1.80%	04/11/2024	N.A.
BAML x EMS	9,163	IPCA + 4.23%	CDI + 0.83%	10/13/2026	N.A.
Itaú BBA x EMS	148,501	IPCA + 4.88%	CDI + 0.02%	10/15/2026	N.A.
JP Morgan X EMS	320,000	IPCA + 6.09%	CDI + 0.85%	10/15/2031	Fair Value Hedge
EMG					
Itaú BBA X EMG	8,392	IPCA + 5.60%	101.75% CDI	06/15/2022	Fair Value Hedge
Itaú BBA X EMG	7,532	IPCA + 5.66%	102.65% CDI	06/17/2024	Fair Value Hedge
JP Morgan X EMG	3,636	IPCA + 4.49%	100.90% CDI	10/17/2022	Fair Value Hedge
JP Morgan X EMG	678	IPCA + 4.71%	101.60% CDI	10/15/2024	Fair Value Hedge
JP Morgan X EMG	1,261	IPCA + 5.11%	103.50% CDI	10/15/2027	Fair Value Hedge
Itaú BBA x EMG	50,000	IPCA + 5.08%	103.70% CDI	09/15/2025	Fair Value Hedge
JP Morgan X EMG	32,383	IPCA + 4.47%	CDI + 1.80%	04/11/2024	N.A.
BAML x EMG	4,277	IPCA + 4.23%	CDI + 0.83%	10/13/2026	N.A.
EPB					
Itaú BBA X EPB	15,173	IPCA + 5.60%	101.75% CDI	06/15/2022	Fair Value Hedge
Itaú BBA X EPB	13,618	IPCA + 5.66%	102.65% CDI	06/17/2024	Fair Value Hedge
JP Morgan X EPB	11,635	IPCA + 4.49%	100.90% CDI	10/17/2022	Fair Value Hedge
JP Morgan X EPB	2,169	IPCA + 4.71%	101.60% CDI	10/15/2024	Fair Value Hedge
JP Morgan X EPB	4,035	IPCA + 5.11%	103.50% CDI	10/15/2027	Fair Value Hedge
Safra x EPB	135,000	IPCA + 5.08%	103.70% CDI	09/15/2025	Fair Value Hedge
JP Morgan X EPB	64,870	IPCA + 4.45%	CDI + 1.80%	04/11/2024	N.A.
BofA X EPB	8,555	IPCA + 4.43%	CDI + 0.84%	10/13/2026	N.A.
Itaú X EPB	49,924	IPCA + 5.11%	CDI + 0.25%	10/15/2026	N.A.
JP Morgan X EPB	54,634	IPCA + 6.09%	CDI + 0.93%	10/15/2031	Fair Value Hedge
ESE					
Itaú BBA X ESE	9,333	IPCA + 5.60%	101.75% CDI	06/15/2022	Fair Value Hedge
Itaú BBA X ESE	8,376	IPCA + 5.66%	102.65% CDI	06/17/2024	Fair Value Hedge
JP Morgan X ESE	7,126	IPCA + 4.49%	100.90% CDI	10/17/2022	Fair Value Hedge
JP Morgan X ESE	1,328	IPCA + 4.71%	101.60% CDI	10/15/2024	Fair Value Hedge
JP Morgan X ESE	2,472	IPCA + 5.11%	103.50% CDI	10/15/2027	Fair Value Hedge
Safra x ESE	65,000	IPCA + 5.08%	103.70% CDI	09/15/2025	Fair Value Hedge
JP Morgan X ESE	27,876	IPCA + 4.47%	CDI + 1.80%	04/11/2024	N.A.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Operation	Notional (BRL)	Financial Cost (% p.y)		Maturity	Description
		Long position	Short position		
BAML x ESE	3,669	IPCA + 4.23%	CDI + 0.83%	10/13/2026	N.A.
Itaú BBA X ESE	59,006	IPCA + 4.88%	CDI + 0.02%	10/15/2026	N.A.
JP Morgan X ESE	58,928	IPCA + 6.09%	CDI + 0.93%	10/15/2031	Fair Value Hedge
ETE					
Santander x ETE	75,500	IPCA + 4.92%	104.25% CDI	12/15/2025	Fair Value Hedge
Santander x ETE	51,462	IPCA + 5.14%	105.15% CDI	12/15/2028	Fair Value Hedge
Santander x ETE	123,038	IPCA + 4.98%	104.50% CDI	12/15/2025	Fair Value Hedge
JP Morgan X ETE	86,631	IPCA + 4.47%	CDI + 1.78%	04/15/2024	N.A.
BAML x ETE	61,227	IPCA + 4.23%	CDI + 0.83%	10/15/2026	N.A.
ERO					
Itaú BBA X ERO	195,000	IPCA + 4.62%	104.00% CDI	04/15/2026	Fair Value Hedge
Itaú BBA X ERO	130,000	IPCA + 4.62%	104.00% CDI	04/15/2026	Fair Value Hedge
JP Morgan X ERO	78,913	IPCA + 4.47%	CDI + 1.80%	04/11/2024	N.A.
Bofa X ERO	10,389	IPCA + 4.23%	CDI + 0.835%	10/13/2026	N.A.
JP Morgan X ERO	92,800	IPCA + 6.09%	CDI + 0.93%	10/15/2031	Fair Value Hedge
EAC					
Itaú BBA X EAC	105,000	IPCA + 4.62%	104.00% CDI	04/15/2026	Fair Value Hedge
Itaú BBA X EAC	70,000	IPCA + 4.62%	104.00% CDI	04/15/2026	Fair Value Hedge
JP Morgan X EAC	37,099	IPCA + 4.62%	CDI + 1.80%	04/11/2024	N.A.
Bofa X EAC	4,885	IPCA + 4.62%	CDI + 0.835%	10/13/2026	N.A.
EPA I					
Itaú - EPA I	196,058	IPCA + 1.88%	CDI - 0.44%	03/27/2024	N.A.
EPA II					
ABC Brasil - EPA II	151,784	IPCA + 1.68%	CDI - 0.55%	04/15/2024	N.A.
EBO					
JP Morgan X EBO	13,938	IPCA + 4.47%	CDI + 1.80%	04/11/2024	N.A.
BAML x EBO	1,835	IPCA + 4.23%	CDI + 0.83%	10/13/2026	N.A.
ENF					
JP Morgan X ENF	9,327	IPCA + 4.47%	CDI + 1.80%	04/11/2024	N.A.
BAML x ENF	1,216	IPCA + 4.23%	CDI + 0.83%	10/13/2026	N.A.
EAM					
JP Morgan X EAM	41,638	IPCA + 6.09%	CDI + 0.93%	10/15/2031	N.A.

On December 31, 2021 the Company also took out Non Deliverable Forwards (“NDFs”) for its subsidiaries Alsol Energias Renováveis, Rio do Peixe I and Rio do Peixe II. The amounts are shown below:

Operation	Acquisition			Maturity
	Assets	Notional (USD)	Fixed transaction value	
ALSOL				
Safra x Alsol	USD @ 5.5670	254.2	1,415.5	01/27/2022
Safra x Alsol	USD @ 5.5706	1,696.8	9,452.4	01/31/2022
Safra x Alsol	USD @ 5.5998	307.0	1,719.4	02/17/2022
Safra x Alsol	USD @ 5.6338	999.7	5,632.5	03/14/2022
Safra x Alsol	USD @ 5.6731	1,215.4	6,895.4	04/05/2022
RIO PEIXE I				
ABC x Rio do Peixe I	USD @ 5.3508	1,501.1	8,032.1	01/10/2022
ABC x Rio do Peixe I	USD @ 5.3592	1,688.7	9,050.3	01/17/2022
ABC x Rio do Peixe I	USD @ 5.3676	1,688.7	9,064.5	01/24/2022
ABC x Rio do Peixe I	USD @ 5.3761	1,688.7	9,078.9	01/31/2022
ABC x Rio do Peixe I	USD @ 5.3850	2,327.1	12,531.5	02/07/2022
RIO PEIXE II				
ABC x Rio do Peixe II	USD @ 5.3592	2,251.7	12,067.1	01/17/2022
ABC x Rio do Peixe II	USD @ 5.3676	2,251.7	12,086.0	01/24/2022
ABC x Rio do Peixe II	USD @ 5.3761	2,251.7	12,105.2	01/31/2022
ABC x Rio do Peixe II	USD @ 5.3850	2,139.5	11,521.1	02/07/2022

In accordance with CPC 40, the values of the Company and its subsidiaries’ derivative financial instruments, which were not recorded as fair value hedge, in 2021 and 2020 are presented below.

The Company classifies certain hedge instruments related to exchange variance risk and interest rate risk posed by loans as fair value hedge, as shown below:

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Parent company

Fair Value Option	Reference value		Description	Fair value	
	2021	2020		2021	2020
Debt (Hedge Object)	247,040	145,600	Foreign Currency - USD and LIBOR	(271,701)	(211,061)
			Long Position		
			Foreign Currency - USD and LIBOR	271,701	211,061
			Short Position		
Forex Swap (Hedge Instrument)	247,040	145,600	CDI Interest Rate	(247,142)	(146,075)
			Net swap position	24,559	64,986
			Net debt position + Swap	(247,142)	(146,075)

Consolidated

Derivatives	Reference value		Description	Fair value	
	2021	2020		2021	2020
Debt (Hedge Object)	4,896,105	2,319,714	Fixed rate	(3,887,695)	(2,912,171)
			Long Position		
			Fixed rate	5,479,049	2,919,736
			Short Position		
Interest swaps (Hedge Instrument)	4,896,105	2,319,714	CDI Interest Rate	(4,990,837)	(2,338,900)
			Net swap position	488,212	580,836
			Net debt position + Swap	(3,399,483)	(2,331,335)

Fair Value Option	Reference value		Description	Fair value	
	2021	2020		2021	2020
Debt designated to Fair Value Option	3,449,289	2,760,867	Foreign Currency - USD and LIBOR	(3,970,084)	(3,782,278)
			Long Position		
			Foreign Currency - USD and LIBOR	4,094,157	3,842,393
			Short Position		
Forex Swap (Derivative)	3,449,289	2,760,867	CDI Interest Rate	(3,474,385)	(2,768,137)
			Net swap position	619,772	1,074,256
			Net debt position + Swap	(3,350,312)	(2,708,022)

The subsidiaries calculated the Fair Value of the derivatives as of December 31, 2021 based on the market price quotes for similar contracts. Their variance is directly associated with the variance of the debt balances listed in the note 22 and 23 and the positive performance of the hedge mechanisms used, as described above. The Company and its subsidiaries do not intend to settle these contracts before maturity. They also have different expectations for the results presented as Fair Value - as shown below. To ensure perfect management, daily monitoring is conducted in order to keep risk to a minimum and obtain better financial results.

The mark-to-market (MtM) of the Company and its subsidiaries' operations was calculated by an accepted method generally used by the market. The method basically consists of calculating the future value of the operations agreed in each contract, discounting the present value at market rates. A variant of the Black & Scholes formula is used to calculate the MtM of options. This formula is normally used to calculate the premium on currency options. The data used in these calculations was obtained from reliable sources. The market rates, such as the fixed rate and forex coupon, were obtained directly from the BM&F site (Market Rates for Swaps). The Ptax exchange rate was obtained from the Central Bank's site. The implicit dollar volatility for options were obtained from BM&F.

Sensitivity analysis

Pursuant to CPC 40, the Company and its subsidiaries conducted sensitivity analyses on the main risks to which the financial instruments and derivatives are exposed, as shown:

a) Exchange variance

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

If the exchange exposure as of December 31, 2021 were maintained, and the effects on the future financial statements simulated by type of financial instrument and for three different scenarios, the following results would be obtained (restated as for the reporting date):

Parent Company:

Operation	Exposure	Risk	Scenario I (Probable (*))	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Foreign-Currency Debt - USD and LIBOR	(247,040)		(186,098)	(238,787)	(291,477)
Change in Debt			60,942	8,253	(44,437)
Forex Swap		Exchange rate increase			
Long Position			210,759	263,448	316,138
Derivative Financial Instruments - USD and LIBOR	271,701		(60,942)	(8,253)	44,437
Variance - USD and LIBOR					
Short Position					
Derivative Financial Instruments - CDI Interest Rate	(247,142)		(247,142)	(247,142)	(247,142)
Subtotal	24,559		(36,383)	16,306	68,996
Net Total	(222,481)		(222,481)	(222,481)	(222,481)

(*) The probable scenario is calculated based on the expected future exchange rate in the last Focus bulletin disclosed for the calculation date. The deterioration scenarios of 25% and 50% are calculated based on the probable scenario curve. In these scenarios the forex curve is impacted, the CDA curve holds steady and the exchange coupon curve is recalculated. This is done to ensure the parity between the spot, CDI, currency coupon and future exchange rate is always valid.

The derivatives in the "Probable Scenario" calculated based on the net analysis of the above operations until the maturity thereof, adjusted to present value by the fixed rate in Brazilian Reais as of December 31, 2021, which is reflected in the negative present value of R\$ 222,481, that shows how the adverse exchange variance in existing debts was mitigated. The greater the deterioration of the exchange rate (risk variable considered), the greater the positive results of the swaps. However, there would be negative present value of R\$ 222,481 in the scenarios where the Brazilian real exchange rate lost 25% and 50%, a scenario in which some of the current caps would be exceeded.

Consolidated

Operation	Exposure	Risk	Scenario I (Probable (*))	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Foreign-Currency Debt - USD and LIBOR	(3,449,289)		(2,944,646)	(3,811,007)	(4,677,367)
Change in Debt			504,643	(361,718)	(1,228,078)
Forex Swap		Exchange rate increase			
Long Position					
Derivative Financial Instruments - USD and LIBOR	4,094,157		3,588,673	4,485,841	5,383,009
Variance - USD and LIBOR			(505,484)	391,684	1,288,852
Short Position					
Derivative Financial Instruments - CDI Interest Rate	(3,474,385)		(3,474,385)	(3,474,385)	(3,474,385)
Variance - CDI Interest Rate	-		-	-	-
Subtotal	619,772		114,288	1,011,456	1,908,624
Net Total	(2,829,517)		(2,830,358)	(2,799,551)	(2,768,743)

(*) The probable scenario is calculated based on the expected future exchange rate in the last Focus bulletin disclosed for the calculation date. The deterioration scenarios of 25% and 50% are calculated based on the probable scenario curve. In these scenarios the forex curve is impacted, the CDA curve holds steady and the exchange coupon curve is recalculated. This is done to ensure the parity between the spot, CDI, currency coupon and future exchange rate is always valid.

The derivatives in the "Probable Scenario" calculated based on the net analysis of the above operations until the maturity thereof, adjusted to present value by the fixed rate in Brazilian Reais as of December 31, 2021, which is reflected in the negative present value of R\$ 2,830,358, that shows how the adverse exchange variance in existing debts was mitigated. The greater the deterioration of the exchange rate (risk variable considered), the greater the positive results of the swaps.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

b) Interest rate variance

If the interest-rate exposure as of December 31, 2021 were maintained, and the effects on the future financial statements simulated by type of financial instrument and for two different scenarios, the following results would be obtained (restated as for the reporting date):

Operation	Exposure	Risk	Scenario I (Probable)(*)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Local Currency Debt - Interest Rate	(4,896,105)		(4,896,105)	(4,896,105)	(4,896,105)
Change in Debt					
Interest swaps		Increase in CDI			
Long Position					
Derivative Financial Instruments - Fixed	5,479,049		5,480,473	5,480,473	5,480,473
Change - Interest rates			1,424	1,424	1,424
Short Position					
Derivative Financial Instruments - CDI	(4,990,837)		(4,990,837)	(5,140,991)	(5,290,140)
Variance - CDI + TJLP	-		-	(150,154)	(299,303)
Subtotal	488,212		489,636	339,482	190,333
Net Total	(4,407,893)		(4,406,469)	(4,556,623)	(4,705,772)

Considering the exposure of financial instruments indexed to interest rates as of December 31, 2021 is maintained and the respective accumulated annual indexes are (CDI = 4.42%, IPCA = 10.06%, TR = 0.05% per year) and if the indexes vary in accordance with the three scenarios defined, the net financial result would be affected by:

Instruments	Exposure (R\$ thousand)	Risk	Scenario I (Probable)(1)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Receivable financial instruments:					
Money market and secured funds	5,653,403	Increase in CDI	627,528	784,410	941,292
Payable financial instruments:					
Swap	(3,474,385)	Increase in CDI	(385,657)	(482,071)	(578,486)
	(10,656,305)	Increase in CDI	(1,182,850)	(1,478,563)	(1,774,275)
Loans, financing and debentures	(7,402,679)	Rise in IPCA	(744,710)	(930,888)	(1,117,065)
	(170,464)	Rise in INPC	(17,319)	(21,649)	(25,979)
	(645,541)	High TR	(323)	(404)	(485)
Subtotal (2)	(22,349,374)		(2,330,859)	(2,913,575)	(3,496,290)
Total -losses (2)	(16,695,971)		(1,703,331)	(2,129,165)	(2,554,998)

(1) Considers the CDI rate at December 31, 2022 (11.10% per annum), quote of the estimates presented by the recent BACEN survey, dated December 31, 2021, TR of 0.05 per annum, INPC of 10.16% per annum and IPCA 10.06% per annum.

(2) Does not include fixed-interest transactions worth R\$ 1,113,377.

c) Change in energy price curve

The table below demonstrate sensitivity to any changes of 25% and 50%, indicating the deterioration of the subsidiary ECOM's financial situation by increasing the Forward Curve over the portion of future electricity purchase and sale agreements affected, after the mark-to-market impact. With all other variables remaining constant, profit before tax is affected by the future electricity purchase and sale agreement subject to the volatility of the future energy curve, as shown below:

Instruments	Gross Margin (R\$ thousand)	Risk	Scenario I (Probable)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Scenario 1					
Purchase (contract + exposure)	(429,231)	Increase in PLD	(8,076)	(10,094)	(12,115)

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Sale (contract + exposure)	504,016		33,609	42,011	50,414
Total Scenario 1	74,785		25,533	31,917	38,299
Scenario 2					
Purchase (contract + exposure)	(429,231)		8,069	10,086	12,104
Sale (contract + exposure)	504,016	Decrease in PLD	(33,602)	(42,003)	(50,403)
Total Scenario 2	74,785		(25,533)	(31,917)	(38,299)
Net total					

Liquidity risk management

The liquidity risk denotes the risk of the Company and its subsidiaries struggling to honor their obligations posed by financial liabilities. The Company and its subsidiaries monitor the liquidity risk by maintaining investments readily convertible to meet obligations and commitments, foreseeing its future cash requirements.

39. Post-employment benefits

39.1 A breakdown follows of the actuarial deficit balances of the retirement and pension plans, the retirement bonus and health care plan:

	Parent company		Consolidated							
	Retirement Bonus and Health Care Plan		Pension Plan		Health care plan		Retirement Bonus		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Inergus - ESE	-	-	87,594	153,654	29,331	53,001	4,629	4,436	121,554	211,091
Funasa - EPB	-	-	7,089	120,735	3,715	7,730	-	-	10,804	128,465
BD-I, OP and R Plans - EMT	-	-	9,578	21,865	97,443	118,717	-	-	107,021	140,582
BD-I, OP and R Plans - ETO	-	-	1,778	3,386	14,816	26,930	587	597	17,181	30,913
BD-I, OP and R Plans - ESS	-	-	6,240	15,036	32,747	55,254	-	-	38,987	70,290
I, II and R Plans - EMS	-	-	-	3	22,240	34,211	-	-	22,240	34,214
Eletros (ERO) ⁽¹⁾	-	-	24,147	25,280	2,102	1,771	-	-	26,249	27,051
2020 Migration Contract - CD Plan ⁽²⁾	-	-	116,020	94,033	-	-	-	-	116,020	94,033
Deficit repair contract ⁽³⁾	-	-	153,427	15,305	-	-	-	-	153,427	15,305
Health care plan - others	6,007	10,169	-	-	8,887	17,266	-	-	8,887	17,266
Retirement bonus - other	4,064	3,427	-	-	-	-	12,487	10,381	12,487	10,381
Total	10,071	13,596	405,873	449,297	211,281	314,880	17,703	15,414	634,857	779,591
Current	1,229	1,452	34,334	31,802	23,052	29,337	2,221	1,593	59,607	62,732
Non-current	8,842	12,144	371,539	417,495	188,229	285,543	15,482	13,821	575,250	716,859
Loans, financing and debt charges	-	-	269,447	109,338	-	-	-	-	269,447	109,338
Post-employment benefits	10,071	13,596	136,426	339,959	211,281	314,880	17,703	15,414	365,410	670,253

The non-current balance includes R\$ 269,447 (R\$ 109,338 in 2020) referring to the Migration debt contracts - CD Plan and debt repair contract, which are being recorded in loans, borrowings and debt charges, see (note 22).

(1) The subsidiary ERO has the DC plan constituted with the ELETROS retirement plan, sponsored by Eletrobrás in 2011 without including the past service of employees. The employees therefore made their administrative claim where by way of Official Notice 147/2017 the head of the strategic management special advisory service of the Ministry of Mines and Energy sent to SEST documentation regarding the change to the CD Plan's regulations, whose proposal aimed to make it possible to include the option to make extraordinary contributions to pay for past service time, to be covered equally by the sponsor and the participants. The claim presented the content as follows "participants enrolled in the CD plan by September 30, 2017, who joined the sponsor's staff before September 2011 are entitled to opt for the extraordinary contribution".

The proposal was analyzed at the various decision-making levels, with a favorable decision issued by the Eletros Governing Board on October 10, 2017, the ERO Board of Directors on October 13, 2017 and the Eletrobrás Executive Board on October 16, 2017.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

After requesting further information to help analyze the claim, SEST concluded that the proposal aims to meet a long-standing claim of the employees, stated in the collective bargaining agreement, which as it entails a retirement incentive should be added to the pension plan and, in exchange, excluded from the ACT and that the claim was supported by the existing legislation both regarding the projected past service time -, and costing through equal contributions from the participants and sponsors. By way of Official Notice 22592 issued by the Ministry of Planning, Budgets and Management (MP) on March 19, 2018, the Office for Management and Governance of Government-Owned Companies (SEST) accepted the claim made in respect of Official notice 147/2017/AEGE/SE-MME, on October 31, 2017, regarding the proposal to change the Complementary Pension Plan regulations - CD ERO, introduced in the form of Defined Contributions - CD, sponsored by its subsidiary Eletrobrás Distribuição Rondônia (EDRO) and administrated by Fundação Eletrobrás de Seguridade Social - ELETROS.

Based on the initial actuarial calculations presented in actuarial report 010/2017 issued by ELETROS in the amount of R\$ 90,010, which was assessed and approved by SEST, subject to the conditions and recommendations described in Technical Note 4.614/2018-MP, the Company made a provision for the actuarial liability. The balance in 2021 is R\$ 16,661 (R\$ 16,661 in 2020) in current and R\$ 7,486 (R\$ 8,619 in 2020) in noncurrent.

(2) The Contract signed with Energisaprev - Fundação Energisa de Previdência, as a result of migrating from the defined-benefit plan to the defined-contribution plan, took place in the years 2021 and 2020; and

- (3) Amendments have been made to the pension plans under PREVIC Resolution 31/2020. As a result, the plan sponsor has been required to make certain reclassifications between the post-employment benefits and loans, financing and debt service charges line items.

39.2 Retirement and pension supplementation plan

The Company and its subsidiaries sponsor defined-contribution and variable-contribution retirement plans and a plan exclusively for risk benefits posed by a defined- and variable- contribution plan.

The defined-benefit, variable contribution and risk plans undergo an actuarial assessment at the end of each financial year, in order to ascertain whether the contribution rates are sufficient to establish the reserves required to meet the current and future payment commitments.

The following institutions administrate these plans:

- Energisaprev - Fundação Energisa de Previdência, multi-sponsor private complementary pension entities, incorporated as a non-profit foundation with administrative and financial autonomy, authorized to operate by Ordinance 47, issued October 24, 2003, issued by the Ministry of Social Security - Supplementary Pensions Department.
- INERGUS - Instituto Energipe de Seguridade Social, a private company, authorized to operate by Ordinance 3.761, issued 5/20/1986 by the Ministry of Social Security - Supplementary Pensions Department.
- In October 2020 PREVIC approved the transfer of the management of the PSI and PCD plans to EnergisaPrev, effective from January 04, 2021, with only the BD Plan remaining under the management of Instituto INERGUS.

The benefits plan introduced by the Company and its subsidiaries are as follows:

I. INERGUS: Defined-benefit plan (PO and PSI) - sponsor ESE

With a view to reducing the actuarial deficits of these plans, in FY 2009 Management presented to and obtained the approval of the Supplementary Pensions Office (now PREVIC) for the following changes to these plans:

- ✓ Closure of Defined-Benefit Plan (PO) for new participants.
- ✓ Creation of Paid-in Plans (PSI) to which current active defined-benefit participants can migrate, and
- ✓ Creation of the Defined-Contribution Plans (CD) which can be migrated to by all current active participants who simultaneously migrate to the PSI plans.

Upon retirement, participants who opted to migrate to the (PSI) plans will be entitled to a proportional benefit that was calculated based on the mathematical reserves determined at the migration date and which will be readjusted until the date the benefits are awarded.

Because of its features, the (PSI) plan will not receive monthly contributions from the participants or sponsor, and any actuarial deficit will have to be shouldered by the sponsor.

Given the recurrent actuarial deficit presented by the PO plan since 2014, in 2018 ESE introduced a program incentivizing participants to migrate from this plan to the CD plan, by contributing funds to the new plan in an amount sufficient to restore the individual mathematical reserves of the party, including settlements in the event of legal proceedings. PREVIC approved the program by way of Ordinance 915 issued 9/24/2018.

78% of participants entered the program, equal to 67% of the Mathematical Reserves. ESE undertook to contribute R\$ 127.1 million to the CD plan via a 90-month financing contract restated by the IPCA + 5.78% p.y

The Company and INERGUS then signed a migration reserves financing contract on December 31, 2018 for R\$

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

127,118, consisting of the portion of the actuarial deficit of the BD-1 plan, of the migration incentive, of R\$ 94,783 which affects the participants, assisted parties and beneficiaries, who formalized the option to migrate to PCD INERGUS, and for the advance in the BD-1 plan of R\$ 32,335, due to the lack of liquidity of certain assets that should be transferred to the PCD plan. An installment of the debt was paid of R\$ 3,000 in January 2019 and the balance, financed over 89 monthly successive payments maturing on day 15 every month, the first due on February 15, 2019 and the last on June 15, 2026 (see note 22). This instrument accompanied the Sergipe DC Plan when it was transferred to the management of EnergisaPrev.

The Sergipe Settled Plan (PSI) had its management transferred to EnergisaPrev in January 2021.

II. FUNASA: Defined-benefit Plan (DB 1 and PSF) - sponsor EPB

The pension benefits plan operated by EPB as a defined benefit used to regularly present actuarial deficits. With a view to reducing the actuarial deficits of this plan, on December 18, 2008 Management presented to and obtained the approval of the Supplementary Pensions Office for the following changes to these plans:

- ✓ Closure of Defined-Benefit Plan (BD-1) for new participants.
- ✓ Creation of the Funasa Paid-in Plan (PSF) to which current active participants can migrate, and
- ✓ Creation of the Defined-Contribution Plan (CD) which can be migrated to by all current active participants who have simultaneously migrated to the PSF plan.

Upon retirement, participants who opted to migrate to the PSF plan will be entitled to a proportional benefit that was calculated based on the mathematical reserves determined at the migration date and which will be readjusted until the date the benefits are awarded. The total of the proportional benefits determined when the plan was implemented was undertaken as debts by the sponsor EPB to the respective sponsored funds Funasa. Because of its features, the PSF plan will not receive monthly contributions from the participants or sponsors, and any actuarial deficit will have to be shouldered by the sponsor.

III. Energisa Sudeste Plan - sponsor EMG

The Sudeste Plan is a variable contribution plan and came under the management of EnergisaPrev on June 03, 2019. This plan undergoes an actuarial assessment at the end of each financial year, in order to ascertain whether the contribution rates are sufficient to establish the reserves required to meet the current and future payment commitments. The portion of benefits awarded (defined-benefit part of the plan) is currently comprised only of members who are still enrolled as dependents and pensioners.

IV. Borborema Benefit Plan - sponsor EBO

This is a defined-benefit plan that EnergisaPrev began administrating in April 2018 via PREVIC Authorizing Ordinance 1,138 issued 12/11/2017, and is closed to new participants.

The Plan guarantees:

I. to participants:

- Special Supplementary Pension;
- Early Supplementary Pension;
- Supplementary Disability Pension.

II. to beneficiaries:

- Supplementary Pension for Death.

V. Benefits I Plan - sponsor EMS

Introduced on 7/18/1989, this plan is being wound down since 5/10/2002, when it was closed to new participants. It offers the following supplementary benefits:

- Supplementary pension based on contribution time;
- Special supplementary pension;
- Supplementary pension due to age;
- Supplementary disability pension;

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

- Supplementary pension for death; and
- Supplementary annual bonus.

The plan is structured as a Defined Benefit plan and contributions are made by assisted participants.

VI. Benefits II Plan - sponsor EMS

Introduced on 5/1/2002 and closed to new participants, it is structured as a variable-contribution plan. It provides the following benefits:

- Normal or early retirement
- Retirement due to invalidity ;
- Pension for death of an active participant, and
- Pension for death of a retiree.

During the benefit's deferral term, this plan is structured in the form of a defined contribution materialized in equity quotas. Awarded benefits are paid as monthly income determined by an actuarial factor over the applicable account balance at the calculation date. The applicable account balance denotes the financial amount of contributions accumulated in favor of the participant.

Once triggered, the monthly income is monetarily restated every year, and this date is considered to be a Defined Benefit.

For participants migrating from the Benefits I Plan to the Benefits II Plan and who made the initial contribution, the Monthly Income benefit has a minimum guarantee in the defined-benefit format.

The plan is paid for by participants and the sponsor.

VII. Electric Benefits Plan BD-I - sponsors EMT, ETO and ESS

Introduced on August 1, 1986, this plan is being wound down since December 31, 1998, when it was closed to new participants. It provides supplementary benefits to the retirement for length of service/age, invalidity retirement, sickness allowance, pension for death and lump sum in the case of death.

The plan is structured as a Defined-Benefit plan and contributions are made by Participants, Assisted Participants and Sponsors.

VIII. Electric Benefits Plan-OP and CEMAT-OP - sponsors EMT, ETO and ESS

Introduced on January 01, 1999 and closed to new participants, it is structured as a variable-contribution plan.

During the benefit's deferral term, this plan is structured in the form of a defined contribution, where the Participant may elect a Financial monthly income or Monthly Income For Life, the latter linked to the financial amount of the contributions accumulated by the participant.

Once triggered, the lifetime monthly income is monetarily restated every year, and this date is considered to be a Defined Benefit.

The plan is paid for by Participants (90%) and the Sponsor (10%).

IX. Electric Benefits Plan - R - sponsors EMT, ETO, ESS and EMT

Introduced on January 12, 2007 and closed to new participants, it is structured as a defined-benefit plan. It provides the following benefits:

- Supplementary disability retirement
- Supplementary sickness benefit
- Supplementary pension for death; and
- Lump sum benefit on death.

For the effects of this Valuation and compliance with CVM 695/2012 Resolution, it is necessary to jointly determine the actuarial commitments, contribution expenses and costs and assets of the R Benefits Plan for each sponsor.

X. Defined-contribution plans

The value of contributions in defined-contribution plans are known, and the value of the benefits depends on the savings accrued by the participants and sponsor and the financial earnings obtained on the investments made by the plan administrators. This type of plan does not therefore generate liabilities for the sponsor as a result of an

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

actuarial deficit.

These plans include

Plan	Sponsors
INERGUS CD Plan (*)	ESE
FUNASA CD Plan (*)	EPB
Energisa Acre Plan (*)	EAC
Energisa Rondônia Plan (*)	ERO
Energisa CD Plan	Company and its subsidiaries

(*) The plans are closed to new participants.

Migration between subsidiary plans

In 2021 and 2020 participants migrated between the plans sponsored by the subsidiaries EMT, ETO, ESS, EPB and EBO to the Energisa DC Plan. This process was authorized by the regulator PREVIC, via Ordinance 467, issued July 02, 2020. The migration took place in three tranches, December 2020, July 2021 and November 2021. The table below shows the percentage participants that migrated from each plan by tranche:

Sponsor	Plan	Tranche 1		Tranche 2		Tranche 3		ACCUMULATED	
		ACTIVE	DEPENDENT	ACTIVE	DEPENDENT	ACTIVE	DEPENDENT	ACTIVE	DEPENDENT
EMT	Cemat DB	0%	31%	0%	7%	0%	7%	0%	45%
EMT	Cemat OP	0%	51%	0%	3%	0%	6%	0%	59%
EMT	Cemat OP + R	56%	0%	23%	0%	13%	0%	92%	0%
EMT	Plan R	33%	24%	0%	11%	0%	6%	33%	41%
ETO	Elétricas DB	100%	26%	0%	3%	0%	0%	100%	29%
ETO	Elétricas OP	0%	52%	0%	10%	0%	0%	0%	62%
ETO	Elétricas OP + R	41%	0%	21%	0%	16%	0%	79%	0%
ETO	Plan R	0%	20%	0%	0%	0%	0%	0%	20%
ESS	Elétricas DB	100%	15%	0%	3%	0%	3%	100%	22%
ESS	Elétricas OP	0%	62%	0%	3%	0%	0%	0%	65%
ESS	Elétricas OP + R	68%	0%	18%	0%	8%	0%	94%	0%
ESS	Plan R	0%	42%	0%	0%	0%	0%	0%	42%
EMS	Plan I	0%	41%	100%	8%	0%	0%	100%	48%
EMS	Plan II	72%	43%	21%	16%	4%	3%	97%	62%
EMS	Elétricas OP + R	76%	0%	19%	0%	1%	0%	97%	0%
EPB	Funasa PO (BD)	13%	5%	3%	3%	6%	16%	22%	25%
EPB	Funasa PSI (Settled)	10%	9%	10%	1%	2%	10%	23%	20%
EPB	Funasa CD	64%	0%	24%	0%	2%	0%	90%	0%
EPB	Funasa DC + Settled	36%	0%	3%	7%	4%	0%	43%	7%
EBO	Borborema	95%	46%	5%	54%	0%	0%	100%	100%

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	2020 Actuarial appraisal										
	INERGUS-PO	INERGUS-PSI	FUNASA-BD-I	FUNASA-PSF	BORBOREMA	SUDESTE	BD-I	OP	Plan R	Plan I	Plan II
I - Biometric Assumptions											
General Mortality Table	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex	BR-EMS 2015 by sex
Disability Entry Table	LIGHT Weak	LIGHT Weak	LIGHT Weak	LIGHT Weak	Not applicable	Not applicable	LIGHT Weak	Not applicable	LIGHT Weak	Not applicable	LIGHT Weak
Disability Mortality Table	MI-85 by sex	MI-85 by sex	MI-85 by sex	MI-85 by sex	MI-85 by sex	MI-85 by sex	MI-85 by sex	Not applicable	MI-85 by sex	MI-85 by sex	MI-85 by sex
Family Members (Active)	Average standard family Real Family	Average standard family Real Family	Average standard family Real Family	Average standard family Real Family	Not applicable	Not applicable	Average Standard Family Real Family	Not applicable	Average Standard Family Real Family	Standard Family Real Family	Average standard family Real Family
Family Members (Assisted)	Real Family	Real Family	Real Family	Real Family	Real Family	Real Family	Real Family	Real Family	Real Family	Real Family	Real Family
II - Economic Variables											
Real Discount Rate of the Actuarial Obligation	3.21% p.y	3.58% p.y	3.21% p.y	3.58% p.y	3.21% p.y	3.21% p.y	(*)	3.21% p.y	(*)	2.82% p.y	3.21% p.y
Projected Future Inflation	3.00% p.y	3.00% p.y	3.00% p.y	3.00% p.y	3.00% p.y	3.00% p.y	3.00% p.y	3.00% p.y	3.00% p.y	3.00% p.y	3.00% p.y
Expected Rate of Return on Assets	6.31% p.y	6.69% p.y	6.31% p.y	6.69% p.y	6.31% p.y	6.31% p.y	(**)	6.31% p.y	(**)	5.90% p.y	6.31% p.y
Salary and Benefit Capacity Factor	1.00% p.y	1.00% p.y	1.00% p.y	1.00% p.y	1.00% p.y	1.00% p.y	100% p.y	100% p.y	100% p.y	100% p.y	100% p.y
Real Salary Growth Rate	2.88% p.y	0% p.y	2.88% p.y	0% p.y	0% p.y	0% p.y	3.25% p.y	Not applicable	2.88% p.y	0% p.y	2.88% p.y
Turnover Rate	0% p.y	0% p.y	0% p.y	0% p.y	0% p.y	0% p.y	0% p.y	0% p.y	0% p.y	0% p.y	0% p.y
III - Financial Capitalization Arrangement	Unit Credit Method	Unit Credit Method	Unit Credit Method	Unit Credit Method	Unit Credit Method	Unit Credit Method	Unit Credit Method	Unit Credit Method	Unit Credit Method	Unit Credit Method	Unit Credit Method

(*) The Real Discount Rate of the Actuarial Obligation between companies with the same plan can have different percentages. In 2020 the real salary growth rate percentages in the BD-I Plan were 2.82% and 3.21% and the R Plan were 3.21% and 3.79%.

(**) The Expected Rate of Return on Assets between companies with the same plan can have different percentages. In 2020 the asset yield rate percentages of the BD-I Plan were 5.90% and 6.31% and the R Plan were 6.31% and 6.90%.

The actuarial assumptions adopted are impartial and mutually compatible. The discount rate is based on the yield of the NTN-B public bond indexed to the IPCA price index. The bond was used as it is suitable for the benefits' features. The expected rate of return on the plan's assets reflects market expectations for the yields of the plan's assets. Real salary growth rate is based on the Company's past experience.

The projected units credit method is used to determine the present value of the defined-benefit obligations. This method is obligatory under CPC 33 (R1).

The projected unit of credit method considers each term of employment to be an event that generates an additional unit of benefit, which are accrued to calculate the final obligation. Other actuary premises are also used, such as biometric and economic hypotheses and historical data on expenses incurred and on employees contributions.

When the obligation's balance is greater than the fair value of the plan's assets, the deficit is recognized in the sponsor's liabilities. Reductions can be made to the present value of the actuarial obligation based on the concept of sharing risks with participants and dependents, in line with Technical Pronouncement CPC 33 (R1) and the guidelines issued by the Brazilian Institute of Actuaries.

The actuarial gains and losses generated by alterations to the actuarial premises of the pension and retirement benefit plans or adjustments due to experience of the plan are remeasured in full in other comprehensive income in equity.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

c. Reconciliation of the plans' position

See below the reconciliation and changes in the assets and obligations of the subsidiaries' pension plans:

Reconciliation between the opening balance and closing balance - Asset	Consolidated	
	2021	2020
Fair value of the assets in 2020 and 2019	523,197	853,830
Gains/ (Losses) of the assets	(83,175)	(14,117)
Expected return on plan assets	36,929	61,419
Employer contributions	18,188	14,163
Plan participant contributions	1,917	2,780
Benefits paid	(47,616)	(55,433)
Past service cost	(72,275)	(339,445)
Fair value of the assets in 2021 and 2020	377,165	523,197

Reconciliation between the opening balance and closing balance - Obligation	Consolidated	
	2021	2020
Present value of the obligations in 2020 and 2019	790,269	1,096,871
Current service cost	301	2,285
Interest cost	48,530	70,320
Contributions from participants	1,917	2,774
Actuarial (Gains)/Losses	(108,120)	11,077
Benefits paid	(47,297)	(55,433)
Past service cost	(63,571)	(337,625)
Present value of the obligations in 2021 and 2020	622,029	790,269

Net position of plans	Consolidated	
	2021	2020
Fair value of the assets	377,165	523,197
Present value of obligations	(622,029)	(790,269)
Net Position	(244,864)	(267,072)
Asset Limit	(20,843)	(59,769)
Recognizable deficit/surplus	(265,707)	(326,841)

Net amount recognized in the financial statements

Changes in the Balances	Consolidated	
	2021	2020
Net position in 2020 and 2019	326,841	382,930
Effect on other comprehensive income (OCI)	(62,780)	(24,763)
Interest on asset ceiling	7,344	(9,630)
Employer Contribution	(17,617)	(9,409)
Impact resulting from plan curtailment	31,816	(29,303)
Transferring debt between plans (DB-DC)	(28,446)	(2,543)
Effects on P&L for the year	8,549	19,559
Net position in 2021 and 2020	265,707	326,841
Current	17,759	15,141
Noncurrent	247,948	311,700

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

e. Sensitivity Analysis

The significant actuarial assumption to determine the actuarial obligation is the discount rate. To demonstrate how the defined-benefit obligation has been affected by significant changes in the discount rate, the sensitivity analysis was conducted for a 0.25% increase or decrease in the discount rate, maintaining all other variables unchanged. See the results below.

Company	Beneficiary Plan	2021		
		Present value of real actuarial obligations	Present value of actuarial obligations reduced by 0.25%	Present value of actuarial obligations increased by 0.25%
EMT	BD-I	26,412	26,859	25,976
EMT	OP	49,733	50,576	49,912
EMT	R	28,924	29,539	28,446
ESS	BD-I	41,341	41,759	40,929
ESS	OP	24,102	24,511	23,704
ESS	R	3,813	3,894	3,750
ETO	BD-I	3,990	3,911	-
ETO	OP	41	39	-
ETO	R	5,213	5,020	-
EMS	Plan I	50,329	51,593	49,112
EMS	Plan II	29,107	29,838	28,403
EMS	Plan R	-	-	-
EPB	BD-I	153,755	157,618	120,525
EPB	PSF	42,958	44,473	41,526
ESE	PO	43,344	44,349	42,397
ESE	PSI	107,646	110,001	103,454
EBO	BORBOREMA	-	-	-
EMG	SUDESTE	5,971	6,121	5,826

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

Company	Beneficiary Plan	2020		
		Present value of real actuarial obligations	Present value of actuarial obligations reduced by 0.25%	Present value of actuarial obligations increased by 0.25%
EMT	BD-I	42,830	43,620	42,062
EMT	OP	71,884	73,191	70,610
EMT	R	37,781	38,639	37,125
ESS	BD	58,381	58,999	57,773
ESS	OP	28,355	28,663	27,853
ESS	R	4,106	4,179	4,034
ETO	BD	5,325	5,460	5,195
ETO	OP	47	47	47
ETO	R	5,162	5,302	5,026
EMS	Plan I	66,412	68,318	64,582
EMS	Plan 2	52,400	53,874	50,985
EMS	Plan R	4	5	4
EPB	PBD I	199,959	203,653	196,460
EPB	PSF	50,098	52,157	48,161
ESE	BD-I	42,110	44,349	41,229
ESE	PSI	115,577	120,038	111,365
EBO	BORBOREMA	7,331	7,537	7,133
EMG	SUDESTE	2,507	2,577	2,439

Defined-contribution and defined-benefits plan

Defined-contribution and defined-benefits plan balances of subsidiaries are as follows:

Company	Beneficiary Plan	Annual contribution		% over payroll	Deficit (Actuarial surplus) (*)	
		2021	2020		2021	2020
ESA	DC	982	2,160	3.45%	-	-
EMG	DC	144	899	2.70%	(4,661)	(14,027)
ENF	DC	680	61	2.45%	-	-
ESOL	DC	2,900	569	1.53%	-	-
ESE	DC	258	1,427	6.09%	82,549	94,033
ESE	PS	-	369	0.54%	-	-
ESE	BD	10	1	0.00%	156,915	165,816
EPB	PS	-	-	0.00%	-	-
EPB	BD	-	8,070	0.01%	88,465	120,735
EPB	DC	3,574	1,849	4.99%	17,117	3,143
EBO	BD	-	54	0.00%	-	(32)
EBO	DC	429	254	4.18%	-	-
ECOM	DC	138	125	3.29%	-	-
EPLAN	DC	39	34	7.26%	-	-
EMT	BD/CV	-	4,084	0.00%	11,767	21,865
EMT	DC	4,707	847	3.06%	6,779	-
Sobradinho	DC	-	-	0.00%	-	-
EMS	BD	108	1,679	0.12%	-	3
EMS	DC	3,422	820	3.80%	547	-
ETO	BD	351	909	0.48%	1,847	3,386
ETO	DC	2,681	1,283	3.66%	1,297	-
ESS	BD	140	751	0.24%	6,713	15,036
ESS	DC	2,115	937	3.58%	7,731	-
ERO	DC	260	1,320	1.59%	-	-
ERO	BD	-	986	0.63%	-	-
Total		22,938	29,488	-	377,066	409,958

(*) Includes balances of loans and borrowings.

In the financial year, the expense on sponsoring these plans was R\$ 2,741 (R\$ 4,847 in 2020) at the parent company and R\$ 57,289 (R\$ 91,447 in 2020) in post-employment benefits in the consolidated statement of profit or loss.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

39.2 Retirement Bonus and Premium:

The Company and its subsidiaries EMG, ENF, Energisa Soluções S/A, ETO, ESE, ECOM, Energisa Planejamento and Parque Eólico Sobradinho, are parties to a collective agreement under which employees are entitled to a retirement bonus/premium paid upon application for retirement at the National Social Security Institute (INSS). At the indirect subsidiary ETO the bonus ranges from 2.0 to 5.5 times the employee's salary, depending on seniority (at least 5 years, but limited to 35 years) upon applying for the retirement benefit. Employees admitted after May 01, 1997 are not entitled to this bonus.

At the Company and other subsidiaries, the bonus ranges from 1.5 to 15 times the employee's salary, depending on seniority (at least 6 years, but limited to 25 years) upon applying for retirement.

The participants of the CD Plan who at the requested retirement date present amounts deposited by the sponsor in their individual counts in excess of 15 base salaries, are not entitled to the premium.

See below the change in actuarial liabilities:

	Parent company	
	2021	2020
Net position in 2020 and 2019	3,427	6,660
Effect on OCI	249	(4,683)
Effects on P&L for the year	388	1,450
Net position in 2021 and 2020	4,064	3,427
Current	472	388
Noncurrent	3,592	3,039

	Consolidated	
	2021	2020
Net position in 2020 and 2019	15,414	21,363
Effect on OCI	996	(9,179)
Sponsor contributions/Payments made in the year	(299)	-
Effects on P&L for the year	1,592	3,230
Net position in 2021 and 2020	17,703	15,414
Current	2,221	1,593
Noncurrent	15,482	13,821

Statement of the expenses to be realized in FY 2022 according to the criteria of CPC33 (R1):

	Parent company
	2022
Current service cost	194
Interest on actuarial obligations	278
Value of the calculated obligations at the end of the year	472

	Consolidated
	2022
Current service cost (including interest)	872
Interest on actuarial obligations	1,349
Value of the calculated obligations at the end of the year	2,221

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

39.3 Health care plan:

The Company and its subsidiaries maintain a post-employment medical hospital assistance plan for active employees, retirees, pensioners and their legal dependents, in the forms pre-and post-payment and self-management:

Post-payment: The company's monthly contributions to active participants comprise medical expenses plus the administration fee, characterized as the Post-payment plan. For inactive participants, netting processes are conducted which evaluate the revenue collected (monthly fees and co-pays) less usage costs. The cost of active and inactive participants are adjusted annually for drought in variance in medical and hospital costs, sales costs and other expenses incurred on the operation.

Prepayments: The Company's monthly contributions are for the average premiums and by age range. calculated by the operator/insurance company, multiplied by the number of lives. These premiums are adjusted annually for the claims ratio, the variance in medical and hospital costs, sales costs and other expenses incurred on the operation, in order to maintain the technical and actuarial equilibrium. Contributions collected from retired employees, pensioners and former employees are restated the same way.

Self-management: self-management of the accredited regional network and reimbursement of medical expenses to employees at the rate of 60% of the effective cost, in accordance with the internal policy defined. This embraces active employees and their legal dependents.

In FY 2021 the actuarial calculation of the post-employment benefit plan for medical and hospital assistance produced a reduction of R\$ 4,162 (increase of R\$ 6,016 in 2020) at the parent company and R\$ 100,343 (R\$ 13,473 in 2020) consolidated, comprising: R\$ 361 (R\$ 203 in 2020) at the parent company and R\$ 7,271 (R\$ 9,380 in 2020) consolidated was recorded in the item post-employment benefits - personnel expense, R\$ 703 (R\$ 291 in 2020) at the parent company and R\$ 21,197 (R\$ 22,900 in 2020) in consolidated other finance costs in the statement of profit loss for the year. In addition to R\$ 5,226 (R\$ 5,522 in 2020) at the parent company and R\$ 128,811 (R\$ 45,753 in 2020) consolidated due to gains and losses recorded in other comprehensive income, net of taxes in equity.

The Company and its subsidiaries sponsor their employees' health insurance plans, which are managed by operators/insurance companies regulated by the National Health Agency (ANS). In the case of severance and/or retirement, employees can remain in the plan providing they assume the entire costs in accordance with the legislation (Law 9.656/98). Consolidated expenses were incurred on this benefit of R\$ 87,671 in FY 2021 (R\$ 100,814 in 2020). Includes R\$ 7,271 (R\$ 9,380 in 2020) as the actuarial calculation of the post-employment benefit plans.

A reconciliation of balances recognized in the statement of financial position, a statement of changes in net actuarial liabilities for the year, and the total expense recognized in the statement of profit or loss.

	Parent company	
	2021	2020
Present value of the obligations at the beginning of the year	10,169	4,153
Current gross service cost (including interest)	361	203
Interest on actuarial obligation	703	291
Actuarial losses (gains) on actuarial liability	(5,226)	5,522
Value of the calculated obligations at the end of the year	6,007	10,169
Current	757	1,064
Noncurrent	5,250	9,105

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

	Consolidated	
	2021	2020
Present value of the obligations at the beginning of the year	314,880	328,353
Current gross service cost (including interest)	7,271	9,380
Interest on actuarial obligation	21,197	22,900
Actuarial losses (gains) on actuarial liability	(128,811)	(45,753)
Value of the calculated obligations at the end of the year	214,537	314,880
Current	23,229	29,337
Noncurrent	191,308	285,543

Statement of the expenses for FYs 2022 according to the criteria of CPC33 (IAS 19):

	Parent company
	2022
Current service cost (including interest)	153
Interest on actuarial obligations	604
Value of the calculated obligations at the end of the year	757

	Parent company
	2022
Current service cost (including interest)	2,489
Interest on actuarial obligations	20,740
Value of the calculated obligations at the end of the year	23,229

The actuarial gains and losses generated by adjustments and alterations to the actuarial premises of the medical assistance plans are recognized in their entirety in other comprehensive income in the equity.

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

a. Main actuarial hypotheses used:

	2021						2020					
	Unimed Cuiabá	CNU ⁽¹⁾	Sul America	Hapvida	São Francisco	Self Management	Unimed Cuiabá	CNU	Sul America	Hapvida	São Francisco	Self Management
I - ECONOMIC VARIABLES												
Real Discount Rate of the Actuarial Obligation	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	4.23%	3.80%	3.80%	3.80%	3.80%	3.80%
Projected Future Inflation	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Discount rate of the actuarial obligation	10.05%	10.05%	10.05%	10.05%	10.05%	10.05%	8.40%	6.91%	6.91%	6.91%	6.91%	6.91%
Benefits growth rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Real growth rate of medical costs	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	8.16%	4.00%	4.00%	4.00%	4.00%	4.00%
Growth rate of medical costs	8.68%	8.68%	8.68%	8.68%	8.68%	8.68%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%
Turnover Rate	9.50%	(2)	(3)	28.00%	28.00%	(4)	9.50%	(2)	(3)	11.50%	11.50%	(4)
Permanency in the retirement plan	90.00%	90.00%	75.00%	75.00%	75.00%	0.00%	90.00%	75.00%	75.00%	75.00%	75.00%	0.00%
Aging Factor	Null	Null	Null	3.00%	3.00%	3.00%	Null	Null	3.00%	3.00%	3.00%	3.00%
BIOMETRIC TABLES												
Mortality Table	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015	BR-EMS 2015
Disabled pensioners table	M-85 by sex	M-85 by sex	MI-85 by sex	MI-85 by sex	MI-85 by sex	MI-85 by sex	M-85 by sex	M-85 by sex	M-85 by sex	M-85 by sex	M-85 by sex	M-85 by sex
Entry into disability	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)	LIGHT (Weak)
Financing Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method	Projected Credit Method

(1) In 2021 the payment type was changed from pre- to post-payment.

(2) The turnover rates between companies with the same plan can have different rates. In 2021 and 2020 the turnover rates of the "CNU" Health Plans had the following rates: In 2021 8.5%, 9.5%, 10% and 28% (8.5%, 9.5%, 10% and 27.5% in 2020).

(3) The turnover rates between companies with the same plan can have different rates. In 2021 and 2020 the turnover rates of the "Sul América" Health Plans had the following rates: in 2021 8.5%, 9.5% and 10% (8.5%, 9.5%, and 10% in 2020).

(4) The turnover rates between companies with the same plan can have different rates. In 2021 and 2020 the turnover rates of the "Self Management" Health Plans had the following rates: in 2021 5.5%, 6.0% and 18.5% .

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

40. Consolidated commitments

The subsidiaries have the following commitments under long-term contracts:

(1) Sale of electricity

	Energy sale contract - Reais thousand					
	Effective date	2022	2023	2024	2025	2025 onwards
Energisa Comercializadora de Energia Ltda.	2022 to 2032	716,069	380,130	311,953	232,362	812,545

(2) Electricity purchases

	Energy purchase contract - Reais thousand (*)					
	Effective date	2022	2023	2024	2025	2025 onwards
Energisa Nova Friburgo Distribuidora Energia S/A	2022 to 2032	83,786	85,934	87,972	89,727	664,077
Energisa Minas Gerais Distribuidora Energia S/A	2022 to 2054	390,022	380,579	384,606	363,756	4,369,933
Energisa Paraíba Distribuidora Energia S/A	2022 to 2054	619,706	582,153	562,862	530,738	8,043,478
Energisa Sergipe Distribuidora Energia S/A	2022 to 2054	459,486	441,649	427,461	401,373	6,199,655
Energisa Borborema Distribuidora Energia S/A	2022 to 2054	121,448	114,507	110,572	105,603	1,685,032
Energisa Mato Grosso Distribuidora Energia S/A	2022 to 2054	2,185,386	2,067,396	2,119,882	1,845,247	17,034,998
Energisa Tocantins Distribuidora Energia S/A	2022 to 2054	443,832	429,990	419,881	396,039	5,692,288
Energisa Mato Grosso do Sul Distribuidora S/A	2022 to 2054	1,117,139	1,103,025	1,090,982	1,048,672	12,259,443
Energisa Sul - Sudeste Distribuidora Energia S/A	2022 to 2054	875,075	855,598	847,699	815,473	9,300,919
Energisa Comercializadora de Energia Ltda.	2022 to 2032	705,839	378,566	258,030	213,336	1,401,492
Energisa Rondônia - Distribuidora de Energia S/A	2022 to 2054	847,203	809,883	818,042	668,732	6,272,240
Energisa Acre - Distribuidora de Energia S/A	2022 to 2054	293,372	306,192	301,802	227,432	4,269,399
		8,142,294	7,555,472	7,429,791	6,706,128	77,192,954

(*) This does not include the Proinfa and Itaipu quotas.

The amounts referring to energy acquisition contracts lasting between 8 and 30 years represent the volume contracted at the average current price in the period ended December 31, 2021, which have been ratified by ANEEL.

(3) Rental of land to build photovoltaic power plants

	Rental of land to build power plants					
	Effective date	2022	2023	2024	2025	2025 onwards
Alsol Energias Renováveis S/A	2022 to 2051	4,470	4,758	4,742	4,742	90,209

Denotes amounts of lease contracts for areas to implement the Photovoltaic Plants.

2021 Results | Notes

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(4) Environmental Matters

The National Environmental Policy determines that the regular performance of activities deemed polluting or potentially polluting or which by any means damage the environment, is subject to an environmental license obtained in advance.

Company	License issued Company and its investees				
	Section	Status	License no.	Issue date	Maturity
EGO I	SE Rio Verde Norte - SE Jataí	In operation	703/2018	09/11/2018	09/11/2024
EPA I	SE Santana do Araguaia - SE Xinguara	In operation	2891/2018	11/26/2018	10/01/2021
EPA II	SE Serra Pelada - SE Xinguara	In operation	2915/2019	05/06/2019	05/05/2022
ETT	SE Dianópolis - SE Palmas,	Under Construction	Naturatins - 02/2021 Ibama - 1376/2020	09/02/2021	10/09/2026
	SE Dianópolis - SE Gurupi and SE Dianópolis	Under Construction		03/30/2021	12/11/2022
	(TO) - SE Barreiras (BA)	Under Construction			

41. Environment (*)

The Company and its subsidiaries handle the social and environmental impacts caused by their products, services, processes and facilities through programs and practices that evidence their concern about and responsibility for the environment.

In the financial year ended December 31, 2021, the investment in these programs and practices amounted to R\$ 317,436 (R\$ 271,906 in 2020), R\$ 274,919 (R\$ 244,498 in 2020) of which was allocated to property, plant and equipment and R\$ 42,517 (R\$ 27,408 in 2020) to consolidated operating expenses.

(*) Information outside the scope of the independent auditors.

42. Additional information to the cash flows

In 2021 and 2020 the equity changes that did not affect the Company's consolidated cash flows relating to the business combination are as follows:

	2021	2020
Other noncash transactions		
Concession Financial Asset - Segregation of Assets	907,936	735,709
Concession financial asset - Fair value compensatable asset	686,306	222,606
Compensation and restatement of concession contract asset	462,012	115,230
Operating activities		
Acquisition of intangible assets	155,461	98,195
Acquisition of grids - transfer to special obligations	57,326	24,210
Leasing - CPC 06 (R2)	5,745	24,946
Recoverable Pis and COFINS taxes - Effects of reducing ICMS	2,519,461	399,307
Investment activities		
Credit acquisition of intangible assets	(155,461)	98,195
Special obligations - transfer for acquisition of grids	(57,326)	(24,210)
Intangible assets - CPC 06 (R2)	(5,745)	24,946

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

43. Earnings from discontinued operations

In FY 2015 Energisa signed purchase and sale contracts for its generating assets with the buyer São João Energética S/A, FIP Investimentos Sustentáveis and Brookfield Energia Renovável SA, companies indirectly controlled by Brookfield Renewable Energy Partners. Since then the Company has been involved in arbitration proceedings brought by the buyers, namely case no. 33/2016/SEC5, which was ultimately terminated, and case no. 79/2016/SEC5, which is currently pending at the Center for Arbitration and Mediation of the Brazil-Canada Chamber of Commerce (CAM-CCBC).

On December 31, 2020, after the parties had submitted briefs on the calculation of the award and the buyer agreed with the minimum settlement amount, Management reversed the amount of R\$ 51,480 no longer under dispute, and recognized interest of R\$ 36,997 under discontinued operations in the statement of profit or loss for the period, amounting to R\$ 88,477.

On May 31, 2021 the Company received from the buyer São João Energética S/A an amount of R\$ 207,741 million awarded in confidential arbitral proceedings, and consequently recognized an additional amount of R\$ 48,467 including approximately R\$ 1,545 in procedural costs, R\$ 6,186 in success fees and R\$ 55,698 in monetary restatement less R\$ 2,590 in PIS and COFINS taxes recognized for discontinued operations in the parent-company and consolidated statement of profit or loss for the year—see note 13.

44. Earnings per share (*)

Diluted profit per share is calculated by adjusting the weighted average number of outstanding shares to assume the conversion of all diluted shares by exercisable share call options. The number of shares calculated is compared with the number of shares issued assuming the exercise of the stock options. Basic and diluted earnings per share are as follows:

	2021 (restated)	2020 (restated)
Net income for the year - parent company	2,591,500	1,364,477
Weighted average in thousands of shares	1,814,562	1,814,562
Basic net income per share - R\$	1.55	0.75
Net income for the year - consolidated	2,814,807	1,490,705
Earnings on continued operation:		
Shareholders of parent company	2,591,500	1,364,477
Noncontrolling shareholders	223,307	126,229
Net income for the year - parent company	2,591,500	1,364,477
Weighted average in thousands of shares	1,814,562	1,814,562
Dilutive effect of subscription bonus convertible into shares and ILP program	45,523	0.7938
Basic and diluted net income per share - R\$ (**)	1.3932	0.7519
Net income for the year - consolidated	2,814,807	1,409,705
Earnings on continued operation:		
Shareholders of parent company	2,591,500	1,364,476
Noncontrolling shareholders	223,307	126,229

(*) The net profit for the fiscal years 2020 and 2021 has been restated as per explanatory note 3.3

(**) Potential diluting effect for the subscription bonus and variable compensation program (ILP).

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

45. Subsequent events

45.1 Acquisition of Companies

The Energisa Group made the following acquisitions, the details of which are described in the financial statements of the corresponding periods:

Company	Date of Purchase and Sale Agreement	Amount Paid (in thousand reais)
ALSOL	January 28, 2022	75.608
SPE Paranaíta	February 11, 2022	102.086
Gemini	February 17, 2022	822.614
ESGAS	March 31, 2023	1.438.429

45.2 Capital increase

Holding Company

At the Annual General Shareholders' Meeting held on April 27, 2022, the increase in the Company's share capital in the amount of R\$843,500 was approved, due to reaching the legal limit of the profit reserve balance. The capital increase was carried out through the capitalization of part of the profit reserve balance, without the issuance of new shares and will not imply a change in the nominal value of the currently existing shares (which will remain without an assigned nominal value), in accordance with Article 169, §1, combined with Article 199 of Law 6404/76. The share capital will now be R\$4,207,444, representing 1,814,642,740 nominative shares, with 756,010,104 common shares and 1,058,632,636 preferred shares, with no nominal value.

Subsidiaries

ERO

On January 26, 2022 the Board of Directors of Energisa Rondônia (direct subsidiary of the Company) approved a capital contribution within its authorized capital of R\$ 868,343, via the issuance of 0.9 shares for each existing share, totaling 3,775,405 new common registered shares with no par value, at the issuance price of R\$ 0.23 per share, with (i) 0.0023 per share allocated to the share capital corresponding to the total allocation of R\$ 8,683 to the share capital; and (ii) R\$ 0.2277 per-share to form the capital reserve account corresponding to the total allocation of R\$ 859,660 to the capital reserve. The issuance price was determined by the fair value published in the appraisal report issued by the specialist firm engaged. The capital increase was fully subscribed and paid in by the Company by capitalizing the balance of credits held under the private financial loan for shareholders with an interest in the Company on January 28, 2022, subject to the other shareholders' pre-emptive right. At the end of the 30 (thirty) day term awarded to the subsidiary's shareholders to exercise their pre-emptive rights, as from publication of the shareholder notice, no noncontrolling shareholder had matched the capital contribution;

On April 24, 2023, the Board of Directors of the subsidiary ERO approved the increase in the share capital by R\$1,967,427, through the issuance of 1.401013089717750 new shares for each existing share, totaling 11,159,540 new common shares, at the issuance price of R\$176.30 per share. It was specified that from the Total Issuance Price, the amount of R\$19,674 will be allocated to the increase in the subsidiary's share capital, bringing the total share capital to R\$3,468,700. The remaining amount of R\$1,947,753 will be allocated to the capital reserve. The increase was fully paid by the parent company Energisa S.A. through the capitalization of credit balances arising from the private instrument of financial mutual loan and advances for future capital increases, subject to the exercise of the preferential rights by the other shareholders of the Company. The shares subject to the Capital Increase to be subscribed by minority shareholders of the Company must be fully paid at the time of subscription, in the national currency.

EAC

On January 26, 2022 the Board of Directors of Energisa Acre (direct subsidiary of the Company) approved a capital contribution within its authorized capital of R\$ 145,186, via the issuance of 0.25 new shares for each existing share, totaling 60,494,286 new registered of which 43,906,044 are common shares with 16,588,241 preferred shares, at the issuance price of R\$ 0.0024 per share, with (i) R\$ 0.000024 per share allocated to the share capital corresponding to the total allocation of R\$ 1,452 million to the share capital; and (ii) R\$ 0.002376 per share to

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

form the capital reserve account corresponding to the allocation of R\$ 143,734 million to the capital reserve. The issuance price was determined by the fair value published in the appraisal report issued by the specialist firm engaged. The capital increase was fully subscribed and paid in by the Company by capitalizing the balance of credits held under the private financial loan for shareholders with an interest in the Company on January 28, 2022, subject to the other shareholders' pre-emptive right. At the end of the 30 (thirty) day term awarded to the subsidiary's shareholders to exercise their pre-emptive rights, as from publication of the shareholder notice, no noncontrolling shareholder had matched the capital contribution.

Alsol

At an Extraordinary General Meeting on January 28, 2022 Alsol's shareholders (direct subsidiary of the Company) representing its entire share capital approved the share capital increase of R\$ 482,000 to be subscribed and paid in three tranches in the following amounts and on the following dates: (i) R\$ 172,000 to be subscribed and paid in by March 01, 2022 ("Tranche 1"); (ii) up to R\$ 172,000 to be subscribed and paid in by June 30, 2022 ("Tranche 2"); and (iii) up to R\$ 138,000 to be subscribed and paid in by January 27, 2023 ("Tranche 3"). The capital contributions for Tranche 1 were fully subscribed and paid in, in local currency, by the shareholder (a) Energisa S/A in the amount of R\$ 154,278; and (ii) Algar S/A Empreendimentos e Participações in the amount of R\$ 17,722; through the issuance of 58,214 and 6,687 new common shares respectively; and

On January 16, 2023, the shareholders of the subsidiary Alsol approved, at an Extraordinary General Meeting, an increase in the share capital in the amount of R\$250,999 to be subscribed and paid in two tranches on the following amounts and dates: (i) R\$181,000 was subscribed and paid in full on February 15, 2023 ('1st Tranche') and (ii) R\$69,999 to be subscribed and paid in full by December 31, 2023 ('2nd Tranche'). The capital contributions, to be subscribed and paid by the Company's shareholders, respecting the preemptive rights under the terms of Article 171 of the Corporations Law, may be paid with net, certain, and due credits that the shareholders may have against the Company.

EPM

At an Extraordinary General Meeting on February 10, 2023, the increase in the share capital of the subsidiary Energisa Participações Minoritárias S/A was approved through the issuance of 55,915,722 new preferred shares, nominative, book-entry, and without nominal value, at the issuance price of R\$24.68 per share, totaling R\$1,380,000. The price was set without unjustified dilution of the current shareholders, based on the perspective of future profitability of the subsidiary EPM, in accordance with Article 170, paragraph 1, item I, of the Corporations Law, as per the Appraisal Report prepared by the Appraisal Company, duly approved unanimously by the shareholders present at the Assembly, filed at the headquarters of the subsidiary EPM. The shares were fully paid upfront by the shareholder Itaú Unibanco S.A. in the national currency. From the total issuance price, the amount of R\$690,000, corresponding to R\$12.34 for each new preferred share, will be allocated to the formation of the subsidiary's share capital, increasing it from R\$5,209,168 to R\$5,899,168. The remaining amount of R\$690,000, corresponding to R\$12.34 for each new preferred share, will be allocated to the formation of the capital reserve account, in accordance with Article 182, §1, item "a" of the Corporations Law.

ETE

On April 27, 2023, through the Ordinary and Extraordinary General Meeting, an increase in the share capital of the subsidiary ETE in the amount of R\$990,675 was approved, through the issuance of 990,674,654 new common shares, nominative and without nominal value, at the issuance price of R\$1.00 (one real) per share, bringing the subsidiary's share capital to R\$1,053,979. The new common shares, nominative and without nominal value, are fully subscribed and paid on this date by the shareholder Energisa S.A. in the following manner: (i) 441,085 new shares are paid through the capitalization of the total amount available in the Future Capital Increase Advance Account (AFAC) carried out by the subscribing shareholder until December 31, 2022; and (ii) 549,590 new shares are paid through the capitalization of the amount of the loan agreement granted by the subscribing shareholder to the Company on March 31, 2023.

45.3 Issuance of Debentures

Holding Company

On April 15, 2022, the Company carried out the 16th issuance of debentures in the amount of R\$750,000, distributed as follows: (i) R\$309,383 for the 1st Series, maturing on April 15, 2029, with a remuneration of IPCA plus 6.1566% per annum; (ii) R\$190,617 for the 2nd Series, maturing on April 15, 2032, with a remuneration of IPCA plus 6.2770% per annum; and (iii) R\$250,000 for the 3rd Series, maturing on April 15, 2027, with a remuneration of 100% of CDI plus 1.50% per annum. The funds were made available in the bank account on May

2021 Results | Notes

A free translation from Portuguese into of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB).

10, 2022. The proceeds from the 1st and 2nd Series will be allocated to the future financing of infrastructure investment projects in the distribution and transmission of electrical energy owned by the controlled projects. The proceeds from the 3rd Series will be allocated to the Company's ordinary business management.

On October 20, 2022, Energisa S/A carried out the 17th issuance of debentures in the amount of R\$750,000, distributed as follows: (i) R\$550,000 for the 1st Series, maturing on October 20, 2027, with a remuneration of CDI plus 1.50% per annum; (ii) R\$200,000 for the 2nd Series, maturing on October 20, 2029, with a remuneration of CDI plus 1.65% per annum. The funds were made available in the bank account on October 20, 2022, and were allocated to the ordinary business management of the Company.

On September 15, 2023, the Company carried out the 19th issuance of debentures in the amount of R\$1,837,000, distributed as follows: (i) R\$184,299 for the 1st Series, maturing on September 15, 2030, with a remuneration of IPCA plus 6.1666% per annum; (ii) R\$1,152,701 for the 2nd Series, maturing on September 15, 2033, with a remuneration of IPCA plus 6.4526% per annum; (iii) R\$500,000 for the 3rd Series, maturing on September 15, 2038, with a remuneration of CDI plus 1.45% per annum. The funds were made available in the bank account on October 19, 2023. The proceeds from the 1st and 2nd Series will be allocated to the future financing of investment projects in the infrastructure of distribution, transmission, and generation of electrical energy owned by the controlled projects. The proceeds from the 3rd Series will be allocated to the ordinary business management of the Company
Subsidiaries

EPB

On January 15, 2022, the direct subsidiary Energisa Paraíba Distribuidora de Energia S/A carried out the 11th issuance of debentures in the amount of R\$63,000, with maturity on January 15, 2031, and remuneration of IPCA plus 6.0123% per annum. The funds were made available in the bank account on February 11, 2022, and will be allocated to the financing of infrastructure investment projects in the distribution of electrical energy owned by the issuer.

ESE

On January 15, 2022, the direct subsidiary Energisa Sergipe Distribuidora de Energia S/A carried out the 11th issuance of debentures in the amount of R\$68,000, with maturity on July 15, 2027, and remuneration of IPCA plus 5.7360% per annum. The funds were made available in the bank account on February 11, 2022, and will be allocated to the financing of infrastructure investment projects in the distribution of electrical energy owned by the issuer.

ESS

On January 15, 2022, the indirect subsidiary Energisa Sul Sudeste Distribuidora de Energia S/A carried out the 7th issuance of debentures in the amount of R\$81,000, with maturity on January 15, 2032, and remuneration of IPCA plus 6.0996% per annum. The funds were made available in the bank account on February 11, 2022, and will be allocated to the financing of infrastructure investment projects in the distribution of electrical energy owned by the issuer. On February 15, 2023, the indirect subsidiary Energisa Sul Sudeste Distribuidora de Energia S/A carried out the 9th issuance of debentures in the amount of R\$150,000 in a single series, with maturity on February 15, 2026, and remuneration of CDI plus 1.50% per year. The funds were made available in the bank account on March 6, 2023, and were allocated to the ordinary management of the subsidiary's business.

EMT

On April 15, 2022, the subsidiary EMT carried out the 15th issuance of debentures in the amount of R\$260,000, with (i) R\$164,437 referring to the 1st Series maturing on April 15, 2029, with remuneration of IPCA plus 6.1566% per annum; and (ii) R\$95,563 referring to the 2nd Series maturing on April 15, 2032, with remuneration of IPCA plus 6.2770% per annum. The funds were made available in the bank account on May 10, 2022, and will be allocated to the future financing of infrastructure investment projects in the distribution of electrical energy owned by the subsidiary.

ERO

On April 15, 2022, the subsidiary ERO carried out the 7th issuance of debentures in the amount of R\$410,000, with (i) R\$253,694 referring to the 1st Series maturing on April 15, 2029, with remuneration of IPCA plus 6.1566% per annum; and (ii) R\$156,306 referring to the 2nd Series maturing on April 15, 2032, with remuneration of IPCA plus 6.2770% per annum. The funds were made available in the bank account on May 10, 2022, and will be

2021 Results | Notes

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allocated to the future financing of infrastructure investment projects in the distribution of electrical energy owned by the subsidiary.

ETO

On April 15, 2022, the subsidiary ETO carried out the 8th issuance of debentures in the amount of R\$90,000, with (i) R\$55,689 referring to the 1st Series maturing on April 15, 2029, with remuneration of IPCA plus 6.1566% per annum; and (ii) R\$34,311 referring to the 2nd Series maturing on April 15, 2032, with remuneration of IPCA plus 6.2770% per annum. The funds were made available in the bank account on May 10, 2022, and will be allocated to the future financing of infrastructure investment projects in the distribution of electrical energy owned by the subsidiary. On February 15, 2023, the indirect subsidiary Energisa Tocantins Distribuidora de Energia S/A carried out the 9th issuance of debentures in the amount of R\$200,000 in a single series, with maturity on February 15, 2025, and remuneration of CDI plus 1.40% per year. The funds were made available in the bank account on March 6, 2023, and were allocated to the ordinary management of the subsidiary's business.

EMS

On February 15, 2023, the indirect subsidiary Energisa Mato Grosso do Sul Distribuidora de Energia S/A carried out the 18th issuance of debentures in the amount of R\$200,000 in a single series, with maturity on February 15, 2025, and remuneration of CDI plus 1.40% per year. The funds were made available in the bank account on March 6, 2023, and were allocated to the ordinary management of the subsidiary's business. On July 4, 2023, the indirect subsidiary Energisa Mato Grosso do Sul Distribuidora de Energia S/A carried out the 19th issuance of debentures in the amount of R\$250,000, with maturity on July 4, 2026, and remuneration of 100% of CDI plus 1.60% per year. The funds were made available in the bank account on July 11, 2023, and were allocated to the ordinary management of the subsidiary's business.

45.4 Commercial Note Issuance

Parent Company

On July 3, 2023, the Company carried out the 1st issuance of a private commercial note in the amount of R\$1,091,938, maturing on December 30, 2023, with a remuneration of 100% of CDI plus 1.25% per annum. The funds were made available in the bank account on July 3 and 4, 2023, and were allocated to the ordinary management of the Company's business.

Subsidiaries - EMG and ESS

On July 6, 2022, the subsidiaries Energisa Minas Gerais Distribuidora de Energia S/A and Energisa Sul Sudeste Distribuidora de Energia S/A carried out the 1st issuance of Commercial Note in the amount of R\$100,000 and R\$150,000, respectively, maturing on July 6, 2026, with a remuneration of CDI plus 1.55% per annum. The funds were made available on July 6, 2022, and were allocated to the ordinary management of the subsidiary's business.
Subsidiary - EMS

On July 11, 2022, the indirect subsidiary Energisa Mato Grosso do Sul Distribuidora de Energia S/A carried out the 1st issuance of Commercial Note in the amount of R\$400,000, with (i) R\$200,000 referring to the 1st Series maturing on July 11, 2025, and remuneration of CDI plus 1.40% per year; (ii) R\$200,000 referring to the 2nd Series maturing on July 11, 2026, and remuneration of CDI plus 1.55% per year. The funds were made available in the bank account on July 11, 2022, and were allocated to the ordinary management of the subsidiary's business.

45.5 Credit Enablement for ICMS Exclusion in PIS and COFINS Calculation Base

The Brazilian Federal Revenue Service approved the total credit enablement request for PIS/COFINS arising from the final and unappealable judicial decision in favor of subsidiaries ERO and EAC on July 13, 2022, and EMS and EMT on July 14, 2022. These subsidiaries have chosen to recover the tax credits through offsetting the receivable balance with amounts of debts to be collected, a process initiated in July 2022, to be completed within the 5-year statutory prescription period.

45.6 Conversion of Subscription Bonus from the 7th Private Issuance of Simple Debentures of Energisa S.A.

In a meeting held on 11/08/22, due to exercise notifications of subscription bonus received on 09/08/22, Energisa's Board of Directors ratified the capital increase in the total amount of R\$621 through the issuance of 188,600 new shares, all nominative, book-entry, and without nominal value, of which 37,720 are common shares and 150,880

2021 Results | Notes

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are preferred shares, to form 37,720 Units ("Capital Increase") due to the exercise, at the sole discretion of their holders, of 420 subscription bonuses granted as an additional advantage to the subscribers of the debentures issued in the Private Instrument of Deed of the 7th (Seventh) Private Issue of Simple Debentures, Non-Convertible into Shares, of the Kind with Real and Fiduciary Guarantee, Combined with Subscription Bonuses, of Energisa S.A., executed on September 30, 2015 ("Deed of the 7th Issue").

Due to the ratified approval on this date, the Company's share capital, previously valued at R\$ 4,207,443, now becomes R\$4,208,064.

Additionally, Energisa received on 11/08/2022 a new exercise notification of 499,401 subscription bonuses conferring the right to subscribe to 89.809672 lots of shares, representing the future issuance of 44,851,042 common shares and 179,404,160 preferred shares of the Company, in accordance with the Deed of the 7th Issue.

The Board of Directors of the Company will be convened to carry out a new ratification of the capital increase in the total amount of R\$738,311 due to the notification of the exercise of subscription bonuses received on 11/08/22. On this occasion, upon the new ratification, the Company's share capital will increase from R\$ 4,208,064 to R\$4,946,375.

45.7 Energisa Joins B3's Efficient Carbon Index

On January 4, 2023, the Company was selected to be part of the Efficient Carbon Index (ICO2 B3). The new portfolio will be effective from January 2, 2023, to April 30, 2023, with rebalancing every four months, following IBrX 100 updates. The ICO2 comprises shares of companies in the IBrX 100 that commit to transparent practices regarding greenhouse gas emissions, demonstrating concern for global warming. This achievement reinforces Energisa's commitment to sustainable growth, reflecting the adoption of best practices in environmental, social, and corporate governance matters.

45.8 Merger - Subsidiary

The corporate merger of Energisa Borborema Distribuidora de Energia S/A ("EBO") by the direct subsidiary Energisa Paraíba Distribuidora de Energia S/A ("EPB") was approved in the extraordinary general meetings of both distributors on April 30, 2023. The Corporate Reorganization was authorized by the National Electric Energy Agency ("ANEEL") through Authorizing Resolution No. 12,687, dated September 13, 2022, involving the consolidation of EBO and EPB's concession areas into a single concession owned by EPB.

45.9 Transmission Line - Controlled Company LMTE

On April 18, 2023, ANEEL, through Resolution No. 14,314, authorized Linhas de Macapá Transmissora de Energia S/A - LMTE, concession contract No. 09/2008, to implement reinforcements in its transmission installation and established the values of the corresponding portions of the Allowed Annual Revenue in the amount of R\$6,750.

45.10 Investment Memorandum of Understanding

On October 26, 2023, the Company entered into a non-binding Memorandum of Understanding ("MoU") with Banco Bradesco S/A, regulating the general terms and conditions for (i) the subscription and payment, by the Company, of 100% of the common shares, nominative and without nominal value, issued by Energisa Participações Nordeste S/A ("EPNE"), a holding company controlled by the Company, through the contribution by the Company of all EPB's and ESE's shares in EPNE's ownership; and (ii) the subscription and payment, by Bradesco, of all new preferred shares to be issued by EPNE, in an amount equivalent to up to R\$2,000,000, after which Bradesco will indirectly hold a minority and non-controlling interest in EPB and ESE. The transaction is subject to the satisfaction of certain precedent conditions, including approvals from the Administrative Council for Economic Defense ("CADE") and the National Electric Energy Agency ("ANEEL"). The rights and obligations of the Company and Bradesco as EPNE shareholders will be governed by a shareholders' agreement to be negotiated and executed between the parties. This transaction aims to strengthen the financial capacity and enhance the capital structure of Energisa.

45.11 Public Offering of Shares

On January 18, 2024, the Company issued a Relevant Fact regarding the potential execution of a public offering of primary distribution of common and preferred shares, all nominative, book-entry, and without nominal value,

2021 Results | Notes

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issued by the Company, free and clear of any liens or encumbrances ("Shares"), to be carried out in Brazil, with efforts to place the Shares abroad, in accordance with applicable laws and regulations ("Potential Offering"). The effective realization of the Potential Offering is subject, among other factors beyond the Company's control, to market conditions, obtaining necessary approvals, including relevant shareholder approvals, procedures with financial institutions intrinsic to this type of operation at its current stage, and the actual interest of investors.

Board of Directors

Fiscal Council

Ivan Müller Botelho
Chairman

Ricardo Perez Botelho
Vice Chairman

Marcilio Marques Moreira
Board Member

Omar Carneiro da Cunha Sobrinho
Board Member

Antonio Jose de Almeida Carneiro
Board Member

José Luiz Alqueres
Board Member

Maurício Perez Botelho
Alternate member

Marcelo Silveira da Rocha
Alternate member

André da La Saigne de Botton
Alternate member

Jorge Nagib Amary Junior
Board Member

Flavio Stamm
Board Member

Carlos Jurgen Temke
Board Member

Vania Andrade de Souza
Board Member

Mario Daud Filho
Board Member

Gilberto Aparecido de Farias
Alternate member

Gilberto Lerio
Alternate member

Vicente Moliterno Neto
Alternate member

Antonio Eduardo Bertolo
Alternate member

Emiliano Ricci Sanchez
Alternate member

Executive Board

Ricardo Perez Botelho
Chief Executive Officer

Mauricio Perez Botelho
Chief Financial officer and Investor Relations Officer

Alexandre Nogueira Ferreira
Regulatory Affairs and Strategy Officer

José Marcos Chaves de Melo
Logistics and Supplies Officer

Daniele Araújo Salomão Castelo
Personnel Management Officer

On December 31, 2021, the position of Accounting Director and Accountant was held by Mr. Vicente Cortes de Carvalho. However, as of the date this document is being restated, this responsibility has been transferred to Mr. Rodolfo da Paixão Lima.

Vicente Cortes de Carvalho
Accountant CRC-MG 042523/O-7

Rodolfo da Paixão Lima
Director of Accounting, Tax, and Asset
Management
Accountant - CRC RJ 107.310/O-0 "S" MG

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Energisa S.A.

Individual and Consolidated
Financial Statements
for the Year Ended
December 31, 2021 and
Independent Auditor's Report

Independent auditor's report on individual and consolidated financial statements

To the
Shareholders, Board of Directors and Officers of
Energisa S.A.
Cataguases - MG

Opinion

We have audited the individual and consolidated financial statements of Energisa S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2021, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of matter - Restatement of the individual and consolidated financial statements

We draw attention to Note 3.3 to the individual and consolidated financial statements, which were changed and are being restated due to correction of errors, as mentioned in the referred to note. On March 16, 2022, we issued an unmodified audit opinion on the Company's financial statements, which are now being restated. Our opinion remains unmodified, since the financial statements and their figures corresponding to the prior period have been adjusted retrospectively.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Recognition of revenue from electric power supply

The revenues of the Company's subsidiaries are mainly derived from the electric power supply and related activities and are recognized when the control over the goods or services is transferred to the customer for an amount that reflects the consideration to which the Company expects to be entitled in exchange for these goods or services. The revenue recognition process is significant to the Company's performance and to the achievement of performance goals at the financial statement reporting date. Furthermore, the flow of the power supply transactions of the subsidiaries involves a large volume of dispersed data, being substantially processed by means of automated routines. This process also includes the auditor's judgment on the executive board's estimate in relation to the portion of revenue from power supply subsequent to the last consumption reading period, whose supply occurred within the year, but which will only be billed in the subsequent month, on an accrual basis.

We considered this matter significant for our audit in view of the amounts involved and potential effects on the accounting record of revenue and accounts receivable, the dependence on effective internal controls and the criteria involved in determining the portion of power supplied, but not billed.



How our audit addressed this matter

Our audit procedures included, among others: (i) understanding the design and implementation of key internal controls on revenue recognition and billing; (ii) the analysis of the reconciliation of information between the main systems used to record the revenue from electric power supply with the accounting balances, the correlation between the cash inflows and the recorded revenues and the analysis of the subsequent settlement of the balance of outstanding accounts receivable; (iii) the assessment of the monthly turnover of billed revenue over the year, analyzing fluctuations that are not in line with our expectations; (iv) crosschecking of recognized revenues against information on power consumption, number of consumer units per class and corresponding tariffs against those approved by the regulator; (v) recalculation, on a sampling basis, of the unbilled revenue amounts on the audit base date; and (vi) analysis of manual and electronic inputs that could override internal controls for the flow of transactions related to the recognition of revenue from power supply.

Our audit also included tests, on a sampling basis, to check the integrity of databases and information used in the revenue recognition process.

Based on the results of the audit procedures performed, which are consistent with the Executive Board's assessment, we consider that the policies and estimates adopted by the Executive Board for recognizing its revenues from power supply, as well as the related disclosures in Notes 3 and 32, are acceptable in the context of the financial statements taken as a whole.

Infrastructure of electric power distribution service concession arrangements

Investments in the infrastructure of electric power distribution service concession arrangements of the Company's subsidiaries are recorded as a contract asset during the construction phase, as recommended by Accounting Pronouncement CPC 47 - Revenue from contracts with customers (IFRS 15) and, when available for use, they are divided into a financial asset, relating to the portion of the infrastructure that will not be amortized until the end of the concession and for which there is an unconditional right to receive cash or another financial asset directly from the granting authority, and intangible asset, corresponding to the portion of the infrastructure that will be recovered through the tariff defined by the granting authority over the term of the concession arrangements. As at December 31, 2021, the amounts of contract asset, financial asset and intangible asset related to the infrastructure of the electric power distribution service concession arrangement are R\$1,247,877 thousand, R\$7,618,313 thousand and R\$14,023,772 thousand, respectively.

The cost of infrastructure is a significant component when calculating the tariff to be charged by the Company's subsidiaries under the terms of the service concession arrangements, whose eligibility rules follow regulatory criteria and involve judgment, being subject to review and approval by the granting authority, observing its tariff review cycle every 4 or 5 years. For that reason, and due to the amounts involved, we consider this a key audit matter.



How our audit addressed this matter

Our audit procedures included, among others: i) the assessment of the design and implementation of key internal controls related to the capitalization process of infrastructure expenditures as a contract asset to the division of the infrastructure in operation between financial asset and intangible asset and their measurement; ii) the examination, on a sampling basis, of the supporting documents for the additions and write-offs occurred over the year; iii) checking the indexes used and the mathematical accuracy when measuring the fair value of the indemnifiable asset of the concession; iv) analysis and correlation of manual and electronic inputs that could override internal controls for the flow from concession infrastructure transactions of the Company and its subsidiaries; v) crosschecking of costs against historical and budget forecast data and observable industry standards; and vi) assessment of the results of the last periodic tariff review and its effects on the subsidiaries' accounting records. In addition, we evaluated the adequacy of the disclosures made by the Company on the concession infrastructure, included in Notes 16.1, 17 and 20.1 to the financial statements.

Based on the result of the audit procedures performed, which are consistent with the executive board's assessment, we consider that the balances of the infrastructure of electric power distribution service concession arrangement, as well as the related disclosures in Notes 16.1, 17 and 20.1, are acceptable in the context of the financial statements taken as a whole.

Provisions for tax contingencies

As disclosed in Note 28, the Company and its subsidiaries are parties to various tax, labor, civil and regulatory proceedings whose total amount is R\$5,140,653 thousand at December 31, 2021, for which no provision was recorded considering that their likelihood of loss has been assessed as possible. Out of that amount, R\$2,819,424 thousand refer to tax proceedings.

This issue was considered a key audit matter due to the materiality of the amounts involved in the proceedings, the degree of judgment involved in determining whether a provision should be set up, its estimate of value and likelihood of financial disbursement, as well as the complexity of the matters and of the tax environment in Brazil.

How our audit addressed this matter

Our procedures included, among others, the involvement of subject matter experts, when applicable, to assist us in evaluating the legal opinions obtained by the Company and its subsidiaries for tax proceedings, as well as at periodic meetings held with the executive board and reviewing the minutes of the Board of Directors to discuss the progress of ongoing legal proceedings, as well as the reading and evaluation of the legal opinions of external experts, when applicable. We also obtained confirmation letters from the main external legal advisors of the Company and its subsidiaries, in order to compare their assessments about the ongoing proceedings with the positions considered by the executive board.

In addition, we assessed the adequacy of disclosures on these matters, which are mentioned in Note 28 to the financial statements and, specifically, on the most significant contingencies.



Based on the result of the audit procedures performed on the progress of tax claims, which is consistent with the executive board's assessment, we consider that the criteria and assumptions for assessing the likelihood of losses for recognition purposes, for the judgments applied in measuring the amount of these provisions, as well as the related disclosures in Note 28 are acceptable in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2021, prepared under the responsibility of the Company's executive board and presented as supplementary information for IFRS purposes, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of



assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board;
- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, January 19, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC - SP-015199/F

A handwritten signature in blue ink, appearing to read 'Roberto Cesar Andrade dos Santos', is written over a faint, light blue circular stamp.

Roberto Cesar Andrade dos Santos
Accountant CRC - RJ-093771/O