

(A free translation of the original in Portuguese)

**Auren Energia S.A.
Quarterly Information (ITR) at
March 31, 2022
and report on review of
quarterly information**



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Shareholders
Auren Energia S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Auren Energia S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2022, comprising the balance sheet at that date and the statements of operations, comprehensive income, changes in equity and cash flows for the quarter then ended, and explanatory notes.

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

Scope of review

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

Conclusion on the interim information

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



Auren Energia S.A.

Emphasis of matter - Indemnification assets

The subsidiary CESP - Companhia Energética de São Paulo has recorded "Indemnification assets" of R\$ 1,739,161 thousand, net of a provision, receivable from the Federal Government (Note 12 to the interim accounting information). The indemnification rights arose upon termination of the Três Irmãos, Jupia and Ilha Solteira power plant concessions. CESP is seeking, through the courts, clarification for the basis for quantifying and redeeming the indemnifiable assets. Our review report is not qualified in respect of this matter.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended March 31, 2022. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, May 13, 2022

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

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

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**Condensed parent company and
consolidates interim financial
statements at March 31, 2022**

Index

Condensed interim parent company and consolidated financial statements

Condensed interim statement of comprehensive income.....	6
Condensed interim statement of comprehensive income (Loss).....	7
Condensed interim statement of cash flows.....	8
Balance sheet	9
Condensed interim statement of changes in equity.	11
Condensed interim statement of value added.....	12

Notes to the condensed parent company and consolidated interim financial statements

1	Operations.....	13
2	Presentation of consolidated and individual condensed interim financial statements and summary of accounting practices.....	19
3	Critical accounting estimates and judgments.....	21
4	Presentation of information by business segment.....	21
5	Business combination	25
6	Revenue.....	28
7	Costs and expenses.....	30
8	Net financial result	31
9	Cash and cash equivalents, financial investments and liquidity fund - repayment account.....	32
9.1	Credit quality of financial assets	33
10	Accounts receivable from customers.....	33
11	Judicial deposits and security deposits	34
12	Asset subject to indemnification	34
13	Investments.....	35
14	Asset.....	39
15	Intangible	41
16	Loans, financing and debentures.....	43
17	Suppliers.....	46
18	Current and deferred income tax and social contribution	46
19	Energy futures contracts.....	48
20	UBP - Use of the Public asset	48
21	Social and environmental obligations and asset demobilization	49
22	Provision for reimbursement.....	49
23	Provisions.....	50
24	Post-employee benefits	51
25	Related parties.....	52
26	Equity.....	54
27	Financial instrument and risk management.....	55
28	Explanatory notes not presented herewith.....	59
29	Subsequent events.....	59

Auren Energia S.A.
Condensed interim statement of comprehensive income
Quarters Ended March 31
 In thousands of reais, unless otherwise indicated



	Note	Consolidated		Parent company	
		1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Net revenue	6	1,145,258	659,503	-	-
Electricity cost	7	(692,629)	(266,957)	-	-
Operation cost	7	(170,578)	(156,693)	-	-
Gross profit		282,051	235,853	-	-
Operating expenses	7				
General and Administrative Expenses		(65,654)	(36,091)	(18,964)	(6,253)
Other operating income (expenses), net		(69,049)	177,204	(20,679)	(48)
		(134,703)	141,113	(39,643)	(6,301)
Operating income (loss) before equity interests and financial result		147,348	376,966	(39,643)	(6,301)
Income from equity interests					
Equity	13 (b)	29,051	-	6,934	38,434
		29,051	-	6,934	38,434
Net financial income	8				
Financial revenues		86,074	8,078	48,592	470
Financial expenses		(250,510)	(218,011)	(18,172)	(535)
		(164,436)	(209,933)	30,420	(65)
Profit (loss) before income tax and social contribution		11,963	167,033	(2,289)	32,068
Income tax and social contribution	18 (a)				
Current		(26,581)	(13,871)	(2,141)	40
Deferred		12,033	(52,079)	(2,369)	993
Net income (loss) for the quarter attributed to shareholders		(2,585)	101,083	(6,799)	33,101
Net income (loss) for the quarter attributable to controlling shareholders		(6,799)	33,101	(6,799)	33,101
Net income for the quarter attributable to non-controlling shareholders		4,214	67,982	-	-
Net income (loss) for the quarter		(2,585)	101,083	(6,799)	33,101
Weighted average number of shares - thousands		908,441	1,985,095	908,441	1,985,095
Basic and diluted profit (loss) per thousand shares, in reais		(0.0028)	0.0509	(0.0075)	0.0167

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

Auren Energia S.A.
Condensed interim statement of comprehensive income (Loss)
Quarters ended March 31
 In thousands of reais



	Note	Consolidated		Parent company	
		1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Net income (loss) for the quarter		(2,585)	101,083	(6,799)	33,101
Other components of the comprehensive quarter income to be subsequently reclassified to the result					
Derivative financial instruments, net of tax effects	26.3	-	(15,579)	-	(6,181)
Other components of the comprehensive quarter income that will not subsequently be reclassified to the result					
Loss on invested interest	26.3	-	(3,332)	-	(1,333)
Total comprehensive income for the quarter		(2,585)	82,172	(6,799)	25,587
Net income (loss) for the quarter attributable to controlling shareholders		(6,799)	25,587	(6,799)	25,587
Net income for the quarter attributable to non-controlling shareholders		4,214	56,585	-	-
		(2,585)	82,172	(6,799)	25,587

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

Auren Energia S.A.
Condensed interim statement of cash flows
Quarters ended 31 March
In thousands of reais



	Nota	Consolidado		Controladora	
		1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Cash flow from operating activities					
Profit (loss) before income tax and social contribution		11,963	167,033	(2,289)	32,068
Adjustments for items that do not represent cash changes and cash equivalents					
Depreciation and amortization	7	157,304	132,322	15,593	901
Amortization of capital gains	7	8,938	8,941	-	-
Asset write-off		-	1,959	-	-
Equity	13 (b)	(29,051)	-	(6,934)	(38,434)
Interest and monetary variations		72,339	97,764	9,548	531
Appropriation of funding costs	16 (c)	3,725	3,368	153	-
Judicial deposits write off	11	3,292	43,073	-	-
Hedge accounting operating		5	26,391	-	-
Energy futures contracts	19	(5,810)	(19,260)	-	-
Income on reserve fund		(2,555)	(3,090)	-	-
Cost of post-employment benefit services	24 (b)	31	(438)	-	-
Constituent (reversal) of provisions					
Provision (reversal) for litigation	23 (a)	45,392	(202,872)	-	-
Provision for reimbursement	22	13,454	20,963	-	-
Balance updates					
Provision for litigation	23 (a)	46,701	65,723	-	-
Post-employment benefits	24 (b)	38,102	39,530	-	-
Judicial deposits	11	(2,870)	(2,126)	-	-
Adjustment the present value					
Social and environmental obligations	21	4,299	3,293	-	-
UBP - Use of the public asset	20	1,492	1,513	-	-
Transactions with related parties		(12,545)	37	(12,616)	-
Leases		27	74	20	2
		<u>354,233</u>	<u>384,198</u>	<u>3,475</u>	<u>(4,932)</u>
Decrease (increase) in assets					
Accounts receivable from customers		44,901	9,383	-	-
Taxes to be recovered		(7,820)	(10,003)	(2,157)	(41)
Warehouse		(292)	232	-	-
Judicial deposits and security deposits	11	8,465	679	-	-
Related parties		3,934	7,415	(70,003)	-
Other credits and other assets		(4,246)	(2,416)	4,225	108
Increase (decrease) in liabilities					
Suppliers		(56,499)	(20,326)	(855)	(1,263)
Derivative financial instruments		(12,743)	(26,636)	-	-
Estimated obligations and payroll		(31,464)	(11,569)	(1,120)	(1,242)
Taxes payable		4,912	(12,896)	(4,157)	(7,450)
Sector charges		(1,353)	19,529	-	-
Payment of social and environmental obligations	21	(6,916)	(6,128)	-	-
Payment of UBP - Use of the public asset	20	(10,321)	(10,974)	-	-
Payment of litigation	23 (a)	(30,084)	(5,081)	-	-
Payment for post-employment benefits		(15,044)	(130)	-	-
Other liabilities and other liabilities		(44,821)	(2,471)	2,554	146
		<u>194,842</u>	<u>312,806</u>	<u>(68,038)</u>	<u>(14,674)</u>
Cash from (applied in) operations					
Interest paid on loans financing and debentures	16 (c)	(75,839)	(66,499)	-	-
Income tax and social contribution paid		(19,744)	(16,520)	-	-
Net cash from (applied in) operating activities		<u>99,259</u>	<u>229,787</u>	<u>(68,038)</u>	<u>(14,674)</u>
Cash flow from investment activities					
Financial investments		13,997	-	-	-
Application in reserve account		1,436	6,347	-	-
Acquisition of fixed assets and intangible assets		(267,945)	(18,658)	(4,271)	(3,288)
Capital increase in investments	13 (b)	-	-	(112,400)	-
Net cash from (applied in) investment activities		<u>-</u>	<u>(12,311)</u>	<u>(116,671)</u>	<u>(3,288)</u>
Cash flow from financing activities					
Fundraising	16 (c)	76,600	-	-	-
Settlement of loans, financing and debentures	16 (c)	(26,467)	(27,343)	-	-
Cost of fundraising	16 (c)	(1,510)	-	(72)	-
Increase in the share capital	1.1.1 (c)	1,500,000	-	1,500,000	-
Settlement of leases		(932)	(416)	(365)	(23)
Net cash invested in financing activities		<u>1,547,691</u>	<u>(27,759)</u>	<u>1,499,563</u>	<u>(23)</u>
Increase (decrease) in cash and cash equivalents		<u>1,394,438</u>	<u>189,717</u>	<u>1,314,854</u>	<u>(17,985)</u>
Cash included by the merger of VGE		24,994	-	24,994	-
Cash included per merged company included in consolidation		33,935	-	-	-
Cash and cash equivalents at the beginning of the quarter		<u>1,595,818</u>	<u>1,102,652</u>	<u>383,149</u>	<u>101,711</u>
Cash and cash equivalents at the end of the quarter		<u>3,049,185</u>	<u>1,292,369</u>	<u>1,722,997</u>	<u>83,726</u>
Main transactions that did not affect the cash					
Reverse merger VGE - capital increase and incorporation of assets					
Balance sheet	13 (b)	42,545	-	42,545	-
Investments and merged goodwill	13 (b)	1,152,463	-	1,573,432	-
Capital gains in intangible assets	15 (a)	1,540,542	-	1,119,573	-
Merger of CESP shares					
Merging investments - participation of non-controlling shareholders	13 (b)	-	-	4,555,944	-
Capital gains from the acquisition in 2018, net of taxes - participation of non-controlling shareholders	13 (b)	-	-	56,641	-
Redemption of shares	1.1.1 (g)	(78,547)	-	(78,547)	-
Capital injection Ventos do Piauí II and III	-	-	-	-	32,384
Partial spin off of Ventos de São Paulo II Energias Renováveis S.A.	-	-	-	-	(32,384)

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

	Note	Consolidated		Parent Company	
		3/31/2022	12/31/2021	3/31/2022	12/31/2021
Assests					
Current					
Cash and cash equivalents	9	3,049,185	1,595,818	1,722,997	383,149
Financial investments	9	124,662	77,751	-	-
Liquidity fund - reserve account	9	2,503	6,153	-	-
Derivative financial instruments		12	-	-	-
Accounts receivable from customers	10	556,035	328,631	-	-
Taxes to be recovered		72,760	36,714	10,074	4,898
Dividends receivable	25	65,247	-	226,210	160,963
Related parties	25	3,708	3,678	70,003	-
Energy futures contracts	19	1,552,161	270,815	-	-
Other assest		31,074	24,011	3,779	6,163
		<u>5,457,347</u>	<u>2,343,571</u>	<u>2,033,063</u>	<u>555,173</u>
Assets held for sale		8,428	8,428	-	-
		<u>5,465,775</u>	<u>2,351,999</u>	<u>2,033,063</u>	<u>555,173</u>
Non-current					
Long-term receivables					
Liquidity fund - reserve account	9	104,817	100,048	-	-
Derivative financial instruments	0	27	-	-	-
Related parties	25	108,948	66,311	105,119	58,590
Bonds and court deposits	11	187,081	195,968	-	-
Deferred income tax and social contribution	18 (b)	3,416,808	3,408,893	-	-
Warehouse	0	6,334	6,042	-	-
Energy futures contracts	19	3,273,919	341,292	-	-
Asset subject to indemnification	12	1,739,161	1,739,161	-	-
Taxes to be recovered		852	-	-	-
Other assest		632	842	28	-
		<u>8,838,579</u>	<u>5,858,557.00</u>	<u>105,147</u>	<u>58,590</u>
Investments	13	1,101,829	-	10,710,794	4,405,443
Fixed assets	14	917,068	898,028	6,545	3,331
Intangible assets	15	3,868,918	2,366,432	1,387,939	281,748
Right of use on lease agreements		6,519	5,283	1,520	27
		<u>22,986,531</u>	<u>17,210,554</u>	<u>12,211,945</u>	<u>4,749,139</u>
Total asset		<u>28,452,306</u>	<u>19,562,553</u>	<u>14,245,008</u>	<u>5,304,312</u>

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

	Note	Consolidated		Parent company	
		3/31/2022	12/31/2021	3/31/2022	12/31/2021
Liabilities and net equity					
Current					
Loans, financing and debentures	16	204,389	208,959	-	-
Suppliers	17	431,421	225,578	7,542	8,146
Leases		3,461	1,824	1,607	31
Derivative financial instruments		-	12,699	-	-
Energy futures contracts	19	1,469,957	282,619	-	-
Estimated obligations and payroll		36,529	23,893	10,989	1,512
Taxes payable		57,394	37,709	3,594	4,781
Sector charges		18,817	20,170	-	-
Dividends payable and interest on equity	25	287,056	249,692	51,317	13,952
UBP - Use of a public asset	20	42,904	42,462	-	-
Social and environmental obligations and asset demobilization	21	46,515	44,065	-	-
Provision for reimbursement	22	337,075	325,557	-	-
Redemption of shares payable	1.1.1 (g)	78,547	-	78,547	-
Other liabilities		79,469	126,728	28,886	28,196
		<u>3,093,534</u>	<u>1,601,955</u>	<u>182,482</u>	<u>56,618</u>
Non-current					
Loans, financing and debentures	16	4,623,916	4,501,915	308,183	299,674
Suppliers	17	75,285	74,216	75,285	74,216
Leases		3,321	3,674	-	-
Energy futures contracts	19	3,322,671	337,697	-	-
Taxes payable		13,929	13,396	-	-
Related parties:	25	98,238	64,182	80,571	46,658
Deferred income tax and social contribution	18 (b)	730,579	352,024	728,459	330,998
UBP - Use of a public asset	20	78,260	87,531	-	-
Social and environmental obligations and asset demobilization	21	265,209	270,276	-	-
Provision for reimbursement	22	15,752	7,970	-	-
Provisions	23	1,393,381	1,329,412	-	-
Post-employment benefits	24	1,808,588	1,785,499	-	-
Other liabilities		109,366	86,291	49,751	38,745
		<u>12,538,495</u>	<u>8,914,083</u>	<u>1,242,249</u>	<u>790,291</u>
Total liabilities		<u>15,632,029</u>	<u>10,516,038</u>	<u>1,424,731</u>	<u>846,909</u>
Net equity					
Capital stock	26	5,940,137	3,000,836	5,940,137	3,000,836
Capital reserve		5,430,372	-	5,430,372	-
Profit reserves		1,861,941	1,861,941	1,861,941	1,861,941
Equity valuation adjustments		(405,374)	(405,374)	(405,374)	(405,374)
Accumulated losses		(6,799)	-	(6,799)	-
		<u>12,820,277</u>	<u>4,457,403</u>	<u>12,820,277</u>	<u>4,457,403</u>
Net equity attributes to controlling shareholders		<u>12,820,277</u>	<u>4,457,403</u>	<u>12,820,277</u>	<u>4,457,403</u>
Interest of non-controlling shareholders		-	4,589,112	-	-
Total net equity		<u>12,820,277</u>	<u>9,046,515</u>	<u>12,820,277</u>	<u>4,457,403</u>
Total liabilities and net net equity		<u>28,452,306</u>	<u>19,562,553</u>	<u>14,245,008</u>	<u>5,304,312</u>

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

Auren Energia S.A.
Condensed interim statement of changes in equity
In thousands of reais



	Note	Profit reserve				Accumulated profits (losses)	Equity valuation adjustment	Total	Participation of non-controlling shareholders	Net equity
		Capital stock	Capital reserve	Legal	Retention					
On January 1, 2021		2,977,983	-	60,428	1,477,424	-	(636,478)	3,879,357	4,374,299	8,253,656
Net profit for the quarter		-	-	-	-	33,101	-	33,101	67,982	101,083
Comprehensive income for the quarter		-	-	-	-	-	(7,514)	(7,514)	(11,397)	(18,911)
Total comprehensive income for the quarter		-	-	-	-	33,101	(7,514)	25,587	56,585	82,172
Additional dividends proposed		-	-	-	-	-	-	-	(150,050)	(150,050)
Contributions and distributions to shareholders		-	-	-	-	-	-	-	(150,050)	(150,050)
As of March 31, 2021		2,977,983	-	60,428	1,477,424	33,101	(643,992)	3,904,944	4,280,834	8,185,778
On January 1, 2022		3,000,836	-	63,365	1,798,576	-	(405,374)	4,457,403	4,589,112	9,046,515
Net profit (loss) for the quarter		-	-	-	-	(6,799)	-	(6,799)	4,214	(2,585)
Total comprehensive income for the quarter		-	-	-	-	(6,799)	-	(6,799)	4,214	(2,585)
Increase in share capital										
Reverse merger VGE measured at fair value	1.1.1 (b)	1,131,678	1,223,216	-	-	-	-	2,354,894	-	2,354,894
Merger of CESP shares - economic value	1.1.1 (e)	307,623	4,207,156	-	-	-	-	4,514,779	(4,593,326)	(78,547)
Increase in share capital - CPP Investments	1.1.1 (c)	1,500,000	-	-	-	-	-	1,500,000	-	1,500,000
Contributions and distributions to shareholders		2,939,301	5,430,372	-	-	-	-	8,369,673	(4,593,326)	3,776,347
As of March 31, 2022		5,940,137	5,430,372	63,365	1,798,576	(6,799)	(405,374)	12,820,277	-	12,820,277

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

Auren Energia S.A.
Condensed interim statement of value added
Quarters ended in March 31
In thousands of reais



	Note	Consolidated		Parent company	
		3/31/2022	3/31/2021	3/31/2022	3/31/2021
Generation of added value					
Gross revenue	6	1,299,278	762,814	-	-
Provision for reimbursement	6	(13,454)	(20,963)	-	-
Other operating revenues	7	-	3,813	-	-
		<u>1,285,824</u>	<u>745,664</u>		
Inputs					
Energy purchased and power grid charges	7	(692,629)	(266,957)	-	-
Third party services		(40,417)	(24,239)	(13,897)	(3,366)
Other operating costs		(9,003)	(7,795)	(1,022)	(440)
		<u>(742,049)</u>	<u>(298,991)</u>	<u>(14,919)</u>	<u>(3,806)</u>
Gross added value		<u>543,775</u>	<u>446,673</u>	<u>-</u>	<u>3,806</u>
Retention					
Depreciation and amortization	7	(157,304)	(132,322)	(15,593)	(901)
Amortization of capital gains		(8,938)	(8,941)	-	-
Energy futures contracts		5,810	19,260	-	-
		<u>(160,432)</u>	<u>(122,003)</u>	<u>(15,593)</u>	<u>(901)</u>
Net added value generated		<u>383,343</u>	<u>324,670</u>	<u>(30,512)</u>	<u>(4,707)</u>
Transfers					
Equity	13 (b)	29,051	-	6,934	38,434
Financial revenues	8	86,074	8,078	48,592	470
		<u>115,125</u>	<u>8,078</u>	<u>55,526</u>	<u>38,904</u>
Others					
Reversal of provision for litigation	7	(45,392)	202,872	-	-
Write-off with judicial deposits		(795)	(39,781)	-	-
Insurance		(2,819)	(1,706)	-	-
		<u>(49,006)</u>	<u>161,385</u>		
Added value to be distributed		<u>449,462</u>	<u>494,133</u>	<u>25,014</u>	<u>34,197</u>
Added value distribution					
Personnel					
Direct remuneration	7	25,799	14,067	6,578	914
Social charges		12,724	6,817	1,973	572
Benefits		4,707	3,216	580	108
		<u>43,230</u>	<u>24,100</u>	<u>9,131</u>	<u>1,594</u>
Third-party capital remuneration					
Interest and monetary update	8	219,328	206,309	9,497	531
Other financial expenses	8	31,182	11,702	8,675	4
Rents	7	3,193	2,641	-	-
		<u>253,703</u>	<u>220,652</u>	<u>18,172</u>	<u>535</u>
Intrasectorial - Regulatory charges					
Financial compensation for the use of water resources - CFURH	6	10,398	10,228	-	-
Research and Development - R&D		4,338	4,184	-	-
Rate of supervision of electricity services - TFSEE		1,840	1,789	-	-
Global Reversion Reserve - RGR		440	446	-	-
		<u>17,016</u>	<u>16,647</u>		
Taxes and social contributions					
Federal		138,011	131,630	4,510	(1,033)
Municipal		87	21	-	-
		<u>138,098</u>	<u>131,651</u>	<u>4,510</u>	<u>(1,033)</u>
Equity remuneration					
Net profit (loss) of the quarter attributable to controlling shareholders		(6,799)	33,101	(6,799)	33,101
Net profit of the quarter attributable to non-controlling shareholders		4,214	67,982	-	-
		<u>(2,585)</u>	<u>101,083</u>	<u>(6,799)</u>	<u>33,101</u>
Added value distributed		<u>449,462</u>	<u>494,133</u>	<u>25,014</u>	<u>34,197</u>

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

1 Operations

Auren Energia S.A., "Companhia" or "Auren", (formerly, VTRM Energia Participações S.A. "VTRM") based in the city of São Paulo - SP, is a *holding company* operating as an investment platform for the acquisition and development of new renewable energy generation assets in Brazil. Its investees are dedicated to planning, construction, installation, operation and maintenance of wind, solar and hydroelectric power generation systems, as well as the sale of the energy produced and also those acquired for the purpose of *trading*.

The Company is jointly controlled by Votorantim S.A. ("VSA") and the Canada *Pension Plan Investment Board* ("CPP Investments").

On February 25, 2022, the Company was granted a registration in category "A" as a publicly held company by the Brazilian Securities Commission ("CVM") and sought a listing with B3 S.A. – Brasil, Bolsa, Balcão ("B3") to allow it to trade its shares in the Novo Mercado segment. The shares began trading on March 28, 2022, under the ticker symbol AURE3.

The National Electric Energy Agency ("ANEEL") is the regulator that oversees the activities of the Company's operating subsidiaries.

1.1 Main events occurred during the first quarter ended 2022

1.1.1 Main corporate events

(a) Corporate reorganization - consolidation of energy assets and listing of shares in the Novo Mercado

On October 18, 2021, Votorantim S.A. and CPP Investments announced their intention to consolidate energy assets in Brazil and seek to list its shares on B3's Novo Mercado.

As part of the reorganization process, member of the Votorantim group: Companhia Brasileira de Alumínio ("CBA"), Votorantim Cimentos S.A. ("Cimentos") and Nexa Resources ("Nexa") began managing the energy self-production assets that were previously under the management of Votorantim Energia "VGE").

Consolidation occurred through two main steps that we detailed in the following topics.

The VTRM Operation:

(b) Reverse merge of Votorantim Geração de Energia S.A. ("VGE")

On February 3, 2022, Auren performed a reverse merger of its then parent company VGE, extinguishing that entity, and became the owner of the following assets:

- (i) 50% equity interest in Pinheiro Machado Participações S.A. ("Pinheiro Machado"), whose generation asset includes Machadinho UHE, represented by all its preferred shares;
- (ii) 66.6667% equity interest in CBA Energia Participações S.A. ("CBA Energia"), whose generation assets include Campos Novos UHE and Barra Grande ESU, represented by all its preferred shares;

- (iii) 66.6667% equity interest in Pollarix S.A. ("Pollarix"), whose generation assets include Amador Aguiar I and II UHE (Capim Branco Consortium), PHE Picada, Igarapava UHE (Igarapava Consortium) and Campos Novos UHE, represented by all its preferred shares;
- (iv) 100% equity interest in Votener - Votorantim Comercializadora de Energia Ltda. ("Votener").

As a result of this reverse merger, the 992,547,439 shares issued by Auren owned by VGE were cancelled and replaced by an equal number of Auren's shares and attributed to VSA, VGE being the sole shareholder. Upon the merger of the assets by Auren, 612,874,904 new common shares of Auren were issued, also granted to VSA ("New Auren Shares").

The economic value attributed (*equity value*) to VGE's assets (excluding VGE's equity interest in Auren) was R\$ 2,735,548, the reverse merger and equity balances are summarized below:

Reverse merger - VGE	Value
Capital increase in Auren based on VGE's remaining assets and liabilities on the valuation date (i)	1,131,678
Economic fair value of VGE constituted as a capital reserve	1,540,542
Equity variation between the date of evaluation of the report and the effective operation (i)	63,328
Economic fair value of VGE (Note 5(a))	2,735,548
	-
Deferred taxes liabilities on capital gains	(380,654)
Total increase in Auren's shareholders' equity related to reverse incorporation	2,354,894

- (i) VGE's remaining assets and liabilities of R\$ 1,131,678 plus R\$ 63,328, is the balance of VGE's shareholders' equity on the date of the transaction, of R\$ 1,195,006.

The reverse merger and fair value of assets balances held by VGE:

	1/31/2022		1/31/2022
Assests		Liabilities	
Current		Current	
Cash and cash equivalent	24,994	Dividends payable	44,341
Dividends to be received	72,274	Other current liabilities	13,614
Other current assets	4,845		57,955
	102,113		
Non-current		Non-current	
Investments		Other non-current liabilities	9,126
CBA Energia Participações S.A.	221,726		9,126
Pollarix S.A.	248,073		
Pinheiro Machado Participações S.A.	13,051	Total liabilities	67,081
Votener Votorantim Comercializadora de Energia Ltda.	122,230		
Investment goodwill			
CBA Energia Participações S.A.	316,248		
Pollarix S.A.	231,135		
Other non-current assets	4,864	Total net equity	1,195,006
Asset	625		
Intangible	207		
Rentals	1,815		
	1,159,974		
Total asset	1,262,087	Total liabilities	1,262,087

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

c) Capital contribution by CPP Investments

On February 3, 2022, Auren's capital increased by R\$ 1,500,000, with the issuance of 365,803,013 new shares, fully subscribed by CPP Investments, paid in in Brazilian Reais.

The CESP Operation:

d) Auren Register as public company and Listing Process on the Novo

On February 25, 2022, the Company was registered as a publicly-held company category "A" with the Brazilian Securities and Exchange Commission ("CVM" and "Abertura de Capital") and was granted the request for listing with B3 S.A. – Brasil, Bolsa, Balcão ("B3"), with the admission of its shares to trading on the special New Market segment ("Novo Mercado Listing").

e) Proposal for the merger of CESP's shares by Auren

Following its listing, to allow CESP's non-controlling shareholders to participate in Auren's capital, a proposal was to merger of all shares issued by CESP by Auren, and consequently allowing the participation of other CESP shareholders.

On October 21, 2021, the CESP Board of Directors formed an independent Special Committee ("Committee") following the guidelines in CVM Opinion No. 35, to negotiate the non-binding proposed corporate reorganization by VSA and CPP Investments for the merger of all shares issued by the CESP by Auren.

The negotiations for the exchange of shares issued by CESP for shares in Auren ("Replacement Relationship"), were concluded by Committee and with Auren's Management on January 7, 2022 and the recommendations submitted to the CESP Board of Directors following unanimously agreement of members of the Committee with regard to the Replacement Relationship.

The Replacement ratio was freely negotiated between Auren's Management and the Committee and included the following assumptions:

- (i) the *equity value attributed* to VGE's assets to be contributed to Auren - excluding the value of VGE's equity interest in Auren - was approximately R\$ 2.8 billion;
- (ii) the cash resources to be contributed by CPP Investments at Auren was R\$ 1.5 billion;
- (iii) the economic value (*equity value*) attributed to Auren - without considering Auren's equity interest in CESP and the effects of the transaction - was approximately R\$ 4.5 billion;
- (iv) the economic value (*equity value*) attributed to CESP was approximately R\$ 9.1 billion, equivalent to approximately R\$ 27.93 per share (regardless of class or type and disregarding treasury shares);
- (v) to determine the economic values (*equity value*) indicated above, the base date of December 31, 2021 was considered and the discounted cash flow methodology was used;
- (vi) the redemption value of redeemable preferred shares following the contribution of CESP shares, of R\$ 0.40 per share totaling approximately R\$ 78.5 million, considers estimates for non-resident investor taxes to be withheld by Auren for the transaction.

This Replacement Relationship structure was approved by the Committee and the CESP Board of Directors, on the date of the contribution of shares, in which the non-controlling shareholders of CESP were to receive, for each share issued by CESP, regardless of the class:

- (i) 6.567904669174 new common, nominative, book-entry and nominal value shares of Auren; and
- (ii) 0.095425888495 new preferred, nominative, book-entry and nominal value of Auren, mandatorily redeemable.

As the corporate reorganization contemplated the delivery to the non-controlling shareholders of CESP of 4,405,478 mandatorily redeemable preferred shares of Auren, based on the replacement ratio and in the total amount of R\$ 78.547, Auren would have the following corporate structure (before the reverse split in item "f" below):

Shareholders	Number of shares	Participation
VSA	1,605,422,350	37.74%
CPP Investments	1,358,350,459	31.93%
Other shareholders	1,289,736,569	30.32%
Total	4,253,509,378	100.00%

The February 15, 2022 CESP Extraordinary General Meeting ("EGM") approved, the merger of all shares issued by CESP by its parent company Auren, excluding shares owned by Auren held in CESP's treasury or which carry the rights to exercise withdrawal of CESP shareholders ("Merger of Shares").

The merger of shares was carried out pursuant to the "Private Instrument of Protocol and Justification of Incorporation of Shares of CESP - Companhia Energética de São Paulo by Auren Energia Participações S.A." ("Protocol and Justification"), concluded between CESP and Auren.

With the implementation of the Incorporation of Shares, CESP became a wholly owned subsidiary of Auren, with all shares held by Auren. The Company's shareholders received, in lieu of own shares issued by the Company, as described above. The preferred shares were immediately redeemed on the Closing Date (March 25, 2022), settled in cash on April 7, 2022 to shareholders.

Concurrently to the incorporation of CESP shares on March 23, 2022, a capital increase was made of R\$ 307,623, with the issuance of 307,622,529 Auren shares being 303,217,051 common shares and 4,405,478 preferred shares that were immediately redeemed. A capital reserve was also recorded for R\$ 4,207,156, reflecting the economic value of CESP, as appraised by an Independent Committee. The redemption of shares of non-controlling shareholders, is shown below:

Merger of CESP shares	Value
Capital increase - issuance of new shares	307,623
Constitution of capital reserve related to the participation of non-controlling shareholders of CESP	4,248,320
Constitution of capital reserve in Auren referring to asset capital gains	37,383
Redemption of shares of non-controlling shareholders	(78,547)
	4,207,156
	4,514,779

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

f) Grouping of shares

At a Meeting of the Board of Directors held on March 23, 2022, the reverse split of Auren shares was ratified, one of the conditions precedent provided for in the Protocol and Justification, as proposed at the EGM held on February 15, 2022. The reverse split resulted in each 4.253509378 shares of Auren being replaced by one share, without affecting the balance of share capital. As a result, Auren's share capital was represented by 696,782,949 common, nominative, book-entry and nominal value shares.

Accordingly, CESP's non-controlling shareholders will receive for every share held as issued by CESP, regardless of type of share:

- (i) 1.544114302635 new common, nominative, book-entry and nominal lysing shares of Auren;
- (ii) 0.022434625149 new preferred, nominative, book-entry and nominal shares of Auren, mandatorily redeemable.

After the grouping share split, Auren's share ownership structure is:

Shareholders	Number of shares	Participation
VSA	377,434,774	37.74%
CPP Investments	319,348,175	31.93%
Other shareholders	303,217,051	30.32%
Total	1,000,000,000	100.00%

g) Redemption of CESP Preferred Shares and right of withdrawal by non-controlling shareholders

The Replacement Relationship proposed and approved at the CESP EGM with respect to the incorporation of CESP shares by Auren, that CESP shareholders who did not approve the Incorporation of Shares, either by rejection, abstention or no-show to EGM, are assured the right to withdraw from the Company, pursuant to Articles 137, 252 - § 2nd and 264 - § 3, of Law 6.404/76.

The shareholders were able to exercise the right of withdrawal in relation to all or part of the shares issued by CESP, once ownership was ascertained, subject to penalties, within 30 days, from the publication of the minutes of the EGM, that is, by March 18, 2022. As no shareholder had exercised the right of withdrawal within the 30 day limit, no repayments will be made.

Auren recorded against its capital reserve mandatory redemption of all redeemable preferred shares held by the non-controlling shareholders of CESP, of R\$ 78,547. These were settled in full on April 7, 2022 for R\$ 78,537, of which R\$ 59,838 related to the principal, R\$ 39,128 related to withholding income tax for foreign shareholders, and R\$ 20,429 of withholding taxes for Brazilian shareholders.

(h) Disposal of a invested in Auren to Votorantim Cimentos S.A. ("Cimentos")

On March 4, 2022, after complying with the conditions precedent in the Shareholders' Purchase and Sale Agreement dated December 28, 2020, as amended on September 27, 2021, Auren signed a Shareholders' Agreement ("SA") with Cimentos for the 49% disposal of the equity interest of Ventos de Santo Ângelo Energias Renováveis S.A., for R\$ 44,360.

The balance will be paid in four equal and annual installments from January 2023, and the balance payable by the future purchase option, will be settled in a single installment.

On March 31, 2022, the balance of non-current assets is R\$ 44,290 and the balance of non-current liabilities is R\$ 31,785, both net of the adjustment to present value, as presented in note 25 - Related parties.

1.1.2 Other corporate events

(a) Capital transactions in subsidiaries

In the quarter ended March 31, 2022, the following transaction were carried out:

	Date	Paid-in amount
Controlled		
Ventos de São João Paulo II Energias Renováveis S.A.	01/25/2022	42,000
Ventos de Santo Apolinário Energias Renováveis S.A.	01/25/2022	4,000
Votener - Votorantim Comercializadora de Energia Ltda.	02/08/2022	53,300
Jaíba V Holding S.A.	02/09/2022	13,000
Hélios IV geração de Energia Ltda.	01/25/2022	100
		112,400

2 Presentation of consolidated and individual condensed interim financial statements and summary of accounting practices

2.1 Declaration of Conformity

(a) Consolidated and individual condensed interim financial statements

The consolidated and parent company condensed interim financial statements as of March 31, 2022 were prepared based on the provisions of Technical Pronouncement CPC 21 – (R1) Interim Statement, and with the international accounting standard IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) for the purposes of the Quarterly Information (ITR). These conform to the regulations of the Brazilian Exchange Commission ("CVM") including circular letter CVM/SNC/SEP 003 of April 28, 2011, which allows entities to omit explanatory notes when the same information was already disclosed in the annual financial statements.

The condensed consolidated and individual interim financial statements as of March 31, 2022, therefore, do not incorporate all the notes and disclosures required by the accounting standards for the annual financial statements and, consequently, should be read in conjunction with the financial statements for the year ended December 31, 2021. These are available on the Investor Relations page (ri.aurenenergia.com.br) and upon consultation of companies listed in B3. They were prepared in accordance with Interim Financial Reporting Standards (IFRS), as issued by the IASB, and in accordance with accounting practices adopted in Brazil as approved by the Accounting Pronouncements Committee (CPC) and the standards issued by the CVM.

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

(b) Approval of financial statements

The Company's Board of Directors approved the issuance of these condensed interim financial statements on May 13, 2022.

2.2 Functional currency and presentation currency

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

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

2.3 Consolidation

The Company consolidates all entities over which it has control, that is, when it is exposed or entitled to variable returns or has the ability to direct its operations.

(a) Controlled

The subsidiaries are fully consolidated from the date on which the control is transferred to the Company.

Transactions, balances and results of transactions between subsidiaries are eliminated. In the acquisition, the accounting policies of the subsidiaries are changed when necessary, to ensure consistency with the policies adopted by the Company.

Following the merger of VGE on February 3, 2022, Votener is a wholly owned subsidiary of the Company and was consolidated in these consolidated condensed interim financial statements for in the quarter ended March 31, 2022.

The merger of CESP shares (Note 1.1.1 (e)) resulted in the Company owning all CESP's capital and therefore no longer presents the non controlling shareholder information.

(b) Subsidiaries

Investments in affiliates are accounted for by the equity method and are initially recognized at cost and include goodwill determined on acquisition, net of impairment provisions.

Dilution gains and losses, which occur in from the downstream mergers, are recognized in the statement of operations.

With the reverse merger of VGE on February 3, 2022, Auren became an equity investor in the related companies, listed below:

- (i) 50% equity interest (Pinheiro Machado"), represented by all its preferred shares;
- (ii) 66.6667% equity interest in CBA Energia, represented by all its preferred shares; and
- (iii) 66.6667% equity interest in Pollarix, represented by all its preferred shares

(c) Joint operation

In a joint operation the joint operators parties that hold joint control of the business have rights over the assets and are subject to obligations for liabilities related to the business.

Joint transactions are recorded in the financial statements to represent the Company's contractual rights and obligations. Hence, assets, liabilities, income and expenses related to joint operating interests are recorded individually in the financial statements.

The Company's subsidiaries that participate in Piauí i, ii and iii wind farms have an equity interest in the jointly controlled companies Consórcio Ventos do Piauí, Consórcio Ventos do Piauí II and Consórcio Ventos do Piauí III ("consortia")

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

These consortia were formed for the construction, maintenance, operation and use of certain common assets, especially the collector substation, the sectioning/elevator substation, the transmission line and the medium voltage network, among others, serving all consortium members.

2.4 New accounting standards, changes and interpretations of standards issued by the CPC and IASB

There were no changes to accounting standards and practices in the quarter ended March 31, 2022, when compared to the annual financial statements as of December 31, 2021.

3 Critical accounting estimates and judgments

The consolidated and individual condensed interim financial statements were prepared in a manner consistent with the accounting policies disclosed in the annual financial statements for the year ended December 31, 2021.

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

There was no change in estimates and assumptions that presented significant risk, with probability of causing a relevant adjustment in the book values of assets and liabilities for the quarter ended March 31, 2022, in relation to those detailed in the last annual financial statements for the year ended December 31, 2021.

4 Presentation of information by business segment

The Company discloses financial information by operating segments, consistent with that provided to the chief operation decision maker, along the lines of areas of activity:

1. Wind generation (wind farms for Ventos do Piauí I, II and III and Ventos de Araripe III)
2. Hydro power generation (CESP Geradora and other water assets that the Company has from the downstream merger)
3. Commercialization (Votener and CESP Comercializadora)
4. Holding and Pipeline projects (Auren's and other projects in the structuring / construction phase).

Information for Auren's business segments with consolidation eliminations for transactions between companies in the same segment and between the business segments at the origin of the transactions.

Auren Energia S.A.
Notes to the condensed interim financial statements
Quarter ended March 31, 2022
In thousands of reais, unless otherwise indicated



(a) Income statement - By business segment

	1/1/2022 to 3/31/2022					
	Wind power generation	Water power generation	Commercialization	Holding + Pipeline	Eliminations	Consolidated
Net revenue	114,439	434,560	769,650	-	(173,391)	1,145,258
Electricity cost	(10,539)	(98,648)	(756,833)	-	173,391	(692,629)
Operation cost	(53,852)	(116,699)	(27)	-	-	(170,578)
Gross profit	50,048	219,213	12,790	-	-	282,051
Operating income (expenses)						
General and Administrative Expenses	(1,402)	(26,597)	(18,651)	(19,004)	-	(65,654)
Other net operating revenues (expenses), net	(197)	(44,720)	5,331	(20,683)	(8,780)	(69,049)
	(1,599)	(71,317)	(13,320)	(39,687)	(8,780)	(134,703)
Operating profit (loss) before equity interests and financial income	48,449	147,896	(530)	(39,687)	(8,780)	147,348
Income from equity interests						
Equity	-	32,844	(655)	6,934	(10,072)	29,051
	-	32,844	(655)	6,934	(10,072)	29,051
Net financial income						
Financial revenues	19,941	14,608	2,930	48,595	-	86,074
Financial expenses	(62,673)	(163,473)	(6,191)	(18,173)	-	(250,510)
	(42,732)	(148,865)	(3,261)	30,422	-	(164,436)
Profit (loss) before income tax and social contribution	5,717	31,875	(4,446)	(2,331)	(18,852)	11,963
Income tax and social contribution						
Current	(10,022)	(11,817)	(2,601)	(2,141)	-	(26,581)
Deferred	149	9,533	3,830	(2,473)	994	12,033
Net profit (loss) for the quarter	(4,156)	29,591	(3,217)	(6,945)	(17,858)	(2,585)

	1/1/2021 to 3/31/2021					
	Wind power generation	Water power generation	Commercialization	Holding + Pipeline	Eliminations	Consolidated
Net revenue	102,617	402,872	235,114	-	(81,100)	659,503
Electricity cost	(8,079)	(108,230)	(231,748)	-	81,100	(266,957)
Operation cost	(50,459)	(106,290)	56,00	-	-	(156,693)
Gross profit	44,079	188,352	3,422	-	-	235,853
Operating income (expenses)						
General and Administrative Expenses	(1,876)	(25,298)	(2,664)	(6,253)	-	(36,091)
Other operating income, net	(23)	164,556	19,260	(48)	(6,541)	177,204
	(1,899)	139,258	16,596	(6,301)	(6,541)	141,113
Operating profit (loss) before equity interests and financial income	42,180	327,610	20,018	(6,301)	(6,541)	376,966
Income from equity interests						
Equity	-	13,354	-	38,434	(51,788)	-
	-	13,354	-	38,434	(51,788)	-
Net financial income						
Financial revenues	1,868	5,488	249	473	-	8,078
Financial expenses	(43,875)	(173,559)	(42)	(535)	-	(218,011)
	(42,007)	(168,071)	207	(62)	-	(209,933)
Profit (loss) before income tax and social contribution	173	159,539	20,225	(6,363)	(58,329)	167,033
Income tax and social contribution						
Current	(3,745)	(9,822)	(344)	40	-	(13,871)
Deferred	(13)	(47,273)	(6,527)	993	741	(52,079)
Net profit (loss) for the year	(3,585)	102,444	13,354	(5,330)	(57,588)	101,083
Net income (loss) for the quarter attributable to controlling shareholders	(3,585)	47,816	13,354	33,104	(57,588)	33,101
Net income (loss) for the quarter attributable to non-controlling shareholders	-	67,982	-	-	-	67,982
Net income (loss) for the quarter	(3,585)	115,798	13,354	33,104	(101,083)	101,083

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

(b) Balance sheet - By business segment

						3/31/2022
	Wind power generation	Hydro power generation	Commercialization	Holding + Pipeline	Eliminations	Consolidated
Assets						
Current						
Cash and cash equivalents	755,695	419,882	136,699	1,736,909	-	3,049,185
Financial investments	-	124,662	-	-	-	124,662
Liquidity fund - Reserve account	2,503	-	-	-	-	2,503
Derivative financial instruments	-	-	12	-	-	12
Accounts receivable from customers	56,589	203,678	380,585	4,00	(84,821)	556,035
Taxes recoverable	3,756	19,176	39,752	10,076	-	72,760
Dividends receivable	-	766.00	-	226,210	(161,729)	65,247
Related parties:	3,708	-	-	70,003.00	(70,003)	3,708
Project orders - R&D	-	-	-	-	-	-
Energy futures contracts	-	-	1,552,161	-	-	1,552,161
Other assets	7,127	7,747	11,970	4,230	-	31,074
	<u>829,378</u>	<u>775,911</u>	<u>2,121,179</u>	<u>2,047,432</u>	<u>(316,553)</u>	<u>5,457,347</u>
Assets held for sale	-	8,428	-	-	-	8,428
	<u>829,378</u>	<u>784,339</u>	<u>2,121,179</u>	<u>2,047,432</u>	<u>(316,553)</u>	<u>5,465,775</u>
Non-current						
Liquidity fund - Reserve account	104,817	-	-	-	-	104,817
Derivative financial instruments	-	-	27	-	-	27
Related parties:	3,829	-	-	105,119	-	108,948
Bonds and court deposits	-	187,081	-	-	-	187,081
Deferred income tax and social contribution	-	3,411,398	5,410	-	-	3,416,808
Warehouse	-	6,334	-	-	-	6,334
Energy futures contracts	-	-	3,273,919	-	-	3,273,919
Asset subject to indemnification	-	1,739,161	-	-	-	1,739,161
Taxes recoverable	18	-	834	-	-	852
Other assets	355	-	-	277	-	632
	<u>109,019</u>	<u>5,343,974</u>	<u>3,280,190</u>	<u>105,396</u>	<u>-</u>	<u>8,838,579</u>
Investments	-	1,131,487	41,890	9,046,244	(9,117,792)	1,101,829
Property, plant, and equipment	3,395,987	5,643,578	32,362	98,759	-	9,170,686
Intangible assets	37,469	1,887,121	2,234	1,942,094	-	3,868,918
Right of use on lease agreements	-	4,889	110	1,520	-	6,519
	<u>3,542,475</u>	<u>14,011,049</u>	<u>3,356,786</u>	<u>11,194,013</u>	<u>(9,117,792)</u>	<u>22,986,531</u>
Total assets	<u>4,371,853</u>	<u>14,795,388</u>	<u>5,477,965</u>	<u>13,241,445</u>	<u>(9,434,345)</u>	<u>28,452,306</u>

						3/31/2022
	Wind power generation	Hydro power generation	Commercialization	Holding + Pipeline	Eliminations	Consolidated
Liabilities and equity						
Current						
Loans and financing	116,428	87,961	-	-	-	204,389
Suppliers	75,851	47,823	385,016	7,552	(84,821)	431,421
Leases	-	1,806	48	1,607	-	3,461
Derivative financial instruments	-	-	-	-	-	-
Energy futures contracts	-	-	1,469,957	-	-	1,469,957
Estimated obligations and payroll	-	13,289	12,251	10,989	-	36,529
Taxes payable	11,959	27,045	14,791	3,599	-	57,394
Sector charges	-	18,817	-	-	-	18,817
Dividends payable and interest on equity	7,034	389,668	766	51,317	(161,729)	287,056
UBP - Use of a public asset	-	42,904	-	-	-	42,904
Social and environmental obligations and asset demobilization	6,052	40,463	-	-	-	46,515
Provision for reimbursement	337,075	-	-	-	-	337,075
Other liabilities	1,452	40,343	8,607	29,067	-	79,469
	<u>555,851</u>	<u>710,119</u>	<u>1,891,436</u>	<u>182,678</u>	<u>(246,550)</u>	<u>3,093,534</u>
Non-current						
Loans and financing	2,376,580	1,939,153	-	308,183	-	4,623,916
Suppliers	-	-	-	75,285	-	75,285
Leases	-	3,321	-	-	-	3,321
Energy futures contracts	-	-	3,322,671	-	-	3,322,671
Taxes payable	13,929	-	-	-	-	13,929
Related parties	87,669	-	-	80,572	(70,003)	98,238
Deferred income tax and social contribution	568	-	1,552	728,459	-	730,579
UBP - Use of a public asset	-	78,260	-	-	-	78,260
Social and environmental obligations and asset demobilization	83,987	181,222	-	-	-	265,209
Provision for reimbursement	15,752	-	-	-	-	15,752
Provisions	77	1,391,351	1,953	-	-	1,393,381
Post-employment benefits	-	1,808,588	-	-	-	1,808,588
Other liabilities	-	39,987	19,629	49,750	-	109,366
	<u>2,578,562</u>	<u>5,441,882</u>	<u>3,345,805</u>	<u>1,242,249</u>	<u>(70,003)</u>	<u>12,538,495</u>
Total liabilities	<u>3,134,413</u>	<u>6,152,001</u>	<u>5,237,241</u>	<u>1,424,927</u>	<u>(316,553)</u>	<u>15,632,029</u>
Total net equity	<u>1,237,440</u>	<u>8,643,387</u>	<u>240,724</u>	<u>11,816,518</u>	<u>(9,117,792)</u>	<u>12,820,277</u>
Total liabilities and net equity	<u>4,371,853</u>	<u>14,795,388</u>	<u>5,477,965</u>	<u>13,241,445</u>	<u>(9,434,345)</u>	<u>28,452,306</u>

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

Auren Energia S.A.
Notes to the condensed interim financial statements
Quarter ended March 31, 2022
In thousands of reais, unless otherwise indicated



	12/31/2021					
	Wind power generation	Hydro power generation	Commercialization	Holding + Pipeline	Eliminations	Consolidated
Assets						
Current						
Cash and cash equivalents	782,132	376,541	51,690	385,455	-	1,595,818
Financial application	-	77,751	-	-	-	77,751
Liquidity fund – Reserve account	6,153	-	-	-	-	6,153
Accounts receivable from customers	60,189	176,044	120,100	2	(27,704)	328,631
Taxes recoverable	2,955	15,165	13,682	4,912	-	36,714
Dividends receivable	-	766.00	-	160,963	(161,729)	-
Related parties	3,678	-	-	-	-	3,678
Project orders - R&D	-	-	-	-	-	-
Energy futures contracts	-	-	270,815	-	-	270,815
Other assets	5,624	11,801	25	6,561	-	24,011
	<u>860,731</u>	<u>658,068</u>	<u>456,312</u>	<u>557,893</u>	<u>(189,433)</u>	<u>2,343,571</u>
Assets held for sale		8,428				8,428
	<u>860,731</u>	<u>666,496</u>	<u>456,312</u>	<u>557,893</u>	<u>(189,433)</u>	<u>2,351,999</u>
Non-current						
Long-term receivables						
Liquidity fund – Reserve account	100,048	-	-	-	-	100,048
Related parties	7,721	-	-	58,590	-	66,311
Bonds and court deposits	-	195,968	-	-	-	195,968
Deferred income tax and social contribution	-	3,401,864	7,029	-	-	3,408,893
Warehouse	-	6,042	-	-	-	6,042
Energy futures contracts	-	-	341,292	-	-	341,292
Asset subject to indemnification	-	1,739,161	-	-	-	1,739,161
Other assets	365	-	-	477	-	842
	<u>108,134</u>	<u>5,343,035</u>	<u>348,321</u>	<u>59,067</u>	<u>-</u>	<u>5,858,557</u>
Investments	-	68,410	-	4,446,032	(4,514,442)	-
Property, plant, and equipment	3,154,851	5,722,420	-	3,465	99,546	8,980,282
Intangible assets	37,759	1,913,422	386	321,825	93,040	2,366,432
Right of use on lease agreements	-	5,256	-	27	-	5,283
	<u>3,300,744</u>	<u>13,052,543</u>	<u>348,707</u>	<u>4,830,416</u>	<u>(4,321,856)</u>	<u>17,210,554</u>
Total assets	<u>4,161,475</u>	<u>13,719,039</u>	<u>805,019</u>	<u>5,388,309</u>	<u>(4,511,289)</u>	<u>19,562,553</u>
Liabilities and equity						
Current						
Loans, financing and debentures	110,941	98,018	-	-	-	208,959
Suppliers	76,065	63,188	105,780	8,249	(27,704)	225,578
Lease	-	1,793	-	31	-	1,824
Derivative financial instruments	-	8,288	4,411	-	-	12,699
Estimated obligations and payroll	-	20,989	1,391	1,513	-	23,893
Taxes payable	12,395	16,611	3,917	4,786	-	37,709
Sector charges	-	20,170	-	-	-	20,170
Dividends payable and interest on equity	7,035	389,668	766	13,952	(161,729)	249,692
UBP - Use of a public asset	-	42,462	-	-	-	42,462
Social and environmental obligations and asset demobilization	6,052	38,013	-	-	-	44,065
Provision for reimbursement	325,557	-	-	-	-	325,557
Other liabilities	1,377	96,947	28	28,376	-	126,728
	<u>539,422</u>	<u>796,147</u>	<u>398,912</u>	<u>56,907</u>	<u>(189,433)</u>	<u>1,601,955</u>
Non-current						
Loans, financing and debentures	2,304,346	1,897,895	-	299,674	-	4,501,915
Suppliers	-	-	-	74,216	-	74,216
Lease	-	3,674	-	-	-	3,674
Future energy contracts	-	-	337,697	-	-	337,697
Taxes payable	13,396	-	-	-	-	13,396
Related parties	17,524	-	-	46,658	-	64,182
Deferred income tax and social contribution	717	-	-	330,998	20,309	352,024
UBP - Use of a public asset	-	87,531	-	-	-	87,531
Social and environmental obligations and asset demobilization	82,451	187,825	-	-	-	270,276
Provision for reimbursement	7,970	-	-	-	-	7,970
Provisions	52	1,329,360	-	-	-	1,329,412
Post-employment benefits	-	1,785,499	-	-	-	1,785,499
Other liabilities	-	47,546	-	38,745	-	86,291
	<u>2,426,456</u>	<u>5,339,330</u>	<u>337,697</u>	<u>790,291</u>	<u>20,309</u>	<u>8,914,083</u>
Total liabilities	<u>2,965,878</u>	<u>6,135,477</u>	<u>736,609</u>	<u>847,198</u>	<u>(169,124)</u>	<u>10,516,038</u>
Net equity attributed to controlling shareholders	<u>1,195,597</u>	<u>7,583,562</u>	<u>68,410</u>	<u>4,541,111</u>	<u>(8,931,277)</u>	<u>4,457,403</u>
Participation of non-controlling shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,589,112</u>	<u>4,589,112</u>
Total net equity	<u>1,195,597</u>	<u>7,583,562</u>	<u>68,410</u>	<u>4,541,111</u>	<u>(4,342,165)</u>	<u>9,046,515</u>
Total liabilities and net equity	<u>4,161,475</u>	<u>13,719,039</u>	<u>805,019</u>	<u>5,388,309</u>	<u>(4,511,289)</u>	<u>19,562,553</u>

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

(c) Capital management - financial leverage ratio (consolidated)

	Consolidated	
	4/1/2021 to 3/31/2022	1/1/2021 to 12/31/2021
Adjusted EBITDA		
Net income for the period of the last 12 months	207,978	311,646
Additions (exclusions):		
Income tax and social contribution	229,806	281,208
Equity	(29,051)	-
Net financial income	721,550	767,047
Depreciation and amortization	618,933	593,954
EBITDA before other additions and exceptional items	1,749,216	1,953,855
Exceptional items:		
PDV - Voluntary Dismissal Program	-	-
Provision for legal risks	(177,430)	(425,693)
Expenses with court deposits	21,246	60,256
Provision (reversal) of impairment of fixed and intangible assets	248,520	248,520
Renegotiation of hydrological risk	(781,974)	(781,974)
Adjusted EBITDA (A)	1,059,578	1,054,964
Net debt		
Loans and financing	4,828,305	4,710,874
Leases	6,782	5,498
Cash and cash equivalents	(3,049,185)	(1,595,818)
Financial investments	(124,662)	(77,751)
Liquidity fund - Reserve account	(107,320)	(106,201)
Derivative financial instruments	(39)	12,699
Net debt - (B)	1,553,881	2,949,301
Financial leverage ratio - (B/A)	1.47	2.80

5 Business combination

Business combinations are recorded using the acquisition method at the time of the transfer of control to the Company. The transferred consideration is measured at fair value, as well as the identifiable net assets acquired, identifying any goodwill supported by the expectation of future profitability or gains from advantageous purchases.

The Company adopts CPC 15 (R1) / IFRS 3 – Business Combinations. The fair value of assets acquired and liabilities assumed in a business combinations are determined with the support of external consultancies.

Pursuant to CPC 15 (R1) / IFRS 3, when the initial allocation in a business combination is not final the provisional amounts are reported. The acquirer retrospectively adjusts the provisional amounts recognized at the date of acquisition to reflect any new information relating to facts and circumstances existing on the date of acquisition, affecting the measurement of the recognized values. The acquirer also recognize additional assets or liabilities when new information becomes available for circumstances existing at the date of acquisition, which, had they been known on that date, would have resulted in the recognition of those assets and liabilities on that date. The measurement period ends as soon as the acquirer obtains the final information and circumstances existing on the date of acquisition, or when he concludes that more information cannot be obtained. However, the measurement period cannot exceed one year from the date of acquisition.

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

(a) VGE reverse embedding

On February 3, 2022, Auren carried out a reverse merger of VGE (Note 1.1.1 (b)), incorporating its assets and liabilities, as including its equity investments in Pinheiro Machado, CBA Energia, Pollarix and Votener companies.

Under IFRS3 / CPC 15 (R1) – "Business Combination", the acquirer measures the identifiable assets acquired and the liabilities assumed by the respective fair values at the date of acquisition. Hence, VSA requested an independent appraisal for the fair values of assets owned by VGE at the date of the transaction. The amounts derived from the independent appraiser's a report were recognized as a capital reserve in Auren and the balance at book value was as share capital:

	Appraised fair value	Deferred taxes	Net value
VGE's economic fair value			
Capital gains CBA Energy	259,114	(88,099)	171,015
Capital gains Pollarix	738,226	(250,997)	487,229
Capital gains Pinheiro Machado	122,233	(41,558)	80,675
Goodwill from Votener	420,969	-	420,969
VGE's economic fair value, net of taxes	1,540,542	(380,654)	1,159,888
Net worth at VGE's remaining book value	1,131,678	-	1,131,678
Equity variation between valuation date and capital increase	63,328	-	63,328
Auren's total equity increase	2,735,548	(380,654)	2,354,894

The capital gains recognized are being amortized over the concession periods for each plant in which the affiliates have an equity interest.

Assumptions used in fair value measurement of the purchase price allocation

The economic and financial assessment of VGE's assets was based on the cash flow method (on the base date of September 30, 2021, updated to January 31, 2022 for the purpose of the reverse merger on February 3, 2022).

Free cash flows to the firm ("FCFF") were discounted at present value by the weighted average cost of capital (Weighted Average Cost of Capital – WACC) of each investment ranging from 14.3% to 10.1% p.a. and deducted from non-operating assets and liabilities on the base date.

Investment	Assumptions used for revenue valuation.
Votener	Volume: projection calculated by the year 2037, maximum term of existing contracts. Average price: for existing contracts, the weighted average price of contracts was used, for the new ones the average curve of the DCIDE plus R\$ 6.65 / MWh.
CBA Energia	Volume: projection calculated from the physical guarantee until March 2040, concession deadline. Average price: for the years 2021 to 2027 based on contracts already signed and from 2028 based on the average curve of dcide, plus IPCA.
Pollarix	Volume: projection calculated from the physical guarantee until November 2042, concession deadline. Average price: for the years 2021 to 2032 based on contracts already signed and from 2033 based on the average curve of dcide, plus IPCA.
Pinheiro Machado	Volume: projection calculated from the physical guarantee until November 2032, concession deadline. Average price: for the years 2021 to 2027 based on contracts already signed and from 2028 based on the average curve of dcide, plus IPCA.

Item	Premise used for the valuation of investments
	For all investments: IRCS: it was considered a real profit regime, based on a 34% rate and accumulated tax losses;
Taxes	Projected based on gross revenue rates (historical average): – PIS / COFINS: 9,25% Sector charges (TFSEE, R&D and CFURH).
Depreciation	For all investments: Existing and new assets: the average book rate (historical average) was considered, depreciation and linear amortization
Capex	For all investments: The projected capex was considered only the investment needed for the maintenance of the assets.
Opex	For all investments: They were designed and segregated between fixed and variable costs and expenses according to the average history of each asset plus IPCA.

(b) Incorporation of CESP shares

The February 15, 2022 EGM for CESP (the EGM having approved, contribution of all shares issued by CESP by its parent company Auren, excluding Auren treasury shares held in CESP or which are the subject of the exercise of the right of withdrawal by CESP shareholders ("Incorporation of Shares"), under the corporate reorganization (1.1.1 (d)). With the implementation of the Stock Merger, CESP became a wholly owned subsidiary of Auren, with all shares of its issue held by Auren, and CESP's non-controlling shareholders received new shares issued by Auren.

In the Incorporation of Shares, an Independent Committee was created, to assess CESP's economic value, which resulted in a net worth of R\$ 9,142,189, as at September 30, 2021. The participation of CESP's non-controlling shareholders was 59.9942%, which corresponds to an economic value of R\$ 5,484,783; the difference between the accounting balance of CESP's shareholders' equity, at the date of the operation, and the economic value was the goodwill, as shown below:

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

Merger of CESP shares	Value
Economic fair value of CESP assessed by the Independent Committee	9,142,189
Cesp's economic fair value - participation of non-controlling shareholders 59.9942%	5,484,783
Goodwill in capital transaction	(928,840)
Participation of cesp non-controlling shareholders recognized in Auren's investment	4,555,943
Constitution of capital reserve in Auren referring to asset capital gains from acquisition in 2018	56,641
Deferred taxes on asset capital gains from acquisition in 2018	(19,258)
Constitution of capital reserve in Auren referring to asset capital gains	37,383
Value per share	17,8296
Redemption of Preferred Shares - in a thousand shares	4,405
Redemption of shares of non-controlling shareholders	(78,547)
Total increase in Auren's shareholders' equity	4,514,779

6 Revenue

The contracts for the sale of energy of the Company's subsidiaries are carried out in the free and regulated Brazilian market, with CCEE as a regulator agent responsible for the accounting and liquidation of the Brazilian integrated system (BIS).

Bilateral contracts: the sale of energy to consumers and commercial agents in a free-to-sell environment.

Wind Energy Auctions: revenue stemming from the generation of energy from the wind farms, in the scope contracted by the regulated market, according to participation in new energy auctions ("LEN") and reserve energy auctions ("LER").

Water Energy Auctions: the sale of energy from hydro power generation, by the subsidiary CESP, to distributors under contracts signed in the regulated environment, according to participation in auctions.

Trading operations: represented por energy trading in the free market.

Short-term energy CCEE: the accounting of the short-term market, bong differences between resources and energy requirements, valued at the Settlement Price of Differences ("PLD").

Auren Energia S.A.
Notes to the condensed interim financial statements
Quarter ended March 31, 2022
In thousands of reais, unless otherwise indicated



	Consolidated			
	1/1/2022 to 3/31/2022		1/1/2021 to 3/31/2021	
	MWh (*)	R\$ Thousand	MWh (*)	R\$ Thousand
Gross revenue				
Energy sale				
Bilateral contracts	1,696,840	404,860	1,917,504	440,259
Trading operations	1,544,486	394,219	338,371	58,304
Bilateral contracts - Related Parties (Note 25)	866,079	221,804	122,899	27,436
Water Energy Auctions	521,938	140,938	521,085	130,377
Wind Energy Auctions	567,909	126,103	535,726	108,201
Provision for reimbursement (Note 22)	-	(13,454)	-	(20,963)
Short-term energy - CCEE	-	9,440	-	23,923
	<u>5,197,252</u>	<u>1,283,910</u>	<u>3,435,585</u>	<u>767,537</u>
Other revenues				
Derivative financial instruments	-	(5)	-	(26,391)
Services - related parties (Note 25)	-	676	-	-
Other revenues	-	1,243	-	705
	<u>-</u>	<u>1,914</u>	<u>-</u>	<u>(25,686)</u>
	<u>5,197,252</u>	<u>1,285,824</u>	<u>3,435,585</u>	<u>741,851</u>
Deductions on gross revenue				
PIS and COFINS on operating revenues	-	(123,463)	-	(65,680)
Financial Compensation for the Use of Water Resources - CFURH	-	(10,398)	-	(10,228)
Research and development - R&D	-	(4,338)	-	(4,184)
Quota for the global reversal reserve - RGR	-	(440)	-	(446)
Inspection fee for electricity services - TFSEE	-	(1,840)	-	(1,789)
Service tax - ISS	-	(87)	-	(21)
	<u>-</u>	<u>(140,566)</u>	<u>-</u>	<u>(82,348)</u>
Net revenue	<u>5,197,252</u>	<u>1,145,258</u>	<u>3,435,585</u>	<u>659,503</u>

(*) Mwh - Megawatt-hour, not reviewed by the audit.

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

7 Costs and expenses

					Consolidated	
					1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Electricity cost	Operation cost	General and Administrative Expenses	Other net operating revenues, net	Total	Total
Purchased energy	(637,861)	-	-	-	(637,861)	(222,541)
Depreciation and amortization	-	(137,348)	(6,306)	(13,650)	(157,304)	(132,322)
Electricity network charges	(54,768)	-	-	-	(54,768)	(44,416)
Reversal of provision for litigation	-	-	-	(45,392)	(45,392)	202,872
Employee benefits	-	(6,560)	(36,670)	-	(43,230)	(23,758)
Third party services	-	(3,422)	(19,354)	(3,422)	(26,198)	(13,196)
Operation and maintenance services - O&M	-	(14,219)	-	-	(14,219)	(11,043)
Goodwill amortization	-	-	-	(8,938)	(8,938)	(8,941)
Rentals and leases	-	(1,945)	(1,248)	-	(3,193)	(2,641)
Insurance	-	(1,549)	(1,270)	-	(2,819)	(1,706)
Taxes, fees and contributions	-	(302)	(1,175)	(302)	(1,779)	(1,825)
Materials, maintenance and conservation	-	(865)	(406)	-	(1,271)	(3,046)
Write-off of court deposits	-	-	-	(795)	(795)	(39,781)
Energy futures contracts	-	-	-	5,810	5,810	19,260
Other (expenses) and revenues, net	-	(4,368)	775	(2,360)	(5,953)	889
	(692,629)	(170,578)	(65,654)	(69,049)	(997,910)	(282,195)

					Parent company	
					1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
			General and Administrative Expenses	Other net operating income (expenses)	Total	Total
Depreciation and amortization			(1,943)	(13,650)	(15,593)	(901)
Third party services			(6,441)	(7,456)	(13,897)	(3,366)
Employee benefits			(9,131)	-	(9,131)	(1,594)
Tax, fees and contributions			(128)	(4)	(132)	(104)
Other expenses			(1,321)	431	(890)	(336)
			(18,964)	(20,679)	(39,643)	(6,301)

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

7.1 Purchased energy and electricity use charges

	Consolidated	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Purchased energy		
Energy purchased for resale	(79,527)	(120,359)
Energy purchased for resale - related shares	(105,111)	(32,111)
Trading operations	(433,074)	(67,143)
Services of operation - trading	(433,074)	(67,143)
Hydrological risk renegotiation award	(7,114)	(6,463)
Short-term energy	(5,159)	3,535
Other costs	(90)	-
	<u>(630,075)</u>	<u>(222,541)</u>
Use of the electricity grid		
Charges for the use of the electricity grid	(54,768)	(44,416)
	<u>(54,768)</u>	<u>(44,416)</u>
	<u>(684,843)</u>	<u>(266,957)</u>

8 Net financial result

	Consolidated		Parent company	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Financial revenues				
Earnings on financial investments	63,463	6,000	29,185	448
Adjustment to present value of the sale of investees	20,833	100	20,762	-
Monetary restatement on assets	2,870	2,126	-	-
PIS and COFINS on financial income	(2,331)	(384)	(1,437)	(23)
Other financial revenues	1,239	236	82	45
	<u>86,074</u>	<u>8,078</u>	<u>48,592</u>	<u>470</u>
Financial expenses				
Interest paid on loans and financing	(64,724)	(52,131)	(8,428)	-
Monetary restatement on debentures	(61,557)	(45,102)	-	-
Monetary restatement on provisions for litigation	(46,701)	(65,723)	-	-
Update of post-employment benefit balance	(38,102)	(39,530)	-	-
Adjustment to present value of the sale of investees	(8,288)	(137)	(8,146)	-
Monetary adjustment on judicial deposits	(5,846)	-	-	-
Appropriation of funding costs	(3,725)	(3,368)	(153)	-
Write-off of court deposits	(2,497)	(1,832)	-	-
Adjustment to present value on social and environmental obligations and asset demobilization	(4,299)	(3,293)	-	-
Monetary adjustment on court settlements	(1,329)	(3,292)	-	-
Adjustment to present value on UBP	(1,492)	(1,513)	-	-
Monetary update on suppliers	(1,069)	(531)	(1,069)	(531)
Other financial expenses, net	(10,881)	(1,559)	(376)	(4)
	<u>(250,510)</u>	<u>(218,011)</u>	<u>(18,172)</u>	<u>(535)</u>
	<u>(164,436)</u>	<u>(209,933)</u>	<u>30,420</u>	<u>(65)</u>

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

- (i) The amount of interest on loans and financing, as of March 31, 2022, was R\$ 79,365; R\$ 14,641 was capitalized in property, resulting in the net effect on financial expenses of R\$ 64,724. There was no interest capitalization in the comparative quarter.

9 Cash and cash equivalents, financial investments and liquidity fund - repayment account

	Consolidated		Parent company	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
National currency				
Cash and banks	21,725	24,520	205	54
Cash equivalents				
Bank Deposit Certificates - CDBs	2,361,064	1,251,551	1442962	324,943
Financial Treasury Bills - LFTs	-	49,085	-	-
Bonded operations	21,522	35,020	-	-
Investment fund shares	644,874	235,642	279,830	58,152
	3,027,460	1,571,298	1,722,792	383,095
Cash and cash equivalents	3,049,185	1,595,818	1,722,997	383,149
Financial investments				
Financial Treasury Bills - LFTs	124,662	77,751	-	-
	124,662	77,751	-	-
Liquidity fund - Reserve account (i)				
Current	2,503	6,153	-	-
Non-current	104,817	100,048	-	-
	107,320	106,201	-	-
	3,281,167	1,779,770	1,722,997	383,149

The increase of R\$ 1,452,570 in the consolidated balance of cash and cash equivalents refers substantially to the capital increase made by the shareholder CPP Investments, in cash of R\$ 1,500,000, partially offset by payments of loans, financing and debentures, as well as acquisitions of fixed and intangible assets.

Financial investments bear an average rate of remuneration between 72% and 106% of the CDI rate.

- (i) The loans and financing of the subsidiaries of Piauí I and Araripe III include covenants for the liquidity fund in reserve account as collateral, corresponding to three times the value of the provision of the debt service.

(a) Investment fund quotas

The investment fund shares are owned by the Votorantim Group's exclusive fund and the Aquilae Fund. Operations are composed substantially of government securities and leveraged transactions.

	Consolidated		Parent company	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Investment fund shares				
Bonded operations	212,042	6,510	159,167	6,510
Public bonds	432,832	229,132	120,663	51,642
	644,874	235,642	279,830	58,152

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

9.1 Credit quality of financial assets

The table presents the credit quality of issuers and counterparties in cash and cash equivalent sums, liquidity fund - reserve account:

	Consolidated		Parent company	
	Local rating		Local rating	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Cash and cash equivalents, financial investments and liquidity fund – reserve account				
AAA	3,168,528	1,663,551	1,722,980	383,145
AA+	30,281	29,700	-	-
AA	80,514	86,510	17	4
No rating	1,047	9	-	-
	3,280,370	1,779,770	1,722,997	383,149

Ratings arising from internal ratings were extracted from *rating* agencies (*Standard & Poor's, Moody's and Fitch Ratings*). For presentation, the naming pattern used by them was considered.

10 Accounts receivable from customers

a) Composition

	Consolidated	
	3/31/2022	12/31/2022
<i>Trading operations</i>	186,290	41,054
Bilateral contracts	137,296	145,701
Bilateral contracts - related parties (Note 25)	106,465	11,171
Hydro Power Auctions	64,933	62,398
Wind Energy Auctions	51,229	55,609
Short-term energy - CCEE	9,822	12,698
	556,035	328,631

b) Accounts receivable maturities

	Consolidated	
	3/31/2022	12/31/2022
Yet to become due	535,705	326,894
Overdue up to 3 months	17,861	1,737
Overdue more than 6 months	2,469	-
	556,035	328,631

The Board reviewed the outdated balances of accounts receivable from customers and concluded that there is no history of loss, so there is no evidence of estimated loss with doubtful settlement credit of accounts receivable from customers.

11 Judicial deposits and security deposits

							Consolidated	
							1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Civil	Labor	Tax	Other deposits	Collateral (i)	Total	Total	
Opening balance for the quarter	161,273	19,533	13,273	16	1,873	195,968	260,496	
Additions	-	6,127	-	-	322	6,449	2,756	
Updates	2,268	543	20	6	33	2,870	2,126	
Converted / Raised	(12,476)	(2,131)	-	-	(307)	(14,914)	(3,435)	
(-) Write-offs	(2,730)	(562)	-	-	-	(3,292)	(43,073)	
End of quarter balance	148,335	23,510	13,293	22	1,921	187,081	218,870	

In the quarter ended March 31, 2022, the reduction in the item of judicial deposits was, substantially, for the release of civil and labor deposits of R\$ (14,914), upon closing of the proceedings.

12 Asset subject to indemnification

						Consolidated	
						3/31/2022	3/31/2021
	Três Irmãos	Ilha Solteira	Jupia	Jaguari	Total	Total	
Composition of the asset subject to indemnification							
Asset subject to indemnification	3,529,080	2,165,858	642,318	27,589	6,364,845	6,364,845	
Adjustment for impairment	-	(1,657,484)	(337,826)	(7,818)	(2,003,128)	(2,003,128)	
Contingent asset adjustment	(1,811,718)	(506,346)	(304,492)	-	(2,622,556)	(2,622,556)	
Asset subject to indemnification (net)	1,717,362	2,028	-	19,771	1,739,161	1,739,161	

Amounts to be received from the subsidiary CESP from the Federal Government, arising from the indemnification of the concession contracts when terminated from the Três Irmãos, Jupia, Ilha Solteira and Jaguari Plants.

13 Investments

a) Composition

	Information as of March 31, 2022				Consolidated	
	Net equity	Net profit (loss) for the quarter	Percentage of total interest (%)	Percentage of voting interest (%)	Income equity	Balance
					1/1/2022 a 31/3/2022	3/31/2022
Investments valued using the equity method						
Associated						
CBA Energia Participações S.A.	345,761	27,874	66.67	-	11,842	233,568
Pollarix S.A.	380,985	27,699	66.67	-	15,524	263,597
Pinheiro Machado Participações S.A.	30,781	27,874	50.00	-	2,340	15,391
WAY2 Serviços de Tecnologia Ltda.	9,990	(502)	50.00	50.00	(456)	4,995
						-
Goodwill						
CBA Energia Participações S.A.					-	316,248
Pollarix S.A.					-	231,135
WAY2 Serviços de Tecnologia Ltda.					(199)	36,895
					29,051	1,101,829

Auren Energia S.A.
Notes to the condensed interim financial statements
Quarter ended March 31, 2022
In thousands of reais, unless otherwise indicated



	Information as of March 31, 2022				Income equity		Parent company	
	Net equity	Net profit (loss) for the quarter	Percentage of total interest (%)	Percentage of voting interest (%)	3/31/2022	3/31/2021	3/31/2022	12/31/2021
					Balance			
Investments valued using the equity method								
Subsidiaries								
Ventos de Santo Estevão Holding S.A.	432,611	(11,778)	100.00	100.00	(11,778)	(12,020)	432,611	444,388
Ventos de São Vicente Participações Energias Renováveis S.A.	312,182	8,872	100.00	100.00	8,872	9,213	312,182	303,310
Ventos de São João Paulo II Energias Renováveis S.A.	128,463	(587)	100.00	100.00	(587)	(219)	128,463	87,050
Ventos de Santo Anselmo Energias Renováveis S.A. (i)	100,237	220	51.00	100.00	220	(231)	100,237	100,017
Ventos de Santo Ângelo Energias Renováveis S.A. (I)	93,782	118	51.00	100.00	118	(228)	93,782	93,664
Ventos de Santo Isidoro Energias Renováveis S.A. (i)	28,557	(69)	51.00	100.00	(69)	(98)	28,557	28,626
Sol do Piauí Geração de Energia Ltda.	229	(24)	100.00	100.00	(24)	-	229	253
MRTV Comercializadora de Energia Ltda.	994	-	100.00	100.00	-	-	994	994,00
Ventos de Santa Alexandrina Energias Renováveis S.A.	39,437	(264)	50.00	50.00	(132)	-	19,719	19,851,00
Ventos de São Crispim I Energias Renováveis S.A.	39,229	(276)	50.00	50.00	(138)	-	19,614	19,752,00
Ventos de Santo Antero Energias Renováveis S.A.	39,319	(243)	50.00	50.00	(122)	-	19,660	19,781,00
Ventos de Santo Apolinário Energias Renováveis S.A.	47,409	(294)	50.00	50.00	(147)	-	23,704	19,851,00
Ventos de São Ciriaco Energias Renováveis S.A.	39,300	(256)	50.00	50.00	(128)	-	19,650	19,778,00
Ventos de Santo Alderico Energias Renováveis S.A.	39,364	(263)	50.00	50.00	(131)	-	19,682	19,814,00
Ventos de São Caio Energias Renováveis S.A.	39,159	(274)	50.00	50.00	(137)	-	19,579	19,716,00
Jaíba V Holding S.A.	54,855	(15)	100.00	100.00	(15)	-	54,855	41,870,00
Hélios IV Geração de Energia Ltda.	101	-	100.00	100.00	-	-	101	1,00
CESP - Companhia Energética de São Paulo	7,583,448	(114)	100.00	100.00	(6,360)	46,377	7,583,448	3,033,865
Votener Votorantim Comercializadora de Energia Ltda. (iii)	169,177	(6,353)	100.00	100.00	(6,353)	-	169,177	-
Associated								
CBA Energia Participações S.A. (ii e iii)	345,761	27,874	66.67	-	11,842	-	233,568	-
Pollarix S.A. (ii e iii)	380,985	27,699	66.67	-	15,524	-	263,597	-
Pinheiro Machado Participações S.A. (ii e iii)	30,781	27,874	50.00	-	2,340	-	15,391	-
Goodwill								
Ventos de Santo Estevão Holding S.A.	-	-	-	-	(1,438)	(1,440)	91,602	93,040
CESP - Companhia Energética de São Paulo	-	-	-	-	(4,423)	(2,920)	92,040	39,822
Votener Votorantim Comercializadora de Energia Ltda.	-	-	-	-	-	-	420,969	-
CBA Energia Participações S.A.	-	-	-	-	-	-	316,248	-
Pollarix S.A.	-	-	-	-	-	-	231,135	-
					6,934	38,434	10,710,794	4,405,443

- (i) Sale of investments, but contractual clauses guarantee the Company control over the entire return on these investments, and thus being consolidated in 100%.

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

- (ii)** The results of investment recorded in the Company do not agree directly with the percentage corresponding to the Downstream merger at March 31, 2022, as the calculation of equity considers disproportional dividends: (a) CBA Energia, pays preferred dividends 10% higher than common shares; (b) Pollarix pays preferred dividends 25% higher than common shares from the investment contribution; and (c) Pinheiro Machado, pays preferred dividends 50% higher than common shares. The Company has only preferred shares of these affiliates, therefore, there is no percentage of voting participation.
- (iii)** The equity in earnings of Votener, CBA Energia, Pollarix and Pinheiro Machado refers to the months of February and March 2022, after the capital contribution and the transfer of control to Auren, from the downstream merger of VGE on February 3, 2022 (Note 1.1. 1 (b)).

b) Transaction

	Note	Consolidated		Parent company
		1/1/2022 to 3/31/2022	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the start of the quarter		-	4,405,443	3,943,471
Equity		29,051	6,934	38,434
Adjustment of equity valuation of derivative financial instruments of CESP and CESP Comercializadora		-	-	(6,181)
Loss in investee interest (i)		-	-	(1,333)
Reverse merger VGE - equity balances of investments				
CBA Energia Participações S.A.	1.1.1 (b)	221,726	221,726	-
Pollarix S.A.	1.1.1 (b)	248,073	248,073	-
Pinheiro Machado Participações S.A.	1.1.1 (b)	13,051	13,051	-
Votener Votorantim Comercializadora de Energia Ltda.	1.1.1 (b)	-	122,230	-
Reverse merger VGE - balances of goodwill and investments				
CBA Energia Participações S.A.	1.1.1 (b)	316,248	316,248	-
Pollarix S.A.	1.1.1 (b)	231,135	231,135	-
Votener Votorantim Comercializadora de Energia Ltda.	5 (a)	-	420,969	-
Merger of CESP shares - at economic value				
Merger of CESP shares - economic value	5 (b)	-	4,555,944	-
Merger of CESP shares - asset value added	5 (b)	-	56,641	-
Incorporated company included in the consolidation		42,545	-	-
Capital increase in subsidiaries - via bank transfer	1.1.2 (a)	-	112,400	-
Capital increase in subsidiaries - via asset transfer		-	-	32,384
Partial spin-off in subsidiary		-	-	(32,384)
Resolution of additional dividends CESP		-	-	(101,113)
Balance at the end of the quarter		1,101,829	10,710,794	3,873,278

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

14 Asset

a) Composition and movement

										Consolidated	
										1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Land and terrain	Buildings, constructions and improvements	Machines, equipment and installations	Reservoirs, dams and pipelines	Wind turbines	Asset demobilization	Vehicles	Furniture and utensils	Construction in progress	Total	Total
Balance at the start of the quarter											
Cost	265,789	2,065,691	2,536,183	8,120,326	2,738,398	255,868	6,984	5,179	724,851	16,719,269	16,074,008
Accumulated depreciation	(21,681)	(1,492,078)	(1,624,459)	(4,086,143)	(552,989)	(52,671)	(5,327)	(3,105)	-	(7,838,453)	(7,377,255)
Adjustment to fair value of property, plant and equipment in the purchase price allocation - CESP	858,924	-	312,619	(982,722)	-	-	-	-	-	188,821	188,821
Accumulated fair value adjustment amortization	(83,730)	-	(89,137)	83,512	-	-	-	-	-	(89,355)	(60,156)
Net balance at the beginning of the quarter	1,019,302	573,613	1,135,206	3,134,973	2,185,409	203,197	1,657	2,074	724,851	8,980,282	8,825,418
Additions (i)	-	-	-	-	-	-	-	-	279,533	279,533	18,381
Write-off	-	-	-	-	-	-	-	-	-	-	(1,959)
Depreciation	(1,948)	(12,251)	(9,741)	(53,840)	(30,601)	(5,844)	(107)	(86)	-	(114,418)	(116,287)
Amortization of fair value adjustment	(7,079)	-	(7,857)	7,436	-	-	-	-	-	(7,500)	(7,300)
Reverse incorporation effect	-	-	-	-	-	-	-	-	625	625	-
Incorporated company included in the consolidation	-	443	385	-	-	-	-	1,534	30,192	32,554	-
Transfers (ii)	-	810	7,312	-	-	-	-	-	(8,512)	(390)	-
	1,010,275	562,615	1,125,305	3,088,569	2,154,808	197,353	1,550	3,522	1,026,689	9,170,686	8,718,253
Cost	265,789	2,066,944	2,543,880	8,120,326	2,738,398	255,868	6,984	6,713	1,026,689	17,031,591	16,090,430
Accumulated depreciation	(23,629)	(1,504,329)	(1,634,200)	(4,139,983)	(583,590)	(58,515)	(5,434)	(3,191)	-	(7,952,871)	(7,493,542)
Adjustment to fair value of property, plant and equipment in the purchase price allocation - CESP	858,924	-	312,619	(982,722)	-	-	-	-	-	188,821	188,821
Accumulated fair value adjustment amortization	(90,809)	-	(96,994)	90,948	-	-	-	-	-	(96,855)	(67,456)
Net balance at the end of the quarter	1,010,275	562,615	1,125,305	3,088,569	2,154,808	197,353	1,550	3,522	1,026,689	9,170,686	8,718,253
Average annual depreciation rates - %	3	3	5	2	5	10	20	20			

- (i) The consolidated costs of loans and financing, net of income from financial investments, capitalized on the property, during the first three months of 2022, were R\$ 14,641. There was no interest capitalization in the comparative quarter.
- (ii) The consolidated amount of R\$ 390 are transfers made from the class of "Works in progress" from the asset to the "Software" class of the intangible.

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

	Parent company	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Construction in progress (i)	Construction in progress
Balance at the start of the quarter		
Cost	3,331	159,969
Net balance at the beginning of the quarter	3,331	159,969
Additions	2,723	3,288
Reverse incorporation effect	625	-
Transfers (ii)	(134)	-
	6,545	163,257
Cost	6,545	163,257
Net balance at the end of the quarter	6,545	163,257

- (i) As of June 2021, the Company subscribed capital in its subsidiaries, with transfers of fixed assets, hence the balances at March 31, 2022 vary significantly from the same comparative period.
- (ii) Transfers made from the class of "Works in progress" from the asset to the "Software" class of the intangible.

b) Works in progress

	Consolidated	
	3/31/2022	3/31/2021
Projects		
Construction of VDP II and III parks	960,487	680,195
Corumbá Project (i)	30,023	-
Modernization	35,507	44,019
Hybrid Project	672	637
	1,026,689	724,851

- (i) The Corumbá Project refers to the assets under construction in the subsidiary Votener to build small hydroelectric plants ("SHPs") on the Corumbá River, in the state of Goiás. In 2017 and 2018, after a competitive bid conducted by ANEEL, of the total of 17 SHPs of the project, the subsidiary Votener was awarded 11 SHPs, with a total installed capacity of approximately 265 MW and 160 average MW of assured energy.

15 Intangible

a) Composition and movement

	Consolidated											
											1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Exploitation and natural resource rights	ANEEL Authorization	Power Purchase Agreement	Renegotiation of hydrological risk	Software	Granting rights	Right to grant water investments	Votener goodwill	UBP	Intangible in progress	Total	Total
Balance at the start of the quarter												
Cost	255,687	17,633	96,778	508,656	31,165	1,398,703	-	-	183,119	117,719	2,609,460	1,911,910
Accumulated amortization	(11,277)	(2,180)	(19,416)	(44,944)	(24,127)	(124,902)	-	-	(16,182)	-	(243,028)	(141,142)
Net balance at the start of the quarter	244,410	15,453	77,362	463,712	7,038	1,273,801	-	-	166,937	117,719	2,366,432	1,770,768
Additions (i)	-	-	-	-	-	-	1,119,573	420,969	-	3,053	1,543,595	277
Amortization	(1,931)	-	-	(14,630)	(1,033)	(9,515)	(13,650)	-	(1,251)	-	(42,010)	(15,669)
Amortization of fair value adjustment	-	(141)	(1,297)	-	-	-	-	-	-	-	(1,438)	(1,641)
Reverse incorporation effect	-	-	-	-	207	-	-	-	-	-	207	-
Incorporated company included in the consolidation	-	-	-	-	1,742	-	-	-	-	-	1,742	-
Transfers (ii)	-	-	-	-	390	-	-	-	-	-	390	-
End of quarter balance	242,479	15,312	76,065	449,082	8,344	1,264,286	1,105,923	420,969	165,686	120,772	3,868,918	1,753,735
Cost	255,687	17,633	96,778	508,656	33,504	1,398,703	1,119,573	420,969	183,119	120,772	4,155,394	1,912,187
Accumulated amortization	(13,208)	(2,321)	(20,713)	(59,574)	(25,160)	(134,417)	(13,650)	-	(17,433)	-	(286,476)	(158,452)
Net balance at the end of the quarter	242,479	15,312	76,065	449,082	8,344	1,264,286	1,105,923	420,969	165,686	120,772	3,868,918	1,753,735
Annual average amortization rates - %	3			8	5	3	3		3			

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

					Parent company	
					1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Exploitation and natural resource rights	Softwares	Right to grant water investments	Intangible in progress	Total	Total
Balance at the start of the quarter						
Cost	210,926	-	-	74,637	285,563	123,261
Accumulated amortization	(3,815)	-	-	-	(3,815)	(294)
Net balance at the start of the quarter	207,111	-	-	74,637	281,748	122,967
Additions (i)	-	-	1,119,573	1,548	1,121,121	-
Amortization	(1,611)	(10)	(13,650)	-	(15,271)	(880)
Reverse incorporation effect	-	207	-	-	207	-
Transfers (ii)	-	134	-	-	134	-
End of quarter balance	205,500	331	1,105,923	76,185	1,387,939	122,087
Cost	210,926	341	1,119,573	76,185	1,407,025	123,261
Accumulated amortization	(5,426)	(10)	(13,650)	-	(19,086)	(1,174)
Net balance at the end of the quarter	205,500	331	1,105,923	76,185	1,387,939	122,087
Annual average amortization rates - %	3	5	5			

- (i) The amount of R\$ 1,540,542 of additions in the consolidated intangible item refers to the adjustment to the fair value of the assets incorporated by Auren, and is composed of: (i) R\$ 1,119,573 of water investment concession right, in relation to the added value of the invested CBA Energia, Pollarix e Pinheiro Machado; e (ii) R\$ 420,969 of Votener's Agile, according to note 5(a) of business combination.
- (ii) Transfers made from the "Works in Progress" to "Software" in intangible assets.

16 Loans, financing and debentures

a) Composition

										Consolidated
										3/31/2022
Type	Average interest rate	Current				Non-current				Total
		Charges	Funding cost	Principal	Total	Charges	Funding cost	Principal	Total	
BNDES	TJLP+2.53%	5,794	(7,217)	104,099	102,676	(64,528)	1,494,189	1,429,661	1,532,337	
BNDES	TLP+4.56%		(475)	4,272	3,797	(19,656)	660,626	640,970	644,767	
Debentures	IPCA+4.61% / CDI+1.56%	26,606	(6,257)	77,567	97,916	9,892	(44,871)	2,588,264	2,553,285	2,651,201
		32,400	(13,949)	185,938	204,389	9,892	(129,055)	4,743,079	4,623,916	4,828,305

										Consolidated
										12/31/2021
Type	Average interest rate	Current				Non-current				Total
		Charges	Funding cost	Principal	Total	Charges	Funding cost	Principal	Total	
BNDES	TJLP+2.53%	5,433	(7,217)	101,861	100,077	(66,333)	1,521,611	1,455,278	1,555,355	
BNDES	TLP+4.56%		(72)	198	126	(18,824)	568,641	549,817	549,943	
Debentures	IPCA+4.61% / CDI+1.56%	38,011	(6,256)	77,001	108,756	1,464	(46,517)	2,541,873	2,496,820	2,605,576
		43,444	(13,545)	179,060	208,959	1,464	(131,674)	4,632,125	4,501,915	4,710,874

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

					Parent company	
					3/31/2022	
					Non-current	
Type	Average interest rate	Charges	Funding cost	Principal	Total	
Debêntures	CDI+1.48%	9,892	(1,709)	300,000	308,183	
		9,892	(1,709)	300,000	308,183	

					Parent company	
					12/31/2021	
					Non-current	
Type	Average interest rate	Charges	Funding cost	Principal	Total	
Debentures	CDI+1.48%	1,464	(1,790)	300,000	299,674	
		1,464	(1,790)	300,000	299,674	

BNDES - National Bank for Economic and Social Development
 CDI - Interbank Deposit Certificate
 IPCA - Broad National Consumer Price Index
 TLP - Long-Term Interest Rate
 TJLP - Long-Term Interest Rate, set by the National Monetary Council

b) Winning profile

Modality										Consolidated	
	2022	2023	2024	2025	2026	2027	2028	2029	As of 2030	Total	
National currency											
BNDES - TJLP+2.53%	77,266	103,064	107,983	112,429	116,876	130,203	150,900	166,149	567,467	1,532,337	
BNDES - TLP+4.56%	-	24,421	29,193	29,193	29,193	29,193	29,193	29,193	445,188	644,767	
Debentures - IPCA+4.61% / CDI+1.64%	98,198	78,943	526,629	88,119	13,602	13,602	597,826	597,826	636,456	2,651,201	
	175,464	206,428	663,805	229,741	159,671	172,998	777,919	793,168	1,649,111	4,828,305	
	3.63%	4.28%	13.75%	4.76%	3.31%	3.58%	16.11%	16.43%	34.16%	100.00%	

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

c) Changes in balances

	Consolidated		Parent company
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022
Balance at the start of the quarter	4,710,874	3,749,688	299,674
Fundraising	76,600	-	-
Interest provision	79,365	52,131	8,428
Inflation adjustment	61,557	45,102	-
Appropriation of funding costs	3,725	3,368	153
Addition of funding costs	(1,510)	-	(72)
Interest paid	(75,839)	(66,499)	-
Liquidations	(26,467)	(27,343)	-
Balance at the end of the quarter	4,828,305	3,756,447	308,183

d) Warranties

Subsidiary	Modality	Guarantee
Piauí I	BNDES	Votorantim S.A. ⁽ⁱ⁾ and Ventos de São Vicente Participações Energias Renováveis S.A. Guarantee Reserve accounts; Pledge of assets and shares; Fiduciary assignment of credit rights and rights arising from authorizations.
Piauí I	Debentures	Votorantim S.A. guarantee
Piauí II and III	BNDES	Votorantim S.A. ⁽ⁱ⁾ and VTRM Energia Participações S.A. guarantee Pledge of assets and shares; Fiduciary assignment of credit rights and rights arising from authorizations.
Araripe III	BNDES	Votorantim S.A. ⁽ⁱ⁾ and Ventos de Santo Estevão Holding S.A. Guarantee Reserve accounts; Pledge of assets and shares; Fiduciary assignment of credit rights and rights arising from authorizations.
Araripe III	BNDES onlending	VTRM Energia Participações S.A. and Ventos de Santo Estevão Holding S.A. guarantee Reserve accounts; Pledge of assets and shares; Fiduciary assignment of credit rights and rights arising from authorizations.
Araripe III	Debentures	Guarantee SPEs ⁽ⁱⁱ⁾ ; Bank guarantee ⁽ⁱ⁾ ; Reserve accounts; Pledge of assets and shares; Fiduciary assignment of credit rights and rights arising from authorizations.

(i) Guarantees will be released after the fulfillment of certain obligations under the contracts.

(ii) Companies that form the Ventos do Araripe III wind farms.

e) Restrictive conditions

Loans, financing and debentures obtained by the Company's subsidiaries require compliance with certain financial restrictive clauses, under penalty of early maturity of the related debts. Furthermore, failure to comply with the such obligations or restrictions may lead to default in relation to other contractual obligations (cross default), depending

Management's explanatory notes are an integral part of the financial statements intermediate and condensed individual and consolidated individuals.

on each loan and financing agreement. Additionally, loans and financing contain non-financial restrictive clauses, which are complied with according to the last calculation period.

The Management of the Company's subsidiaries monitors these indexes systematically and constantly, so that the conditions are met. On 31 March 2022, restrictive conditions and financial and non-financial clauses were adequately met.

17 Suppliers

	Consolidated		Parent company	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Current				
Energy purchased for resale	253,369	105,398	-	-
Energy purchased for resale - Related parties (Note 25)	30,871	2,770	-	-
Material and service providers	125,553	88,167	6,695	3,910
Material and service suppliers - Related parties (Note 25)	2,710	1,950	788	1,155
Acquisition of projects and investments	59	3,081	59	3,081
Charges for use of the power grid	18,859	24,212	-	-
	<u>431,421</u>	<u>225,578</u>	<u>7,542</u>	<u>8,146</u>
Non-current				
Acquisition of projects and investments	75,285	74,216	75,285	74,216
	<u>75,285</u>	<u>74,216</u>	<u>75,285</u>	<u>74,216</u>
	<u>506,706</u>	<u>299,794</u>	<u>82,827</u>	<u>82,362</u>

18 Current and deferred income tax and social contribution

(a) Reconciliation of IRPJ and CSLL expenditure

The income tax and social contribution amounts shown in the income for the year present the following reconciliation based on the statutory nominal rate:

	Consolidated		Parent company	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Profit before income tax and social contribution	11,963	167,033	(2,289)	32,068
Nominal rates	34%	34%	34%	34%
IRPJ and CSLL calculated at nominal rates	(4,067)	(56,791)	778	(10,903)
Adjustments for the calculation of the effective IRPJ and CSLL				
Equity	9,877	-	2,358	13,068
Tax loss and negative basis without recognition of deferred charges	(2,376)	-	923	-
Temporary exclusions (additions) without recording deferred charges	(9,538)	(6,524)	(9,639)	(2,434)
Effects of companies taxed by presumed profit	(3,421)	392	-	-
Tax incentive	115	117	6	-
Other permanent net exclusions (additions)	(5,138)	(3,144)	1,064	1,302
IRPJ and CSLL calculated	<u>(14,548)</u>	<u>(65,950)</u>	<u>(4,510)</u>	<u>1,033</u>
Current	(26,581)	(13,871)	(2,141)	40
Deferred	12,033	(52,079)	(2,369)	993
IRPJ and CSLL in the income	<u>(14,548)</u>	<u>(65,950)</u>	<u>(4,510)</u>	<u>1,033</u>

Management's explanatory notes are an integral part of the financial statements intermediate and condensed individual and consolidated individuals.

(b) Composition of deferred tax balances

	Consolidated		Parent company	
	3/31/2022	12/31/2021	3/31/2022	3/31/2022
Income tax and social contribution				
Tax credits on temporary differences				
Tax losses and negative basis	1,039,051	1,035,256	-	-
Provision for impairment	588,560	588,560	-	-
Regulatory asset provision	461,031	461,031	-	-
Provision for lawsuits	473,735	451,982	-	-
Update of post-employment benefits	81,935	74,085,00	-	-
Energy futures contracts	(11,374)	2,790	-	-
Hedge accounting		4,318	-	-
Other provisions	67,339	72,149	-	-
Tax debts on temporary differences				
Gain on advantageous purchase from CESP (i)	(312,805)	(312,805)	(312,805)	(312,805)
Renegotiation of hydrological risk	(249,614)	(254,587)	-	-
Update of balance of judicial deposits	(18,260)	(18,291)	-	-
Recognition and realization of goodwill	(412,069)	(34,445)	(407,308)	(14,136)
Disposal of investees	(8,914)	(4,774)	(8,346)	(4,057)
Effect on other comprehensive income				
Post-employment benefits (i)	532,985	532,985	-	-
Assigned cost of fixed assets	454,629	458,615	-	-
Net	2,686,229	3,056,869	(728,459)	(330,998)
Deferred tax net assets of the same legal entity	3,416,808	3,408,893	-	-
Deferred tax net liabilities of the same legal entity	(730,579)	(352,024)	(728,459)	(330,998)

(i) These deferred tax balances are expected by Management to be recovered in the normal course of business.

(c) Changes in deferred income tax and social contribution balances

	Consolidated		Parent company	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the start of the quarter	3,056,869	3,597,442	(330,998)	(330,317)
Effects on the income	12,033	(52,079)	(2,369)	993
Reverse merger VGE - equity balances	4,820	-	4,820	-
Reverse merger VGE - concession added value	(380,654)	-	(380,654)	-
Merger of CESP shares - asset value added	-	-	(19,258)	-
Incorporated company included in the consolidation	(6,839)	-	-	-
Effects on comprehensive income				
Hedge accounting	-	8,773	-	-
Balance at the end of the quarter	2,686,229	3,554,136	(728,459)	(329,324)

Management's explanatory notes are an integral part of the financial statements intermediate and condensed individual and consolidated individuals.

19 Energy futures contracts

(a) Composition

	3/31/2022			Consolidated 12/31/2021		
	Assets	Liabilities	Total	Assets	Liabilities	Total
Current	1,552,161	(1,469,957)	82,204	270,815	(282,619)	(11,804)
Non-current	3,273,919	(3,322,671)	(48,752)	341,292	(337,697)	3,595
	4,826,080	(4,792,628)	33,452	612,107	(620,316)	(8,209)

(b) Changes in balances

	Consolidated	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Opening net balance for the quarter	(8,209)	(21,444)
Incorporated company included in the consolidation	35,851	-
Mark-to-Market	18,040	13,307
Realization	(12,230)	5,953
End of quarter net balance	33,452	(2,184)

20 UBP - Use of the Public asset

Composition and changes in balances

	Consolidated			
	UBP	(-) Adjustment to present value	Net Liabilities	Net Liabilities
Opening balance for the quarter	140,547	(10,554)	129,993	155,364
Realization current value adjustment	-	1,492	1,492	1,513
Payments	(10,321)	-	(10,321)	(10,974)
End of quarter balance	130,226	(9,062)	121,164	145,903
Current	42,904	-	42,904	40,336
Non-current	87,322	(9,062)	78,260	105,567
	130,226	(9,062)	121,164	145,903

Management's explanatory notes are an integral part of the financial statements intermediate and condensed individual and consolidated individuals.

21 Social and environmental obligations and asset demobilization

Composition and changes in balances

	Asset demobilization	Environmental license	Conduct adjustment term	Social and environmental obligations	(-) Adjustment to present value	Consolidated	
						1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
						Total	Total
Balance at the start of the quarter	721,998	217,492	53,916	6,052	(685,117)	314,341	263,813
Payments	-	(3,266)	(3,650)	-	-	(6,916)	(6,128)
Realization current value adjustment	-	-	-	-	4,299	4,299	3,293
Balance at the end of the quarter	721,998	214,226	50,266	6,052	(680,818)	311,724	260,978
Current	-	35,284	5,179	6,052	-	46,515	34,463
Non-current	721,998	178,942	45,087	-	(680,818)	265,209	226,515
	721,998	214,226	50,266	6,052	(680,818)	311,724	260,978

22 Provision for reimbursement

Composition and changes in balances

	Annual reimbursement	Four-year reimbursement	Consolidated	
			1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
			Total	Total
Balance at the start of the quarter	204,824	128,703	333,527	140,803
Additions (i)	9,685	20,698	30,383	23,080
Reversals	(470)	(16,459)	(16,929)	(2,650)
Realizations (ii)	-	-	-	533
Interest accruals	5,322	524	5,846	-
	14,537	4,763	19,300	20,963
Balance at the end of the quarter	219,361	133,466	352,827	161,766
Current	219,361	117,714	337,075	154,101
Non-current	-	15,752	15,752	7,665
	219,361	133,466	352,827	161,766

- (i) On February 12, 2021, the incident at the substation that connects the companies of the complex Ventos do Araripe III, caused the power transformer (traffic) remaining in this substation to be shut down. This fact caused the total interruption of the energy generation flow of the complex, since the other transformer was out of operation due to the accident occurred in June 2020, being the first occurrence. The park returned partially to commercial operation on April 29, 2021, the final date of the transformer repair related to the first occurrence. The interruption of the energy generation flow of the complex was reflected in the provision for annual compensation that the companies calculate monthly due to the effective energy generation, with consequent reduction in the companies' net revenue, until the situation was normalized. This impact has been minimized due to the insurance policy that the controlled ones have for the main risks associated with the assets, including damage to transformers, with coverage for material damage and lost profits.

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- (ii) ANEEL issued Order 2,303/2019 ordering CCEE to suspend the damages established in the Electric Energy Contract in the Regulated Environment, for the contractual years calculated from August 2019, until the final decision on the result of the establishment of Public Hearing 034/2019 that aims to regulate the procedures and criteria for determining the operation restriction by constrained-off of wind power plants.

23 Provisions

(a) Composition and changes in balances

						Consolidated	
						1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
	Civil	Labor	Environmental	Tax	Total	Total	
Balance at the start of the quarter	1,164,728	92,104	66,909	5,671	1,329,412	1,748,306	
Updates	44,611	1,592	474	24	46,701	65,723	
Provision / (reversal)	29,211	7,222	9,323	(364)	45,392	(202,872)	
(-) Payments	(22,538)	(7,356)	(190)		(30,084)	(5,081)	
Incorporated company included in the consolidation	355	1,605			1,960	-	
Balance at the end of the quarter	1,216,367	95,167	76,516	5,331	1,393,381	1,606,076	

The passive litigation is subject to constant revaluations, because its measurement is tied to the actual course of the lawsuits. Thus, the Company and its subsidiaries seek to reflect in their balance sheet, with the minimum possible lag, the current status of their passive portfolio (which justifies the quarterly oscillations of the values disclosed under such title).

(b) Processes with a probability of losses considered possible

The composition by nature of the processes with probability of loss assessed as possible in which the Company and its controlled parties are involved, for which there is no provision accounted for is shown below:

	Consolidated	
	3/31/2022	12/31/2021
Civil	1,331,715	1,307,288
Tax	448,852	436,983
Environmental	372,952	347,162
Labor	36,859	51,404
	2,190,378	2,142,837

The Company's Administration and its subsidiaries, based on the opinions of its legal advisors, understands that there are no significant future risks that are not covered by sufficient provisions in its financial statements or that could result in significant impact on its cash flow.

24 Post-employee benefits

(a) Voluntary migration plan of the controlled EHIC

As disclosed in the Company's last annual financial statements, the voluntary migration of the controlled CESP, step of the deficit plan of the defined benefit plan, is the opportunity that the participants have to transfer their resources from PSAP/CESP B1, which is a defined benefit plan - BD, for the CESP CD Plan, which is a defined contribution plan.

In December 2021, the Union of Workers of the Electric Energy Industry of Campinas, the Adecon Institute, the Union of Engineers in the State of São Paulo and the Union of Employees in the Generation, Transmission and Distribution of Electricity in the Municipality of Bauru/SP, filed a lawsuit (case nº 1139986-11.2021.8.26.0100) to suspend the voluntary migration process of the beneficiaries.

In January 2022, a provisional decision (early guardianship) was issued suspending the voluntary migration process, and this decision was partially revoked by the Court of Justice of the State of São Paulo, after an appeal by the Company.

(b) Reconciliation of assets and liabilities

	Consolidated	
	3/31/2022	03/12/2021
Net actuarial liability value	7,897,265	7,897,265
Fair value of plan assets	(6,111,766)	(6,111,766)
Estimated cost of defined benefit for the quarter	23,089	-
Total net liabilities	1,808,588	1,785,499

(c) Changes in balances of actuarial liabilities

	Consolidated	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Balance at the beginning of the quarter	1,785,499	2,412,379
Current service cost	31	(438)
Interest on the actuarial obligation (Note 8)	38,102	39,530
Contributions paid	(15,044)	(130)
Balance at the end of the quarter	1,808,588	2,451,341

(d) Estimated expenditure for 2022

The estimated expenditure for the year 2022, based on the actuarial assessment of 2021 are as follows:

	Consolidated			
	2022			
	BSPS	BD	CV	Total
Current service cost	-	-	125	125
Interest cost on the obligation	553,087	89,418	12,640	655,145
Expected return on plan assets	(412,787)	(81,127)	(8,823)	(502,737)
Estimated expense for the year	140,300	8,291	3,942	152,533

Management's explanatory notes are an integral part of the financial statements intermediate and condensed individual and consolidated individuals.

25 Related parties

	Consolidated												
	Cash equivalents		Accounts receivable from customers (Note 10)		Dividends receivable	Current and Non-Current Assets		Suppliers (Note 17)		Dividends payable		Non-current liabilities	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Joint controlling shareholders													
Votorantim Geração de Energia S.A.	-	-	-	-	-	-	-	-	1,038	-	6,976	-	-
Votorantim S.A.	-	-	-	-	-	-	-	2,198	912	44,341	-	-	-
	-	-	-	-	-	-	-	-	-	6,976	6,976	-	-
Affiliated companies													
Banco Votorantim S.A.	60,697	65,344	-	-	-	10	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	512	-	-	-	-	-
Votener - Votorantim Comercializadora de Energia Ltda.	-	-	-	10,558	-	-	-	-	2,770	-	-	-	-
Votorantim Cimentos S.A. (i)	-	-	53,345	-	-	44,290	-	-	-	-	-	31,785	-
Votorantim Cimentos N/NE S.A.	-	-	-	-	-	-	-	4,816	-	-	-	-	-
Companhia Brasileira de Alumínio (i)	-	-	42,944	-	-	48,103	46,331	22,688	-	-	-	38,057	36,373
CBA Itapissuma (i)	-	-	6	-	-	12,727	12,259	-	-	-	-	10,730	10,285
Citrosuco S.A. Agroindústria (i)	-	-	4,168	613	-	7,536	11,399	509	-	-	-	17,666	17,524
Nexa Recursos Minerais S.A.	-	-	26	-	-	-	-	-	-	-	-	-	-
Mineração Dardanelos Ltda.	-	-	37	-	-	-	-	-	-	-	-	-	-
Baesaa-Energética Barra Grande S.A.	-	-	1,100	-	-	-	-	1,116	-	-	-	-	-
Campos Novos Energia S.A.	-	-	1,650	-	-	-	-	1,557	-	-	-	-	-
CBA Energia Participações S.A.	-	-	-	-	29,386	-	-	-	-	-	-	-	-
Pollarix S.A.	-	-	3,189	-	35,861	-	-	-	-	-	-	-	-
Below R\$ 500,000	-	-	-	-	-	-	-	185	-	-	-	-	-
Non-controlling shareholders	-	-	-	-	-	-	-	-	-	235,739	235,740	-	-
	60,697	65,344	106,465	11,171	65,247	112,666	69,989	33,581	4,720	287,056	249,692	98,238	64,182

(i) The existing balances in the columns of "Current and non-current assets" and "Non-current liabilities" of these companies are reclassified to the outstanding balances of the operation of sale of subsidiaries by Auren to CBA, Citrosuco and Cements net of adjustment to present value, with effect on financial results.

Auren Energia S.A.
Explanatory notes
Quarters ended March 31

In thousands of reais, except as otherwise indicated



	Consolidated					
	Sales and service (Note 6)		Purchase and service		Financial result	
	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021	1/1/2022 to 3/31/2022	1/1/2021 to 3/31/2021
Joint controlling shareholders						
Votorantim Geração de Energia S.A.	-	-	(1,042)	(3,587)	-	-
Votorantim S.A.	-	-	(4,873)	(1,515)	-	-
Affiliated companies						
Banco Votorantim S.A.	-	-	-	-	1,483	853
L.C.G.S.P.E. Empreendimentos e Participações Ltda.	-	-	(769)	-	-	-
Votener - Votorantim Comercializadora de Energia Ltda.	-	25,922	(3,939)	(32,111)	-	-
Votorantim Cimentos S.A. (i)	99,629	-	-	-	12,504	-
Votorantim Cimentos N/NE S.A.	14,997	-	(19,758)	-	-	-
Companhia Brasileira de Alumínio (i)	81,440	-	(65,766)	-	89	-
CBA Itapissuma (i)	4	-	-	-	23	-
Citrosuco S.A. Agroindústria (i)	10,279	1,514	(2,144)	-	(71)	(37)
Nexa Recursos Minerais S.A.	198	-	-	-	-	-
Mineração Dardanelos Ltda.	3,379	-	-	-	-	-
Baes-a-Energética Barra Grande S.A.	2,094	-	(2,940)	-	-	-
Campos Novos Energia S.A.	3,141	-	(4,410)	-	-	-
CBA Energia Participações S.A.	-	-	(4,452)	-	-	-
Pollarix S.A.	6,069	-	(1,517)	-	-	-
Below R\$ 500,000	1,250	-	(185)	-	-	-
	222,480	27,436	(111,795)	(37,213)	14,028	816

	Parent company												
	Dividends receivable		Assets non-current		Suppliers (Note 17)		Dividends payable		Liabilities non-current		Purchases and services	Financial income (Note 8)	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	3/31/2022	
Joint controlling shareholders													
Votorantim Geração de Energia S.A.	-	-	-	-	-	1,038	-	6,976	-	-	(1,042)	(13,979)	-
CPP Investments	-	-	-	-	-	-	6,976	6,976	-	-	-	-	-
Affiliated companies													
Votorantim S.A.	-	-	-	-	91	117	44,341	-	-	-	(170)	(467)	-
Reservas Votorantim Ltda.	-	-	-	-	185	-	-	-	-	-	(185)	-	-
Compart Serviços e Assessorias Ltda.	-	-	-	-	-	-	-	-	-	-	(703)	-	-
Interávia Táxi Aéreo Ltda.	-	-	-	-	-	-	-	-	-	-	(17)	-	-
L.C.G.S.P.E. Empreendimentos e Participações Ltda.	-	-	-	-	512	-	-	-	-	-	(769)	(2,752)	-
Companhia Brasileira de Alumínio (i)	-	-	48,103	46,331	-	-	-	-	38,056	36,373	-	-	89
CBA Itapissuma (i)	-	-	12,727	12,259	-	-	-	-	10,730	10,285	-	-	23
Votorantim Cimentos S.A. (i)	-	-	44,289	-	-	-	-	-	31,785	-	-	-	12,504
CBA Energia Participações S.A.	29,386	-	-	-	-	-	-	-	-	-	-	-	-
Pollarix S.A.	35,861	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries													
Companhia Energética de São Paulo - CESP	153,929	153,929	-	-	-	-	-	-	-	-	-	-	-
Ventos de Santa Alexandrina Energias Renováveis S.A.	-	-	30,000	-	-	-	-	-	-	-	-	-	-
Ventos de Santo Apolinário Energias Renováveis S.A.	-	-	40,003	-	-	-	-	-	-	-	-	-	-
Ventos de São Vicente Participações Energias Renováveis S.A.	6,270	6,270	-	-	-	-	-	-	-	-	-	-	-
Ventos de Santo Estevão Holding S.A.	764	764	-	-	-	-	-	-	-	-	-	-	-
	226,210	160,963	175,122	58,590	788	1,155	51,317	13,952	80,571	46,658	(2,886)	(17,198)	12,616

Management's explanatory notes are an integral part of the financial statements intermediate and condensed individual and consolidated individuals.

25.1 Remuneration of key management staff

The remuneration of the key management personnel for March 31, 2022, totaled R\$ 3,461 (R\$ 2,617 - March 31, 2021), of which R\$ 2,699 related to fixed and variable remuneration (R\$ 1,879 in the quarter ended March 31, 2021) and R\$ 762 for social charges (R\$ 738 in the period ended March 31, 2021).

26 Equity

26.1 Share capital

The paid-up capital at March 31, 2022 was R\$ 5,940.137, divided into 1,000,000,000 common shares.

The Company's main shareholders, as of March 31, 2022, were:

	Consolidated and parent company		
	Paid-up share capital	Number of shares - in units	
		Ordinary	%
Shareholders			
Votorantim S.A.	2,242,015	377,434,774	37.74%
Canada Pension Plan Investment Board	1,904,401	320,598,904	32.06%
	4,146,416	698,033,678	69.80%
Other			
Outstanding shares	1,793,721	301,966,322	30.20%
	1,793,721	301,966,322	30.20%
	5,940,137	1,000,000,000	100.00%

26.4 Capital reserve

On March 31, 2022, the Company has a balance in the amount of R\$ 5,430,372 of capital reserve, referring to the reverse incorporation of VGE (note 1.1.1 (b)) in the amount of R\$ 1,223,216, and referring to the incorporation of CESP shares (note 1.1.1 (e)), in the amount of R\$ 4,207,156.

26.3 Profit reserve

	Parent Company and Consolidated	
	3/31/2022	12/31/2021
Legal reserve	63,365	63,365
Profit retention	1,798,576	1,798,576
	1,861,941	1,861,941

26.4 Equity valuation adjustment

The balance of other components of the comprehensive profit or loss in the amount of R\$ (405,374) on 31 March 2022 and 31 December 2021 refers to the proportional reflection of the adjustments for the actuarial liability recognised on the basis of CPC 33 (R1) - Employee benefits at the controlled CESP.

27 Financial instrument and risk management

27.1 Financial instruments by category

As of March 31, 2022 and December 31, 2021, the market values of the main financial instruments were close to the book values, as below:

	Note	Consolidated		Parent company	
		3/31/2022	12/31/2021	3/31/2022	12/31/2021
Assets					
At amortized cost					
Cash equivalents	9	3,027,460	1,571,298	1,722,792	383,095
Financial investments	9	124,662	77,751	-	-
Liquidity fund - Reserve account	9	107,320	106,201	-	-
Accounts receivable from customers	10	556,035	328,631	-	-
Asset subject to indemnification	12	1,739,161	1,739,161	-	-
		<u>5,554,638</u>	<u>3,823,042</u>	<u>1,722,792</u>	<u>383,095</u>
At fair value through profit or loss					
Derivative financial instruments		39	-	-	-
Energy futures contracts	19	4,826,080	612,107	-	-
		<u>4,826,119</u>	<u>612,107</u>	<u>-</u>	<u>-</u>
		<u>10,380,757</u>	<u>4,435,149</u>	<u>1,722,792</u>	<u>383,095</u>
Liabilities					
At amortized cost					
Loans, financing and debentures	16	4,828,305	4,710,874	308,183	299,674
Suppliers	17	506,706	299,794	82,827	82,362
Leases		6,782	5,498	1,607	31
		<u>5,341,793</u>	<u>5,016,166</u>	<u>392,617</u>	<u>382,067</u>
At fair value through profit or loss					
Energy futures contracts	19	4,792,628	620,316	-	-
		<u>4,792,628</u>	<u>620,316</u>	<u>-</u>	<u>-</u>
At fair value through other comprehensive income					
Derivative financial instruments		-	12,699	-	-
		<u>-</u>	<u>12,699</u>	<u>-</u>	<u>-</u>
		<u>10,134,421</u>	<u>5,649,181</u>	<u>392,617</u>	<u>382,067</u>

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

27.2 Liquidity Risk

The following table analyzes the main financial liabilities of the Company and its subsidiaries by maturity.

	Consolidated					Total
	Up to 1 year	Between 1 and 2 years	Between 3 and 5 years	Between 5 and 10 years	Over 10 years	
As of March 31, 2022						
Loans, financing and debentures (i)	420,757	875,449	1,508,327	3,457,369	831,613	7,093,515
Suppliers	431,421	75,285	-	-	-	506,706
Energy futures contracts (i)	1,431,043	1,002,073	2,393,361	1,170,113,00	-	5,996,590
Leases (i)	3,586	3,312	414	-	-	7,312
Sector charges	18,817	-	-	-	-	18,817
UBP - Use of a public asset (i)	42,462	84,939	13,147	-	-	140,548
	2,348,086	2,041,058	3,915,249	4,627,482	831,613	13,763,488

	Consolidated					Total
	Up to 1 year	Between 1 and 2 years	Between 3 and 5 years	Between 5 and 10 years	Over 10 years	
As of December 31, 2021						
Loans, financing and debentures (i)	405,743	447,521	1,809,329	3,439,091	839,050	6,940,734
Suppliers	225,578	43,245	30,971,00	-	-	299,794
Energy futures contracts (i)	318,420	304,326	118,357,00	-	-	741,103
Leases (i)	1,825	3,312	828	-	-	5,965
Sector charges	20,170	-	-	-	-	20,170
UBP - Use of a public asset (i)	42,462	84,939	13,147	-	-	140,548
	1,014,198	883,343	1,972,632	3,439,091	839,050	8,148,314

	Parent company			Total
	Up to 1 year	Between 1 and 2 years	Between 3 and 5 years	
As of March 31, 2022				
Loans, financing and debentures (i)	-	-	390,416	390,416
Suppliers	7,542	75,285	-	82,827
Leases (i)	1,607	-	-	1,607
	9,149	75,285	390,416	474,850

	Parent company			Total
	Up to 1 year	Between 1 and 2 years	Between 3 and 5 years	
As of December 31, 2021				
Loans, financing and debentures (i)	-	-	388,918	388,918
Suppliers	8,146	43,245	30,971	82,362
Leases (i)	31	-	-	31
	8,177	43,245	419,889	471,311

(i) These are uncashed contractual cash flows.

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

27.3 Fair value estimation

The Company and its subsidiaries estimate fair values under the following measurement hierarchy:

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

Level 2 - Information, in addition to quoted prices, included in Level 1 that are adopted by the market for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 - Inputs for assets or liabilities that are not based on data adopted by the market (unobservable inputs).

As at March 31, 2022, financial assets and liabilities measured at fair values and classified in Levels 1 and 2. The values would be according to the table below:

								Consolidated		
								Fair value measured based on		
								Level 1	Level 2	Book value
	Note:	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021			
Assets										
Cash equivalents	9	3,027,460	1,571,298	-	-	3,027,460	1,571,298			
Financial investments	9	124,662	77,751	-	-	124,662	77,751			
Liquidity fund - Reserve account	9	107,320	106,201	-	-	107,320	106,201			
Derivative financial instruments		-	-	39	-	39	-			
Energy futures contracts	19	-	-	4,826,080	612,107	4,826,080	612,107			
		3,259,442	1,755,250	4,826,119	612,107	8,085,561	2,367,357			
Liabilities										
Loans, financing and debentures	16	-	-	4,175,140	4,237,967	4,828,305	4,710,874			
Derivative financial instruments		-	-	-	12,699	-	12,699			
Energy futures contracts	19	-	-	4,792,628	620,316	4,792,628	620,316			
		-	-	8,967,768	4,870,982	9,620,933	5,343,889			
								Parent company		
								Fair value measured based on		
								Level 1	Level 2	Book value
	Note:	31/3/2022	31/12/2021	31/3/2022	31/12/2021	31/3/2022	31/12/2021			
Assets										
Cash and cash equivalents	9	1,722,792	383,095	-	-	1,722,792	383,095			
		1,722,792	383,095	-	-	1,722,792	383,095			
Liabilities										
Loans, financing and debentures	16	-	-	320,677	312,965	308,183	299,674			
		-	-	320,677	312,965	308,183	299,674			

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

27.4 Sensitivity analysis statements

The main risk factors that impact the pricing of financial instruments in cash equivalents, loans and financing and derivative financial instruments are (i) interest rates CDI, TJLP and IPCA. The scenarios for these factors are elaborated using market sources and specialized sources.

The scenarios as of March 31, 2022, are described below:

Scenario I - Considers shock in the curves and market quotations of March 31, 2022, according to the base scenario defined by the Administration for June 30, 2022;

Scenario II - Considers shock of + or - 25% in the market curves of March 31, 2022;

Scenario III - Considers shock of + or - 50% in the market curves of March 31, 2022.

					Consolidated				
					Impact on the result				
					Scenario I		Scenario II & III		
Fatores de risco	Nature of operation	Balance	Unity	Shock in the curves at 3/31/2022	Scenario result I	-25%	-50%	+25%	+50%
Interest rates									
CDI 11,65%	Cash equivalents, financial investments and liquidity fund - reserve account	3,259,442	BRL thousands	126 bps*	40,753	(94,559)	(189,118)	94,559	189,118
CDI 11,65%	Principal of derivative financial instruments (i)	1,653		126 bps*	7	(101)	(214)	91	172
CDI 11,65%	Loans and financings (i)	619,544		126 bps*	(7,777)	18,044	36,088	(18,044)	(36,088)
TJLP 6,08%	Loans and financings (i)	1,604,082	BRL thousands	76 bps*	(12,191)	24,382	48,764	(24,382)	(48,764)
IPCA 11,30%	Loans and financings (i)	2,747,683	BRL thousands	-430 bps*	118,150	77,622	155,244	(77,622)	(155,244)

					Parent company				
					Impact on the result				
					Scenario I		Scenario II & III		
Fatores de risco	Nature of operation	Balance	Unity	Shock in the curves at 3/31/2022	Scenario result I	-25%	-50%	+25%	+50%
Interest rates									
CDI 11,65%	Cash equivalents, financial investments and liquidity fund - reserve account	1,722,792	BRL thousands	126 bps*	21,625	(50,176)	(100,353)	50,176	100,353
CDI 11,65%	Loans and financings (i)	309,892	BRL thousands	126 bps*	(3,890)	9,026	18,051	(9,026)	(18,051)

* BPS - basis points

- (i) The balances presented do not agree with the Note disclosures for derivatives, as the analysis carried out only considered the scenarios of interest rates on the principal amount of financial operations. Loans and financing do not include funding costs.

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

For future energy contracts, the main risk factor impacting on their pricing is the exposure resulting from the difference between the prices of future purchase and sale contracts and market prices. Such exposures present considerable volatilities, thus deserving an awareness metric in order to better characterize possible variations in the Company's outcome.

Thus, aiming to evaluate the possible variability of the result of the marking the market of future energy contracts, a simulation was performed, marked by the volatility of the last ten years of the market price behavior. The distribution containing the possible result scenarios was divided into four parts, the so-called quartiles. The first and third quartiles that represent a significance of 75% of the sample were analyzed, meaning that there is a possibility, in four occurrences, that the result of future energy contracts is below the estimated value.

The following table demonstrates the sensitivity analysis for future energy contracts at position on 31 March 2022 under the following scenarios:

- I. Base scenario, as defined by the Administration for 31 March 2022;
- II. Represents the variation between the base scenario and the 25th percentile of the distribution;
- III. Represents the variation between the base scenario and the 75th percentile of the distribution.

Risk factors	Nature of the operation	Balance	Unit	Consolidated		
				Impacts on the income		
				Scenario I	Scenario II	Scenario III
Purchase and sale contracts - fair value	Energy futures contracts	33,452	BRL thousands	33,452	(10,807)	10,723

28 Explanatory notes not presented herewith

In the annual financial statements for the year ended December 31, 2021, the explanatory notes below were disclosed presenting assumptions and policies which did not differ from those in these financial statements:

Explanatory note	Ledger account
7	Research and Development
15 (d)	Realization of deferred tax
17	Sector charges
28.2	Effect of financial derivatives on the balance sheet, cash flow and income
29	Insurance
30	Long-term commitment

29 Subsequent events

(a) Distribution of supplementary dividends

On April 11, 2022, at a Meeting of the Board of Directors, the proposal for the payment of dividends by the Company was approved for the year ended December 31, 2021, as follows:

- (i) supplementary dividend of R\$ 41,850 from retained earnings for the year ended December 31, 2021 (investment reserve) equivalent to R\$ 0.041850 per share; and

Management's explanatory notes are an integral part of the financial statements condensed intermediates Consolidated and Individual.

- (ii) supplementary dividend of R\$ 44.198, to be paid from the profit retention reserve constituted in the year ended December 31, 2021, equivalent to R\$ 0.044198 per share.

The supplementary dividends in (i) and (ii), added to the Company's mandatory minimum dividend, R\$ 13,951, equivalent to R\$ 0.013951 per share, comprise 25% of the adjusted net income for the year, as approved at the Meeting of the Board of Directors of March 25, 2022. This was submitted to resolution at the Company's Annual and Extraordinary Shareholders' Meeting to be held on March April 29, 2022, make up a total amount of dividends payable in the 2022 of R\$ 100,000, equivalent to R\$ 0.10 per share.

The registered shareholders of the Company on May 3, 2022, inclusive, will be entitled to the dividends declared.

(b) Operation under test - Ventos do Piauí II e III complex

On April 19, 2022, ANEEL, by means of orders nº 1.306/ 1.307/ 1.308, authorized the entry into operation in test of the first wind turbines belonging to the Wind Complex of Piauí II and II ("VDP II and III"). Located in the municipalities of Curral Novo do Piauí, Paulistana and Betânia do Piauí, Araripina and Ouricuri, in the states of Piauí and Pernambuco, the Complex has an installed capacity of 409 MW, distributed in 93 wind turbines and is expected to complete commercial operation in November 2022.

(c) Continuation of the EPC controlled voluntary migration plan

As mentioned in footnote 24(a), in January 2022, an interim decision (early guardianship) was issued suspending the voluntary migration process, after an appeal by the controlled CESP.

In May 2022, the case was passed in a favourable manner to the controlled CESP, with all the allegations brought by the plaintiffs refuted, so that the migration follows its normal processing, scheduled to take place on 1 July 2022 as a regular deadline, the accession period was closed on 24 March 2022. The discussion on the subject still remains in the Judiciary, responsible for finally deciding on the issue.

The impacts to be reflected in the Company's financial statements are being evaluated by the Administration.

(d) Incident at the Ventos do Araripe III collecting substation

As mentioned in footnote 22, there was an incident in the substation that connects the companies of the complex Ventos do Araripe III. After the traffic repair related to the second occurrence, finalized on April 25, 2022, the park returned to 100% of the commercial operation

