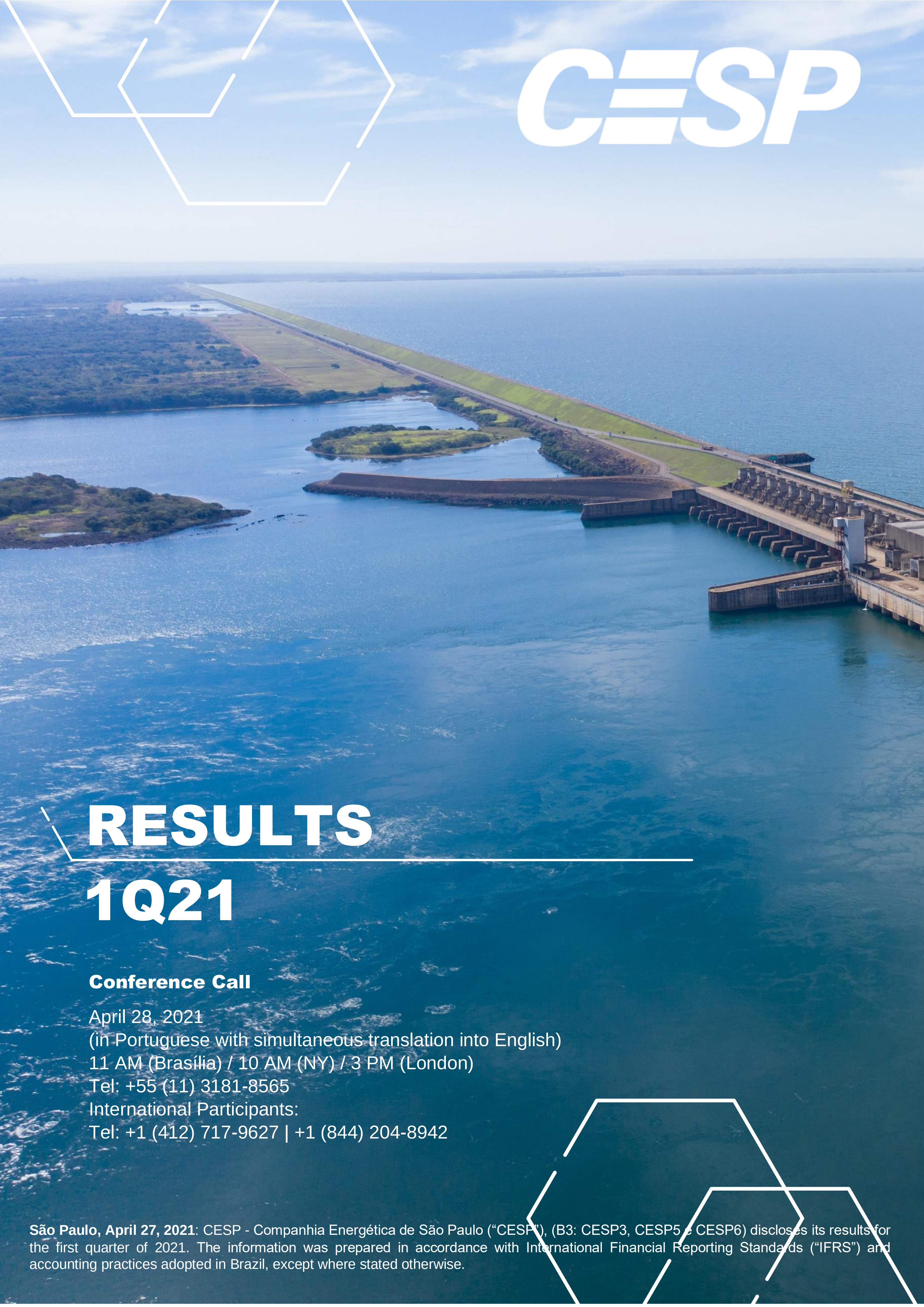


CESP

RESULTS

1Q21

Conference Call

April 28, 2021
(in Portuguese with simultaneous translation into English)
11 AM (Brasília) / 10 AM (NY) / 3 PM (London)
Tel: +55 (11) 3181-8565
International Participants:
Tel: +1 (412) 717-9627 | +1 (844) 204-8942

São Paulo, April 27, 2021: CESP - Companhia Energética de São Paulo (“CESP”), (B3: CESP3, CESP5 e CESP6) discloses its results for the first quarter of 2021. The information was prepared in accordance with International Financial Reporting Standards (“IFRS”) and accounting practices adopted in Brazil, except where stated otherwise.

CONTENTS

1Q21 RESULTS

CONSOLIDATED FINANCIAL HIGHLIGHTS

(BRL thousand)	1TQ1	1Q20	Δ
Gross operating revenue	634,200	540,862	17%
Net operating revenue	556,885	460,540	21%
Gross operating result	191,773	234,205	-18%
Cost and expenses	(209,257)	(251,743)	-17%
EBITDA	445,483	309,192	44%
Adjusted EBITDA[1]	283,042	336,171	-16%
Adjusted EBITDA margin	51%	73%	-22 p.p.
Net income	115,798	53,813	115%
Net debt	1,109,602	1,067,311	4%
Net debt/EBITDA LTM	0.8x	0.9x	-0,1x
Net debt/ adjusted EBITDA[1] LTM	1.2x	1.0x	0,1x

- Net revenue grew in 1Q21 to BRL557 million, mainly driven by the growth in trading operations by CESP Comercializadora.
- Adjusted EBITDA of BRL282 million in 1Q21, down 16% year on year, due to higher expenses with purchase of energy on account of the adverse hydrological scenario.
- Operating cash flow of BRL172 million after debt service, with cash conversion ratio[2] of 61% in 1Q21.
- Reduction of BRL229 million[3] in probable contingent liabilities when compared to December 2020 due to judicial settlements and revision of estimates based on the progress of proceedings.
- Net income of BRL116 million in the quarter, up 115% from 1Q20, due to the positive impact of the reversal of probable contingent liabilities in 1Q21.

[1] Adjusted EBITDA excludes allowance for litigation and write-off of judicial deposits
[2] Cash conversion ratio = OCF after debt service / Adjusted EBITDA
[3] After inflation adjustment and interest. Considers settlements up to April 2021

MESSAGE FROM THE MANAGEMENT

The first quarter of 2021 marks the advance of several fundamental projects to CESP's future, notably its long-term commercial strategy, the continuity of efficiency gains and the ESG agenda.

The Company remains committed to its mission of creating and offering the best energy solutions and generating and sharing wealth in a sustainable manner by transforming people and the society.

The modernization of the electricity sector and the expansion of the free energy market make innovation increasingly important and demand agile, simple and collaborative processes, driving the organization to constantly reinvent itself. In this scenario, we designed our strategic digital transformation plan with the aim of modernizing and simplifying the current technological architecture and for automating the processes through specialist systems and even robotics.

Another important step was the expansion of our commercial structure to expand and diversify our client portfolio, while continuing to exercise diligence in credit and risk analysis of the new agreements to be signed. This quarter, we signed new commercial agreements, advancing strategically in the contracted level of the portfolio for the period from 2023 to 2025.

In light of a highly challenging hydrological scenario, we remain focused on our strategy of managing the energy balance backed by highly disciplined execution. CESP took advantage of the windows of opportunity in the market and purchased approximately 95% of the energy required to ensure its energy balance in 2021.

Considering the importance of the topic of climate change, we understand the need to implement mechanisms for effective planning and management of these risks, considering the importance of water as the raw material for clean energy generation. Through our renewable energy generation, we can offer our customers solutions to help in their energy transition. This quarter, we advanced on this front by increasing the sales of I-REC (International Renewable Energy Certificates) certificates. I-REC is a global system that oversees the trading of renewable energy certificates.

Another important topic for the Company is the management of the impacts of our business on the local communities where we operate. We created a diagnosis tool that guides our relationship initiatives with these groups in order to generate shared value. This close engagement also enables us to identify the key local needs and generate opportunities to build participative solutions, thereby bringing value to both the communities and the Company.

Due to the significant volume of contingent liability, the amounts under litigation are revised constantly and we remain focused on optimizing the management of these proceedings. Currently, we have our own monitoring system, aided by highly capable and reputed law firms, in order to constantly reduce the risks. We ended 1Q21 with contingent liabilities of BRL10.4 billion, and over April 2021 we had an additional reduction of BRL118 million, totaling BRL10.2 billion, a reduction vs. 4Q20 of 4% after inflation adjustment. With this additional reduction, the probable contingent liabilities were BRL1.6 billion, down 13%, mainly due to the revision of estimates according to the progress of the lawsuits and the settlements made in April 2021.

Our commitment to always do the best, bringing extraordinary results to the business without ever disregarding safety, is reflected in our operating indicators. Average availability index of the plants reached 95.8% in 1Q21, continuing the consistent uptrend and significantly above the benchmarks established by ANEEL.

Adjusted EBITDA[4] in 1Q21 was BRL282 million, down BRL54 million from the same period the previous year, mainly due to the increase in energy purchases on account of the worsening hydrological scenario in the period.

Strong cash generation was again one of the period highlights. In 1Q21, we generated operating cash flow of BRL172 million after debt service, with a cash conversion ratio[5] of 61% and free cash flow of BRL157 million in the period.

To all those who have been with us during this journey, thank you very much.

MARIO BERTONCINI
Chief Executive and Investor Relations Officer

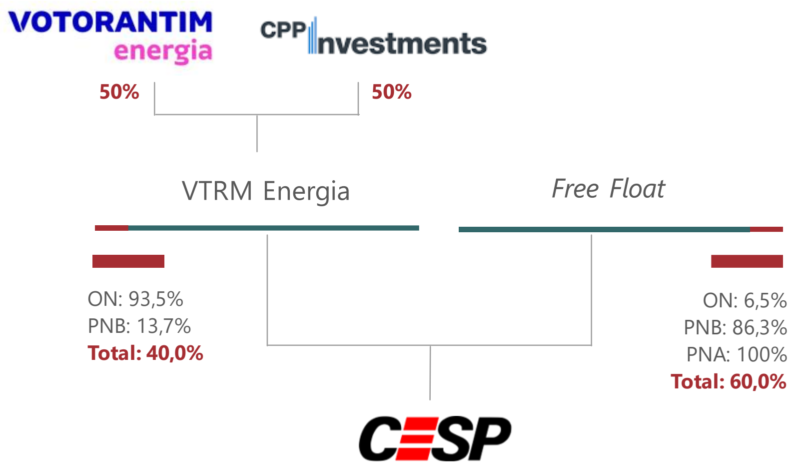
MARCELO DE JESUS
Chief Financial Officer

[4] Adjusted EBITDA excludes provision for litigation and write-off of deposits
[5] Cash Conversion Ratio = Operating Cash Flow after Debt Service / Adjusted EBITDA

COMPANY PROFILE

CESP is a power generation company created in 1966 by the São Paulo State Government from the merger 11 electricity companies based in São Paulo.

On October 19, 2018, the auction of CESP shares was won by VTRM Energia Participações S.A., which resulted from a partnership between Votorantim Energia with the Canadian fund Canada Pension Plan Investment Board (CPP Investments). On November 11, 2018, after the execution of the Share Purchase and Sale Agreement with the São Paulo State Government, CESP became a privately held company.



GENERATION COMPLEX

PORTO PRIMAVERA	
Capacity	1,540 MW
Physical Guarantee	887 MWavg
Concession*	Apr/49
Location	Rosana (SP)
Reservoir area	2,040 km²
Dam extension	10.2 km
Generating units	14
Start of operation	1999

*contract signed in April 2019

PARAIBUNA	
Capacity	87 MW
Physical Guarantee	48 MWavg
Concession*	Sept/21
Location	Paraibuna (SP)
Reservoir area	177 km²
Dam extension	0.5 km
Generating units	2
Start of operation	1978

*extension granted in Mar/21

As decided at the CESP Board of Directors Meeting held on June 28, 2019, the company decided not to renew the concession for HPP Jaguari, which represented less than 2% of its total assured energy. After the end of the concession period of the asset, in May 2020, CESP operated the plant on a temporary basis until December 31, 2020, when it was transferred to the new operator designated by the Ministry of Mines and Energy pursuant to MME Ordinance 409/2020.

OPERATING PERFORMANCE

GENERATION

(MWavg)	1Q21	1Q20	∆
Porto Primavera	867	1,093	-21%
Paraibuna	3	11	-70%
Jaguari	-	1	-
Total	**870**	**1,105**	**-21%**

Electricity generated at the plants operated by CESP in 1Q21 reached 870 MW average, 21% lower than in 1Q20 when we reached 1,105 MW average. This decline in generation occurred due to systemic factors linked to the dispatch guidelines established by the System National Operator (“ONS”) for the National Interconnected System (“SIN”).

In 1Q21, water deficit continued, especially in Southeastern Brazil, with inflows close to historically worst levels. This scenario led the Electricity Sector Monitoring Committee (“CMSE”) to authorize ONS to dispatch thermoelectric plants to guarantee the country's energy security and, consequently, generation by hydroelectric plants was reduced to preserve reservoir levels. As such, ONS determined a smaller dispatch at HPP Porto Primavera to preserve the storage of upstream plants.

With regard to HPP Paraibuna, the generation schedule of these plants is based on the control of flows in the Paraiba do Sul River basin, with the ONS defining the flow rate of the cascade plants in order to meet the hydraulic restrictions of the basin. In 1Q21, ONS maintained the guideline for minimum generation by the plants in the headwaters of the Paraiba do Sul river basin due to the increase in the river’s flows on account of rainfall during the period and the consequent recuperation of reservoirs at the headwaters of the basin.

AVAILABILITY

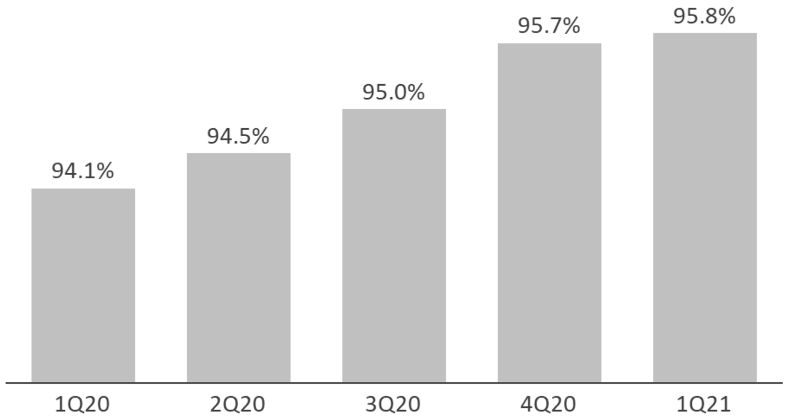
In 1Q21, the plants operated by CESP achieved an average availability index of 95.8%, in line with the 4Q20 average (95.7%) and 1.7 p.p. above the 1Q21 average (94.1%)

showing the continuous and efficient maintenance management of plants and the healthy operational performance of the Company's generation assets.

According to ANEEL Normative Resolution No. 614/2014, if the availability index of a hydroelectric plant included in the Energy Reallocation Mechanism ("MRE") is below the benchmark availability index used to calculate its respective physical guarantee, the plant will be subject to a physical guarantee reduction mechanism. With these assumptions, this index becomes the key indicator for evaluating the performance of hydroelectric plants and the main monitoring tool for mitigating the risks of operating impacts on commercial commitments.

The availability index of CESP's plants remains consistently higher than the benchmarks defined by ANEEL and has been on a growth trend, which proves the operational and maintenance of the operating assets and the adequate management of operating risks.

AVAILABILITY INDEX[6]
(60-month moving average - %)

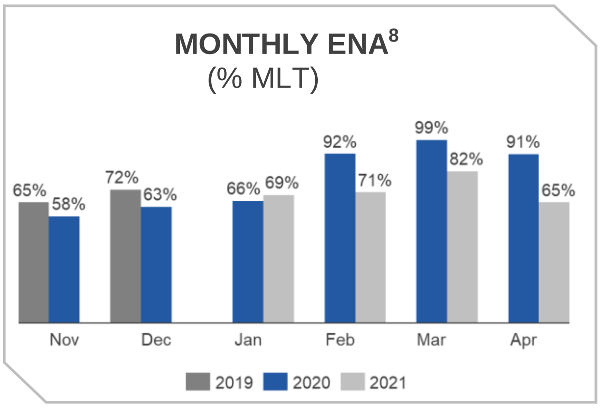


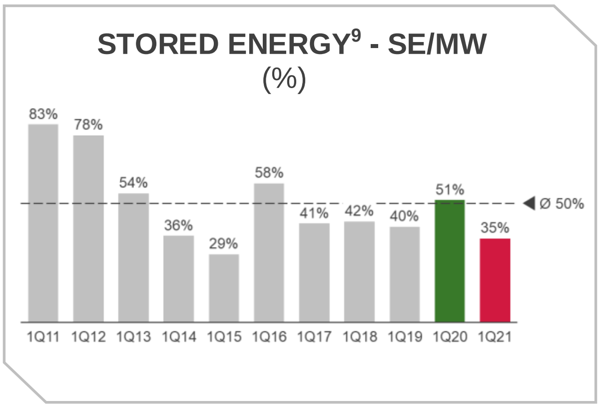
[6] Availability index is calculated using the Equivalent Forced Outage Rate ("TEIFa") and the Equivalent Scheduled Outage Rate ("TEIP"), regulated by ANEEL

COMMERCIAL PERFORMANCE

ENERGY MARKET

In recent months, the energy market went through periods of high volatility and pressure due to price hikes. With the inflows during the rainy season[7] (Nov/20 – Mar/21) being the fourth worst in the last 91 years and energy consumption already returning to higher than 2019 (pre-pandemic) levels, the recovery of reservoirs during the rainy season fell below expectations. On March 31, 2021, reservoirs in the Southeastern subsystem registered around 35% of their storage capacity, which is significantly below the average for the period in the last 11 years (50%).





However, average energy price (Spot Price – "PLD") in the Southeastern submarket reached BRL173/MWh in 1Q21, 8% lower than in the same period in 2020 (BRL189/MWh). This decline is to the optimistic outlook regarding inflows while calculating PLD, which did not materialize during the period.

Faced with the critical hydrological condition, ONS resorted to using the additional dispatch of thermal power (outside the merit order), energy imports and other exceptional measures to slow down the depletion of reservoirs during the dry season (Apr/21 – Oct/21). Despite the critical scenario, the electricity monitoring agencies reiterate that power supply is guaranteed in the country in 2021.

According to the Electricity Trading Chamber (CCEE), in light of the hydrological scenario and the low level of reservoirs, the estimated Generation Scaling Factor (GSF) for 2021 was revised to 78%.

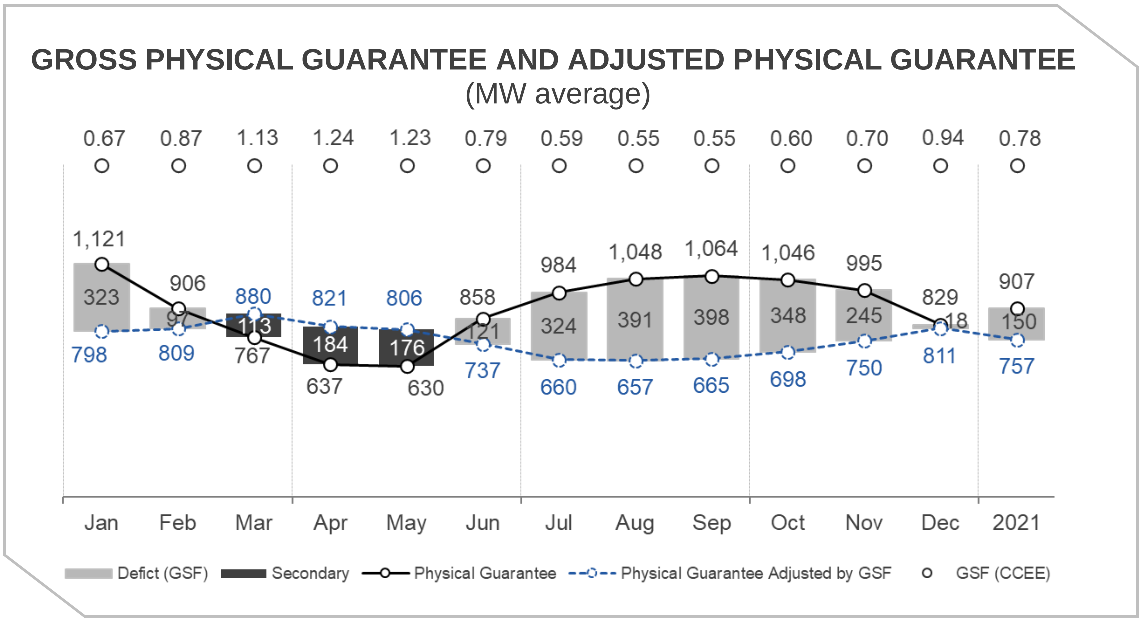
[7] Months corresponding to the rainy period in the Southeast/Midwest subsystem
[8] ENA: Affluent Natural Energy; LTA: Long-Term Average (average between 1931-2019; Partial data until April 24, 2021
[9] Source: National Electricity System Operator (ONS) and Energy Research Company (EPE) – Energy corresponding to storage in the Southeast Subsystem (% of submarket capacity) for the last day of each quarter

ENERGY BALANCE MANAGEMENT

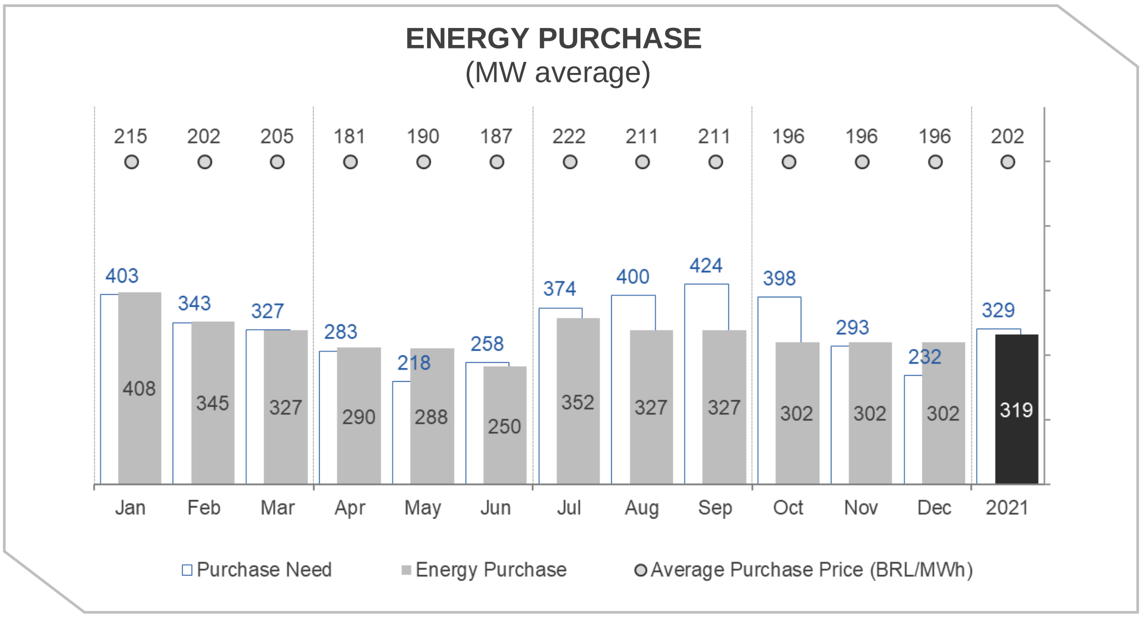
The Company's energy balance management strategy is based on detailed planning and proactive management of energy trading in order to create value and mitigate the hydrological risk.

Due to the revisions in the physical guarantee and the negative effect of GSF, the Company reported a deficit energy balance, which is being equalized.

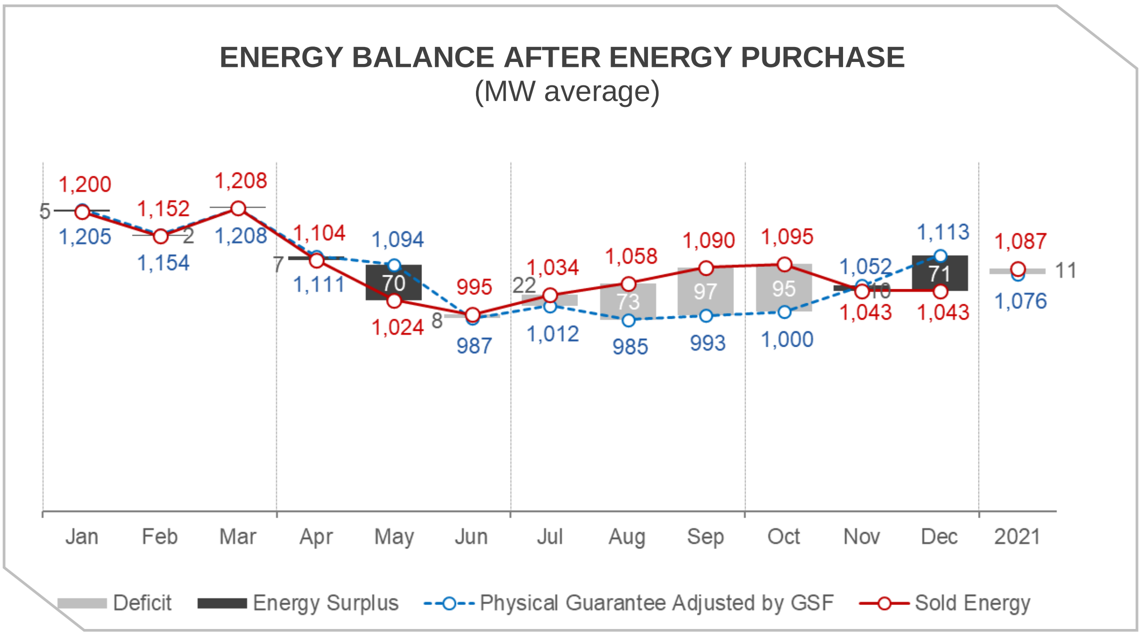
For 2021, the Company purchased approximately 95% of the energy required to balance the energy deficit, taking advantage of the windows of opportunities that arose during 2020. Moreover, the Company continues to monitor the GSF risk and market opportunities in order to purchase power to mitigate price risks.



To optimize the 1Q21 energy balance, the Company purchased 361 MW average of energy at an average price of BRL208/MWh, which is 6% lower than the purchase price in 1Q20 (172 MW average at BRL221/MWh).



At the end of the first quarter, the Company's 2021 energy balance pointed to a deficit of 11 MW average, as shown below.



COMMERCIAL STRATEGY

The Company's commercial area is guided by integrated energy management based on market intelligence, sales to end customers and trading.

All operations undergo diligent analysis, and the market and credit risks are monitored in comparison with pre-established exposure limits, in addition to coverage with guarantees according to the profile of the other party. The market and credit risk management structure in the Company reports to the Chief Financial Officer, which ensures autonomous support in the commercial decision-making process.

SALES TO END CUSTOMERS

The Company has been striving to diversify and expand its customer portfolio in order to seize opportunities, mitigate business risks and reduce the carbon footprint of its customers and partners by supplying renewable energy that is I-REC certified.

The Company's customer portfolio consists of energy distributors in the regulated market and energy consumers in the free market, as shown in the chart below. As from 2024, the volume of energy already committed under sale agreements is significantly lower and, from 2028, the Company has no energy sold in the free market.

Agreements in the regulated market began in 2009 and 2010 and are valid until 2038 and 2039, with a volume of 230 MW average, and are adjusted for inflation. Contracts in the free market are adjusted for inflation or the U.S. dollar and some contracts include flexibility clauses, that is, there are minimum and maximum limits on the seasonally adjusted monthly volumes and on the consolidated volume for the year.

PORTFOLIO OF ENERGY SOLD[10]
(MW average)

During the initial months of 2021, the Company sold ~100 MW average of energy between 2023 and 2025.

This quarter, we established new partnerships with our customers for the supply of energy and the provision of I-RECs, to help them decarbonize their operations and offer sustainability as an added value. This is the result of the company's first initiatives with customers in the free energy market.

In 1Q21, the average price in the regulated market (distributors) was BRL250/MWh, an increase of about 3% from 1Q20, mainly due to the contractual adjustment clauses, as detailed below:

Start date	End date	Volume (MWavg)	Gross start price (BRL MWh)[11]	1Q21 gross price (BRL/MWh)[12]
01/01/2009	31/12/2038	83	125	260
01/01/2010	31/12/2039	152	116	245
Total		**235**	**119**	**250**

To mitigate its exposure to the hydrological risk, CESP renegotiated in 2016 a total of 230 MW average contracted through 2028, which is related to contracts in the regulated

[10] Price on base date of March 31, 2021, without inflation adjustment.
[11] For the first agreement: base date starting June 29, 2006; For the second agreement: base date starting December 12, 2005
[12] Prices adjusted by the IPCA index

market. Thus, this portion of its physical guarantee is hedged against fluctuations in the GSF.

TRADING

In January 2020, the Company started the operations of CESP Comercializadora, entering the energy trading market to drive a more optimized management of CESP's energy balance, better management of hydrological and market risks and improve the Company's commercial strategy, with new customers, markets and opportunities.

These operations are conducted in the free market and, for the purposes of accounting measurement, meet the definition of financial instruments at fair value ("MtM"). The Company has future energy contracts maturing up to 2027. At the end of 1Q21, the MtM of energy trading agreements totaled BRL(2) million.

GSF UPDATES

Following are the main and most recent events related to the regulation of the conditions for renegotiating hydrological risk established in Law 14,052/2020 of October 8, 2020 ("Law 14,052/2020").

- **October 14, 2020:** As part of the ongoing public hearing to regulate the conditions established in Law 14,052/2020, CCEE, considering the criteria and parameters defined in the initial version of the normative resolution, prepared and disclosed the results of preliminary calculations of the concession extension periods for hydroelectric plants included in the MRE, considering a period of 102 months (from March 2012 to August 2020). Based on this preliminary calculation, the renewal of concession for HPP Porto Primavera would exceed the legal limit of 7 years and this period would be considered for any future renegotiation agreement. For HPP Paraibuna, the renewal would be 269 days (about 9 months);
- **December 3, 2020:** ANEEL published Normative Resolution 895/2020 ("REN 895/2020"), which regulated the methodology to calculate the compensation due to owners of hydroelectric plants, determining a period of 90 days for CCEE to prepare the final version of the renewal calculation, based on definitive assumptions, to submit to ANEEL, which would then proceed with the approval within 30 days;
- **March 1, 2021:** CCEE sent to ANEEL the calculation of the renewal of concessions using the methodology based on REN 895/2020. The results considered a period of 106 months retroactive to GSF impacts subject to compensation, disclosed by CCEE on March 2, 2021. Based on this new calculation, the concession renewal of HPP Porto Primavera remained within the legal limit of 7 years. For HPP Paraibuna, the renewal period, based on the final assumptions, would be 451 days (about 15 months).

The next phase, which involves the confirmation of the concession renewal period, is the approval of CCEE's calculations by ANEEL, expected to occur within 30 days after

CCEE sends the calculations, as per REN 895/2020, for later formal adhesion by the Company to the renegotiation.

The ongoing administrative proceeding at ANEEL, for approval of the renewal periods, was included in the agenda of its ordinary public meeting held on March 30, 2021. At the same meeting, this proceeding was preceded by other appeals submitted by certain owners of hydroelectric plants eligible for renegotiation as per the regulations approved in December (in accordance with REN 895/2020).

While deliberating on said proceeding, the Board decided, by majority vote, to accept the a part of the claims, such that the calculation premises considered by CCEE in the result submitted on March 1, 2020 were altered. Accordingly, the proceeding for approval of the renewal periods was removed from the agenda without any decision (since the calculation premises to be approved were altered).

- **March 30, 2021:** At a public meeting, the Board of ANEEL determined, by majority vote, the change in the calculation criteria established in REN 895/2020, with a portion of the claims submitted in the appeal left for resolution at a future meeting, motivated by the request for removal from the agenda of the judge-rapporteur of the proceeding. With this decision, which implies a change in the input data used by CCEE and, therefore, changes the results, the latter will be recalculated based on new applicable rules. The change approved determines the inclusion, while measuring the impacts on the generation companies, of the physical guarantee in plants in effect from 2012, without excluding the portion already renegotiated in 2015 in a period prior to the effective renegotiation, for agreements in the Regulated Contracting Environment. For the Company, the expected effects of this change, to be confirmed with the effective conclusion of the new calculations by CCEE, is an increase in the amount of financial impact on HPP Porto Primavera (with no effect on the renewal period, which is already within the legal limit), but not for HPP Paraibuna (which does not have previous renegotiation, that is, its physical guarantee was already considered for calculating the impacts).
- **April 6, 2021:** At the subsequent ANEEL Board meeting, after discussing the remaining appeals, one of the directors requested to see the records and so there was no final decision on the form of compensation from considering the physical guarantee the of structuring plants in the calculation. The proceeding related to the approval of calculations was not included in the meeting and there was no determination on a possible schedule of new recalculation phases (according to REN 895/2020 in effect, CCEE must conclude the calculations within 90 days).
- **April 13, 2021:** At the Board meeting, ANEEL removed the appeals from the agenda to await the scrutiny by the Federal Court of Audit (“TCU”) of the topic. The same date, ANEEL published Normative Resolution 930/2021 with the alteration set forth in REN 895/2020 in accordance with ANEEL resolution on March 30, 2020, which motivated the involvement of TCU in the issue.

To date, there is no forecast for the conclusion of analysis by ANEEL of the appeals, the stage that precedes any recalculation and respective approval, with the subsequent start of period for the Company to accept renegotiation.

To speed up the proceeding, on March 29, 2021, the Board of Directors of CESP approved the Company's acceptance, for HPP Porto Primavera, to renegotiate the renewal of concession for seven years (limit established in Law 14,052/2020) by sending the instrument of acceptance after approval by ANEEL.

Note that the acceptance by HPP Paraibuna was approved by the Board of Directors on February 11, 2021, in two phases, considering the end of the concession on March 9, 2021, that is, before the conclusion of the phases initially established for the regulation. Thus, on March 12, 2021, the fourth amendment to the concession agreement 3/2004 was signed by CESP and ANEEL, formalizing a temporary renewal for 180 days, to be adjusted with CCEE's final calculation, approved by ANEEL. The current concession of HPP Paraibuna ends on September 5, 2021 and the Company is awaiting ANEEL's decision to confirm the final concession period by signing a new amendment.

Note that the Company is not a party in any legal proceeding on the subject, having no amounts due, related to hydrological risk, with the enforceability suspended within the scope of financial settlement of CCEE, and the option for renegotiation does not depend on any cash payment or premium payment.

FINANCIAL PERFORMANCE

NET REVENUE

Net operating revenue in 1Q21 amounted to BRL557 million, an increase of BRL96 million (+21%) from BRL461 million in 1Q20, mainly due to:

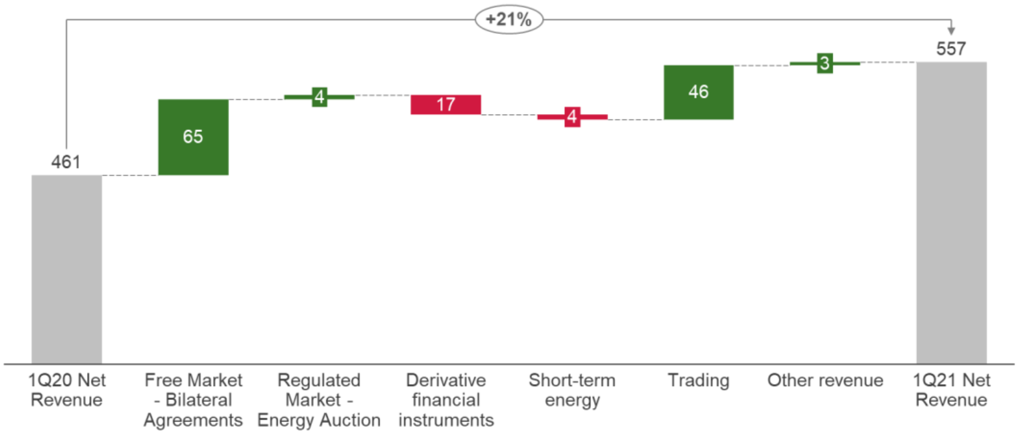
- **Trading Operations:** Increase of BRL46 million, due to the growth of trading operations by CESP Comercializadora, whose revenue in 1Q21 stood at BRL58 million, compared to BRL12 million in 1Q20.
- **Free Market – Bilateral Agreements:** Increase of BRL65 million due to higher sales volume on account of contractual conditions agreed with other parties (seasonality and flexibility) and the adjustment of agreements indexed to the U.S. dollar and the IPCA index, totaling BRL459 million in 1Q21 vs. BRL395 million in 1Q20.
- **Regulated Market – Energy Auction:** Increase of BRL4 million due to the clause on contractual adjustments, with revenue of BRL130 million in 1Q21 vs. BRL127 million in 1Q20.

These effects were partially offset by:

- **Derivative financial instruments**[13]: Reduction of BRL17 million due to the adverse exchange variation during the period, totaling a deduction of BRL26 million in 1Q21 vs. BRL10 million in 1Q20.

[13] Derivative financial instruments used by the Company to hedge against exchange exposure of agreements in the free market, indexed to the U.S. dollar (R$5.1987 on March 31, 2020 vs. R$5.6973 on March 31, 2021). Source: Central Bank of Brazil.

- **Short-term energy:** Reduction of BRL4 million due to lower generation of secondary energy in 1Q21 compared to 1Q20, totaling a revenue of BRL12 million in 1Q21 vs. BRL16 million in 1Q20.



DERIVATIVE FINANCIAL INSTRUMENTS

CESP has energy sales agreements indexed to the U.S. dollar. To mitigate the exchange rate exposure arising from these agreements, the Company implemented a hedge strategy using Non-Deliverable Forwards ("NDFs") and booked as hedge accounting. The strategy is designed to protect approximately 95% of the exchange rate exposure in the period. The following table reflects the position of derivative instruments on March 31, 2021:

NDFs	Notional (USD million)	Average forward exchange rate (BRL)	Fair value (BRL million)
2021	97.0	4.37	(127.6)

The fair values of hedge instruments will be recognized in shareholders' equity until the expected transaction takes place or is settled. After the effective settlement, gains or losses will be recognized in revenue. For more details, see Note 26.5 to the 1Q21 Quarterly Financial Information (ITR).

[14] "Other revenue" considers deductions (R&D, taxes, inspection charges, financial compensation for use of water resources, among other).

OPERATING COSTS AND EXPENSES

Operating costs and expenses totaled BRL209 million in 1Q21, compared to BRL252 million in 1Q20, decreasing BRL43 million between the periods, due to:

- **Reversal of provision for litigation:** Positive impact of BRL230 million from the reversal of provision in the amount of BRL203 million in 1Q21 (compared to the provision of BRL27 million established in 1Q20), in line with the revision of estimates according to the progress of the proceedings. Note that this is a non-cash effect.

This effect was partially offset by:

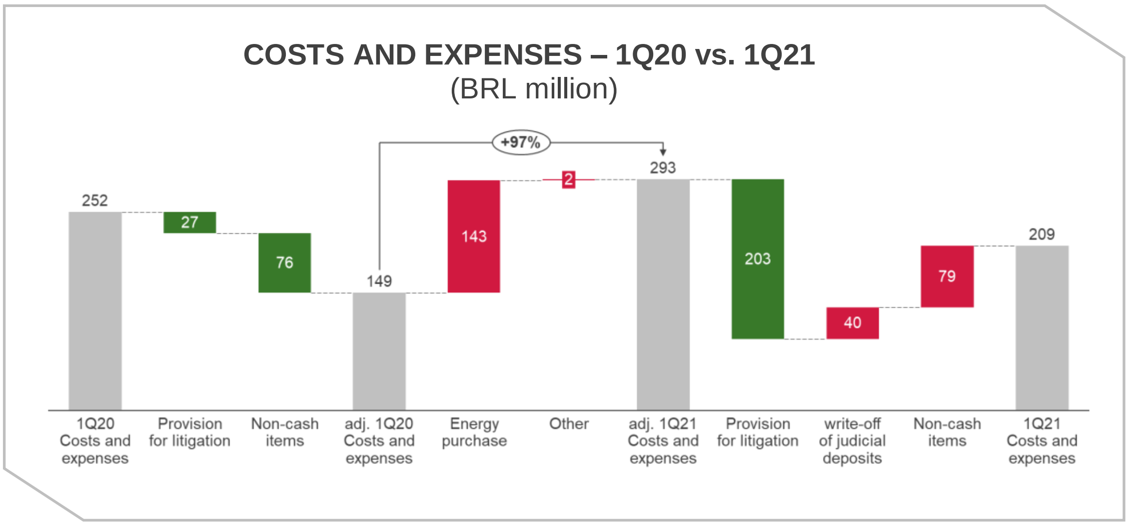
- **Energy purchase costs:** BRL259 million in 1Q21 vs. BRL116 million in 1Q20, an increase of BRL143 million from 1Q20, mainly due to:
  - The challenging hydrological scenario (GSF of 86.6% in 1Q21 vs. 103.2% in 1Q20), which resulted in an impact of BRL86 million due to the higher energy purchase volume to mitigate hydrological risk in the energy balance (BRL150 million in 1Q21 vs. R$64 million in 1Q20). In 1Q21, 361 MWavg were purchased, 110% more than in 1Q20 (172 MWavg). This effect was partially offset by the 6% reduction in the average purchase price, from BRL208/MWh in 1Q21 vs. BRL221/MWh in 1Q20; and
  - Increase of BRL56 million in purchases for trading operations in 1Q21 (BRL67 million) vs. 1Q20 (BRL11 million), in line with the Company's strategy.
- **Third-party services:** BRL8 million in 1Q21 vs. BRL6 million in 1Q20, an increase of 12% (BRL1.6 million), mainly due to higher costs with specialized consulting firms to assist in the strategic digital transformation and ESG fronts.
- **Personnel and Managers:** In 1Q21, personnel and management expenses totaled BRL22 million, in line with the same period the previous year (BRL21 million), reinforcing the Company's focus on maintaining its disciplined management of costs and expenses.

Apart from the highlights already mentioned, the result also considers the impact of non-recurring and non-cash effects, described below:

- **Write-off of judicial deposits:** In 1Q21, an expense of BRL40 million was recognized vs. BRL34 million in 1Q20, regarding the write-off of judicial deposits resulting from the analysis of contingent liabilities and judicial deposits corresponding to the lawsuits filed by the Company.
- **Other non-cash effects[15]:** BRL79 million in 1Q21 vs. BRL76 million in 1Q20, an increase of BRL3 million in the expense from the previous quarter, due to the reduction of BRL6 million in the positive impact resulting from the mark-to-market adjustment of future energy agreements (BRL19 million in 1Q21 vs. BRL25 million in 1Q20), partially offset by the effective reduction in depreciation and amortization of BRL2.5 million.

[15] Includes depreciation/amortization, provisions for warehouse, provisions of PIS/COFINS for judicial deposits and mark-to-market adjustment of future energy agreements.

Excluding all non-recurring and non-cash effects, operating costs and expenses in 1Q21 totaled BRL293 million, increasing 97% from 1Q20 (BRL149 million).



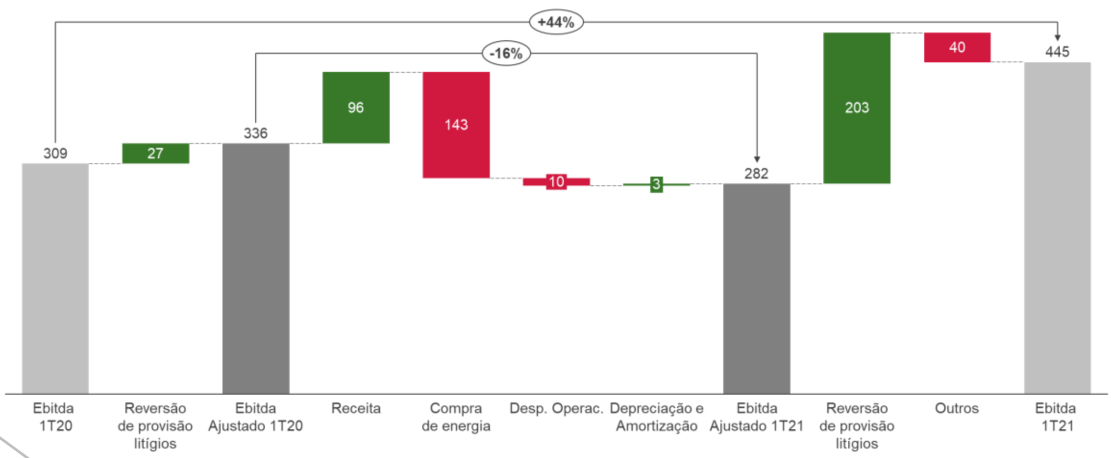
EBITDA

(BRL thousand)	1Q21	1Q20	Δ
Net Income	**115,798**	**53,813**	**115%**
Net IR/CSLL[16]	63,967	45,774	40%
Financial Result	167,863	109,210	54%
= EBIT	**347,628**	**208,797**	**66%**
Depreciation & Amortization	97,855	100,395	-3%
EBITDA	**445,483**	**309,192**	**44%**
Reversal of provision for litigation	(202,872)	26,979	-
Write-off of judicial deposits	39,781	-	-
Adjusted EBITDA	**282,392**	**336,171**	**-16%**
Adjusted EBITDA margin	51%	73%	-22 p.p.

Adjusted EBITDA totaled BRL282 million in 1Q21, with margin of 51%, down 16% from the same period in 2020 (BRL336 million). The variations in adjusted EBITDA are mainly due to: (i) the increase in energy purchase costs in 1Q21 due to the expansion of trading operations and the worsening hydrological scenario in relation to 1Q20 (GSF of 86.6% in 1Q21 vs. 103.2% in 1Q20) resulting in a higher purchase volume to mitigate hydrological

[16] 1Q21: Net IR and CSLL resulting from BRL10 million of current tax and BRL54 million of deferred tax, of which BRL11 million is cash outflow.

risk in the energy balance; and (ii) the reversal of the provision for litigations in the amount of BRL203 million in 1Q21.



FINANCIAL INCOME (EXPENSE)

(BRL thousand)	1Q21	1Q20	Δ
Financial revenues	**5,725**	**10,513**	**-46%**
Financial expenses	**(173,588)**	**(119,723)**	**45%**
Debt charges	(19,111)	(25,604)	-25%
Monetary update of debentures	(38,350)	-	-
Balance update of provision for litigation	(65,723)	(69,085)	-5%
Write-off of judicial deposits	(1,832)	-	-
Balance update of post-employment benefits	(39,530)	(15,092)	162%
Other finance costs	(9,042)	(9,942)	-9%
Financial results	**(167,863)**	**(109,210)**	**54%**

In 1Q21, the Company registered a net financial expense of BRL168 million, compared to net financial expense of BRL109 million in 1Q20. The increase in the quarterly comparison is mainly due to:

- **Debt charges and monetary update of debentures:** Increase of BRL32 million due to the 12th issue of debentures by the Company, indexed to IPCA (about 2% in 1Q21), totaling an expense of BRL57 million in 1Q21 vs. BRL26 million in 1Q20.

[17] "Energy Purchase" do not include trading operations, "Operational Expenses" = PMSO (Personnel, Material, Third Party Services and Other), "Other" = Write-off of judicial deposits

- **Adjustment of post-employment benefit balance:** Expense of BRL40 million in 1Q21 vs. BRL15 million in 1Q20, an increase of BRL24 million, mainly explained by the adjustment of the balance of actuarial liability on pension plans sponsored by the Company. For more details, see the section "Pension Plan – Vivest" in this document.
- **Adjustment of balance of provision for litigation:** Reduction of BRL3 million, due to the reduction in the total provision for litigation, in line with the procedural strategy to reduce contingent liability, totaling BRL66 million in 1Q21 vs. BRL69 million in 1Q20.

INCOME TAX (IR) AND SOCIAL CONTRIBUTION (CSLL)

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

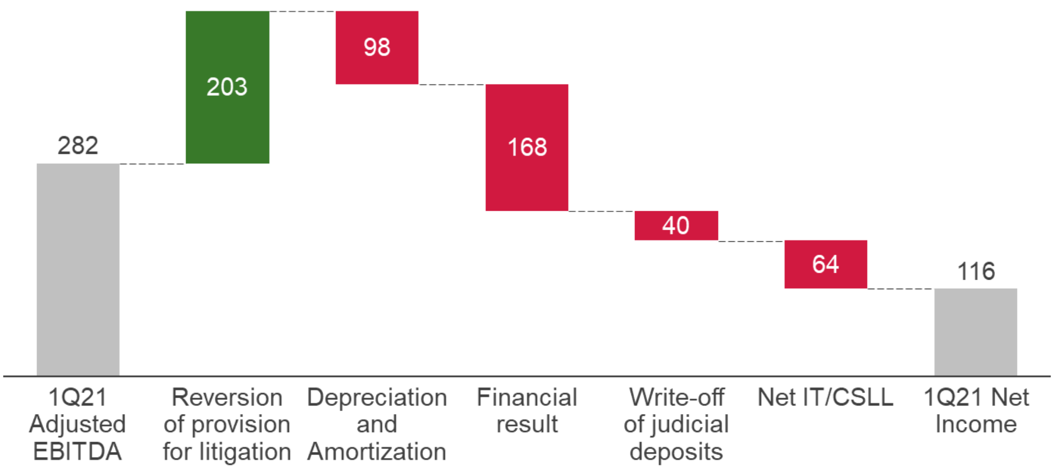
IR and CSLL in 1QT21 totaled BRL64 million, of which BRL10 million refer to current taxes and BRL54 million refer to deferred taxes. Taxes paid in 1Q21 were estimated at BRL11 million (cash effect, considering an effective rate of 36%).

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

NET INCOME (LOSS)

In 1Q21, the Company reported net income of BRL116 million, compared to net income of BRL54 million in 1Q20. The following chart shows the main factors that influenced the net income in the quarter, based on adjusted EBITDA during the same period:

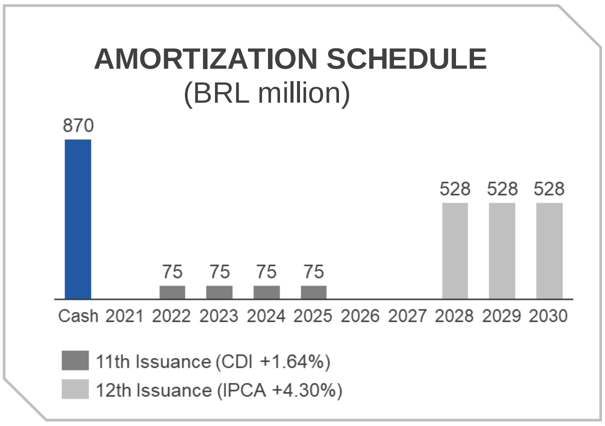
NET INCOME (LOSS) – 1Q21
(BRL million)

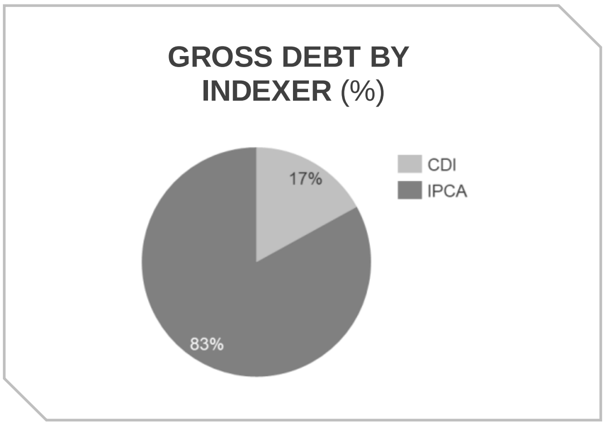


INDEBTEDNESS

Gross debt on March 31, 2021 was BRL1.9 billion, in line with the same period in 2020.

On March 31, 2021, the average maturity of debt was 7.5 years.

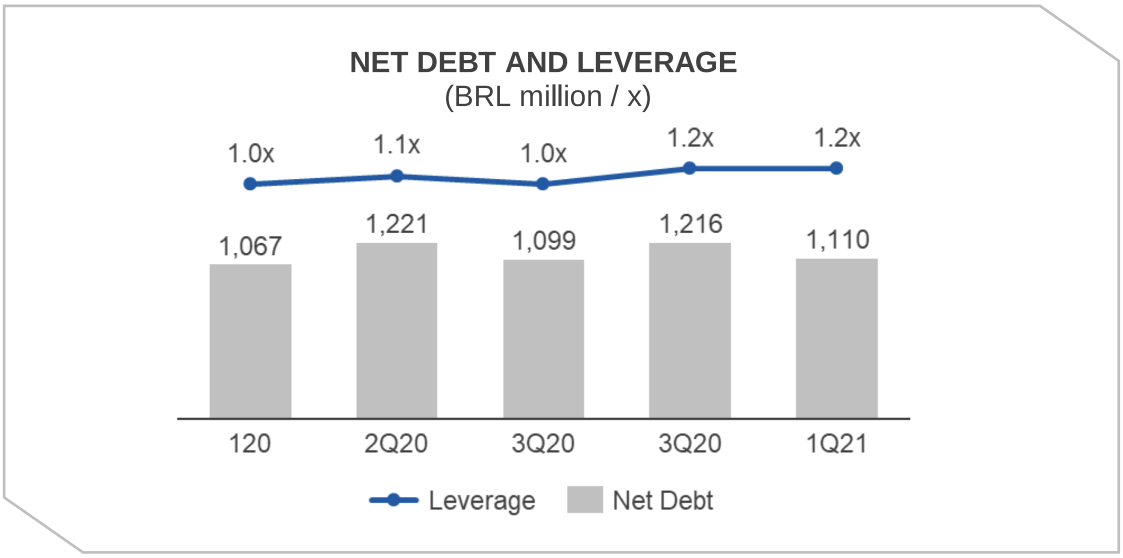




Cash and cash equivalents at the end of the quarter stood at BRL870 million, compared to BRL950 million in the same period the previous year and BRL713 million in December 2020. Net debt on March 31, 2021 was BRL1.1 billion.

LEVERAGE

Leverage, as measured by the ratio of net debt to adjusted EBITDA, ended 1Q21 at 1.2x.



RATING

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

CAPEX

In 1Q21, the capex of CESP was BRL1 million, decreasing from the same period the previous year, and was mainly allocated to the modernization and maintenance of hydroelectric plants.

FREE CASH FLOW

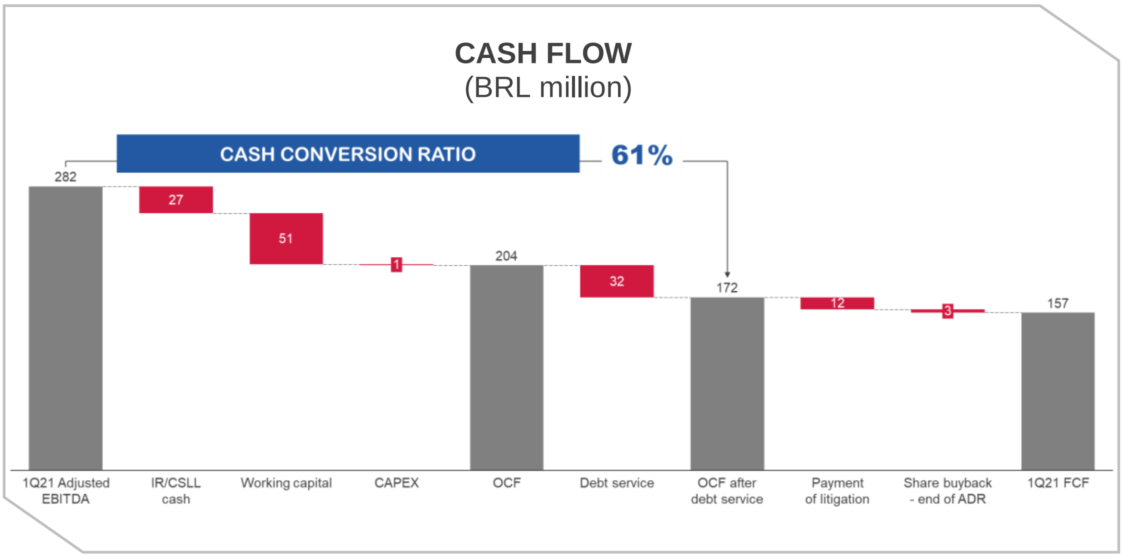
(BRL thousand)	1Q21	1Q20	Δ
Adjusted Ebitda	282,392	336,171	-16%
IR/CSLL cash	(26,718)	(10,662)	151%
Working capital	(50,720)	(88,060)	-42%
CAPEX	(1,012)	(2,344)	-57%
Operating cash flow	**203,942**	**235,105**	**-13%**
Debt service	(31,934)	(3)	-
Operating cash flow after debt service	**172,008**	**235,102**	**-27%**
Litigation payment	(11,934)	(26,267)	4%
Depreciation and amortization	-	(11)	-
Share Buyback – end of ADR	(3,332)	-	-
Dividends	-	(85)	-
Free cash flow	**156,742**	**208,739**	**-25%**
Opening cash balance	713,384	741,444	61%
Final cash balance	870,126	950,183	-4%

The Company ended 1Q21 with operational cash flow of BRL172 million after debt service, which represents a cash conversion ratio[18] of 61%.

The change in operational cash flow between the quarters was mainly due:

[18] Cash conversion Ratio = OCF after debt service/Adjusted EBITDA.

- Working capital: Reduction of BRL37 million (BRL51 million in 1Q21 vs. BRL88 million in 1Q20) explained by: (i) extinction of CCEE's accounts receivable, which accounted for BRL12 million in 1Q20; and (ii) reduction of MtM operations (BRL19 million in 1Q21 vs. BRL25 million in 1Q20).
- IR/CSLL cash: Increase of BRL16 million due to the distribution of interest on equity, approved by the management in December 2020, totaling BRL27 million in 1Q21 vs. BRL11 million in 1Q20.



RETIREMENT PLAN (VIVEST)

HISTORY AND CALCULATION METHODOLOGY

Through Vivest, the Company sponsors the retirement plan for its current and former employees. The benefit plans were constituted in two different types: (i) defined contribution plan ("DB"); and (ii) defined benefit plan ("DC").

In the DC plan, the Company makes fixed contributions to Vivest and has no legal obligations in case of actuarial deficit[19].

In DB plans, a fixed retirement amount is established, which the employee will receive upon retirement. CESP's most important DB benefit plan is the Supplementary Proportional Settled Benefit ("BSPS") created as a result of negotiations between the Sao Paulo State Government (former controlling shareholder) and unions to enable the privatization of energy companies in 1997.

The amounts of actuarial commitments[20] related to the DB plan are calculated annually by an independent actuary with a base date that coincides with the end of the year and

[19] Actuarial deficit: projection indicating that there will be no money enough to cover all retirements and pensions in the future.
[20] Actuarial commitments: contributions, costs, liabilities and/or assets.

are recorded pursuant to CPC 33 (R) / IAS 19 ("CPC 33"), which defines the methodology for booking employee benefits.

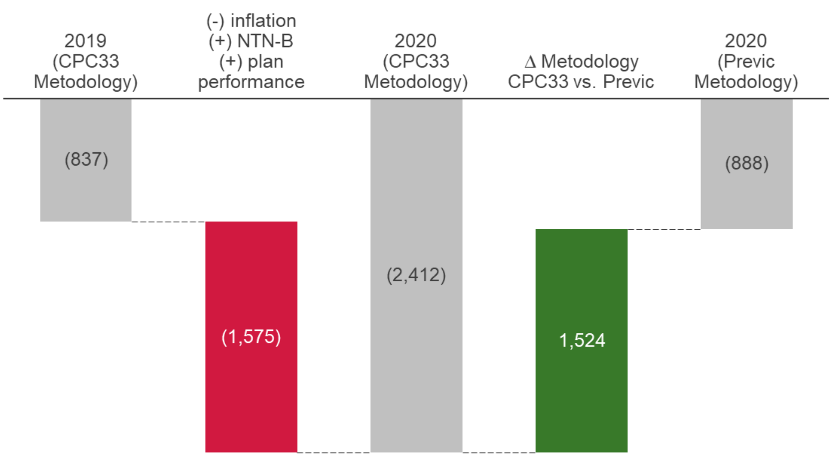
- The liability recognized in the balance sheet is the present value of the benefit obligation on the balance sheet date less the fair value of assets of the plan;
- Actuarial gains and losses are recorded directly in shareholders' equity under "Other Comprehensive Income". These actuarial gains and losses are calculated at the end of each year based on the independent actuary's report.

In parallel with the accounting evaluation, the National Superintendent of Complementary Pension Plans (PREVIC) calculates the actuarial commitments using the methodology defined by CNPC Resolution 30/2018 and PREVIC Ordinance 300 of April 12, 2019. This methodology differs from CPC 33 mainly in relation to: (i) the calculation of the actuarial liability; (ii) definition of the asset; and (iii) discount rates. The methodology used by PREVIC is used to calculate the actuarial position and, therefore, defines the need for contributions by CESP over time if deficit positions are registered.

CURRENT CALCULATION

In 2020, the effects of inflation and interest on liabilities and actuarial target had an impact on the accounting fair value. Liability projections were impacted by inflation (IGP-DI detachment) and partially offset by the positive effect of the increase in the liability discount rate (NTN-B rate).

ACTUARIAL LIABILITY CALCULATION - Δ METHODOLOGIES
(BRL million)



Note that the deficit does not represent debt or cash impact according to both the methodologies adopted. The calculation is made annually and will be updated in December 2021, after the Company concludes its mitigating actions.

LATEST UPDATES AND NEXT STEPS

On June 16, 2020, CESP's Board of Directors approved measures to adapt the VIVEST Plans to current market practices, as well as the isonomy and risk mitigation measures inherent to the VIVEST Plans, in compliance with applicable procedures and regulations. On December 10, 2020, the measures were also approved by the board of VIVEST and the next step is getting the approval from PREVIC, which is expected in mid-2021.

After obtaining approval from PREVIC and the implementing the mitigation measures, the actual deficit amount will be recalculated using the entity's own methodology.

These mitigation measures include, for example, the optional migration of members from DB to DC plans as per the individual interests of each beneficiary.

DIVIDENDS

The Bylaws of the Company establish the distribution of net income from the year, after legal deductions, as follows:

(i) A portion will be used to pay the 10% priority annual dividend on class A preferred shares, out of the capital stock of this class;

(ii) Of the balance, an amount will be used to pay the mandatory annual dividend on common shares (CESP3) and class B preferred shares (CESP6) corresponding to 10% of the capital stock represented by these shares; and the balance will be distributed to the two classes of shares;

(iii) The balance will be allocated as resolved by the Shareholders Meeting, subject to the retentions permitted by law, and if it is distributed to the common shares and class A and B preferred shares, it will be on the same terms for each.

DISTRIBUTION

At a meeting held on December 16, 2020, the Board of Directors approved the proposal for distributing interest on equity to shareholders in the amount of BRL150 million (ex-interest on equity from December 22, 2020) and at a meeting held on February 11, 2020, the Board approved the proposal for distributing mandatory and additional dividends to shareholders in the amount of BRL700 million (ex-dividend from April 5, 2021). Both distributions were approved at the Annual Shareholders Meeting held on March 30, 2021.

The payments will be made in two installments. The first, totaling BRL600 million, was paid on April 15, 2021. The second, totaling BRL250 million, will be paid on September 15, 2021.

CONTINGENCIES

LAWSUITS AGAINST THE COMPANY

The Company is currently a party in lawsuits that represent a total contingent liability of approximately BRL10 billion. It must be emphasized that the Company still has a procedure for carefully evaluating the balance of litigation liabilities, which includes hiring external legal and financial advisors, in addition to the work carried out by our inhouse team.

Given the significant volume of litigation liabilities currently booked by the Company, both the amounts under litigation and the loss forecasts applicable to existing lawsuits are constantly reviewed. In addition, in its constant pursuit of optimizing the management and reducing legal liabilities, the Company also continues to meticulously qualify certain lawsuits as "strategic", which are directly monitored by it and are handled by highly reputed and qualified law firms. The remaining litigation portfolio is also given high importance.

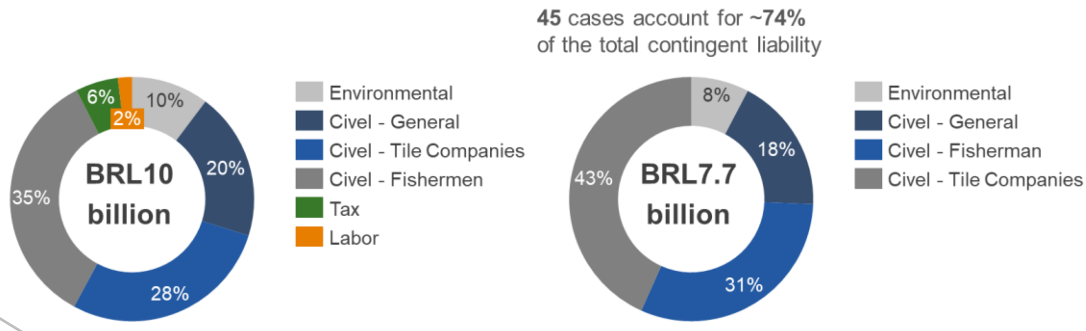
The Company reiterates that the litigation liability amount is subject to constant changes precisely because its measurement is linked to the actual progress of the lawsuits. Thus, as an institutional policy, the Company seeks to reflect in its balance sheet, with the minimum gap, the current status of its liabilities portfolio (which justifies the quarterly variations in the amounts disclosed under this item).

In relation to contingencies arising from lawsuits whose likelihood of loss is considered remote, as already reported in previous quarters, the Company still chooses to maintain the historically adopted practice in the preparation of its Financial Statements, disclosing the total amount corresponding to this type of contingency. However, although the Company believes that the disclosure of such amounts is appropriate at that time, it also reiterates that, among the various lawsuits assessed as entailing remote risk, there are obviously groundless claims, whose amount in dispute does not, under any circumstances, represent the financial amount effectively under dispute and which would fall due in the event of an adverse court decision.

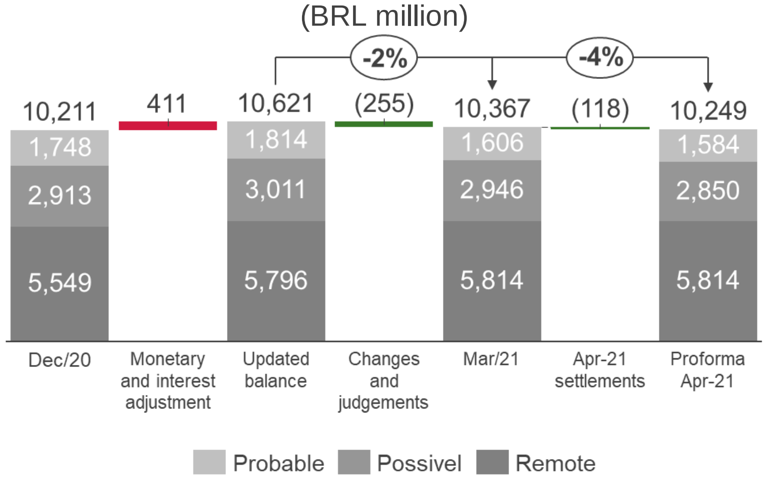
Finally, without prejudice to the constant efforts aimed at reducing its litigation liabilities, the Company transparently affirms that the performance of this process may be adversely affected by any new claims it may receive or by adjustments in the valuation of the lawsuits already in its portfolio. In this scenario, the strategy to reduce judicial liabilities continues to include technical and procedural actions as well as preventive actions to reduce the number of lawsuits filed against the Company.

Currently, the strategic lawsuits group consists of about 45 lawsuits, which corresponds to approximately 74% of the Company's litigation liabilities, as detailed below:

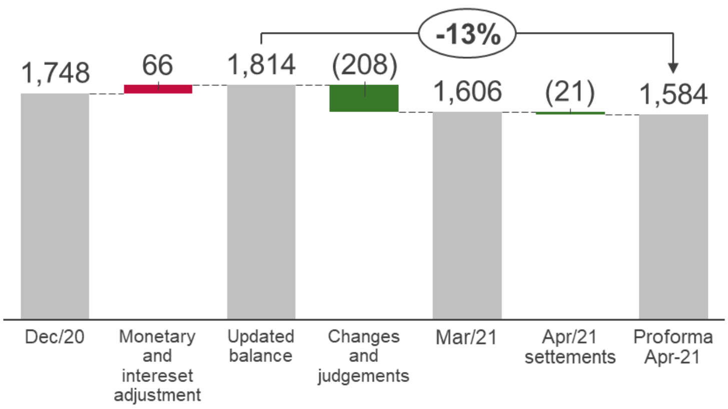
CONTINGENT LIABILITIES PROFILE
(BRL % total)



CONTINGENT LIABILITIES VARIATION
(BRL million)



PROBABLE LIABILITIES VARIATION
(BRL million)



In 2021, the Company made progress in the management and resolution of strategic lawsuits, reducing the lawsuits assessed as probable loss by BRL229 million, considering settlements made until April 2021. This reduction is mainly explained by judicial agreements and revision of estimates according to the progress of lawsuits.

Moreover, CESP remains alert to opportunities for attractive and reasonable negotiations and settlements in order to reduce the contingent liability, always guided by technical criteria and financial discipline.

TRÊS IRMÃOS LAWSUIT

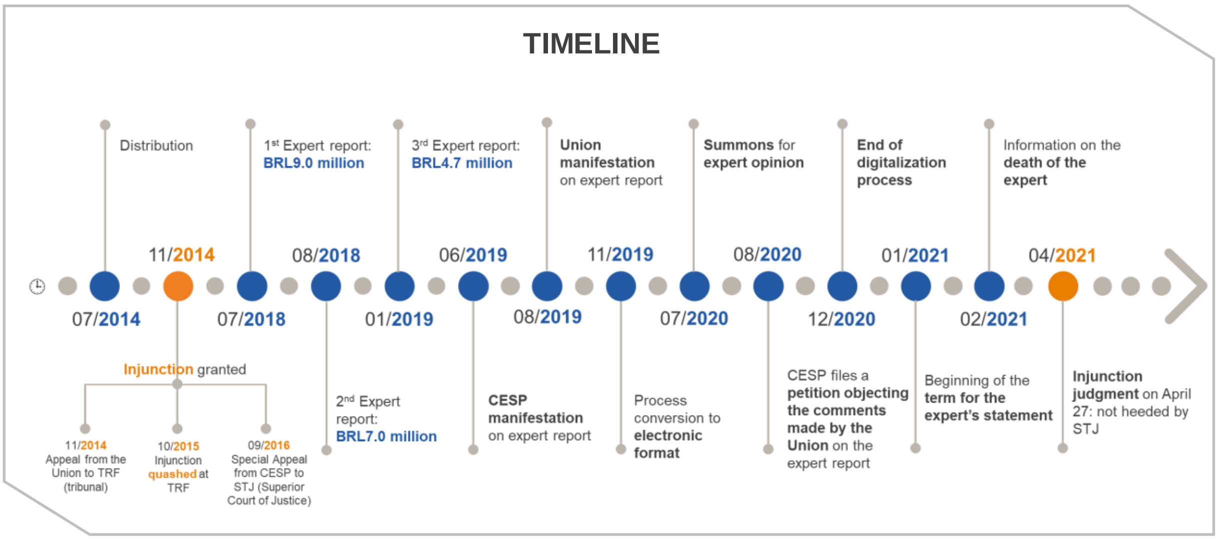
The indemnity proceedings of Três Irmãos (case no. 45939-32.2014.4.01.3400) is in the lower court at the evidentiary stage, with discussions about the latest report from the legal expert, who valued the reversible assets at BRL4.7 billion (June 2012 values). The valuation consists of: Plant: BRL1.9 bn; Floodgates and Canal: BRL1.0 bn; Land: BRL1.8 bn.

After statements by the Federal Government and CESP regarding the expert report, on July 10, 2020, an order was issued requesting the expert's opinion, after correcting the digitization process, on the questions raised by the Government in relation to the report.

In December 2020, the completion of the digitalization of the Três Irmãos lawsuit was certified and the expert was summoned to provide clarifications on the expert report. The deadline for said statement was 15 working days from January 28, 2021 and would end on February 19, 2021. On February 10, 2021, the death of the expert in question was included in the records of the case.

The Superior Court of Justice, as to the judgment of the Special Appeal no. 1.643.760/SP, held on April 27, 2021, did not comply the appeal filed by CESP in December 2016 requiring immediate payment by the Federal Government of the uncontested figure of BRL1.7 billion (June 2012 values), regarding the Três Irmãos' indemnity, as ordinance from the Ministry of Mines and Energy n.129/2014. This decision do not affects the main discussion in course in the lower court at the evidentiary stage, currently in final expert report phase.

The case timeline is shown below, with the most recent and significant events of the case:



ESG[21] AGENDA

In 2021, the Company continued the rollout of its ESG agenda defined in 2020 through, for example, the creation of a Sustainability Platform, which, based on an integrated analysis of the UN Sustainability Development Goals (SDGs) and a materiality assessment, established three action fronts:

Proactive approach to environmental and climate issues – this involves aligning power generation with guaranteeing the multiple uses of water in order to conserve the ecosystem, minimizing the impacts of operations, adapting to climate change, environmental education, and healthy relations with the community.

Local and human development – Continuous pursuit of value creation and commitment to transparency in management, while strengthening its commitments to stakeholders: employees, communities, customers, suppliers and investors. And this is done by offering working conditions, health, safety, well-being, diversity and transparent operations, and by guaranteeing rights and opportunities for human development and business generation.

Inclusive growth – Sustainability and profitability must go together. Hence, the focus should be on launching social and environmental programs that foster a new mentality between employees and the community, while promoting financial and social inclusion, and the development of local capabilities.

Sustainability is a strategic theme at CESP, which established a corporate ESG goal comprising 14 strategic initiatives to ensure progress on this subject throughout the company. This goal covers all executive officers and managers and will be considered in the 2021 annual variable compensation of all the leaders.

Accordingly, in early 2021, we highlight two important corporate governance actions:

- The creation of a Sustainability Commission consisting of two directors and one external consultant. The commission's mission is to advise the Board of Directors on topics related to ESG management and keeping them in the company's strategic horizon; and
- The increase of women participation in Company's top management positions, with the election of two woman for the Board of Directors and one for the Fiscal Council.

For more details on CESP's ESG agenda and all the actions and projects, read the 2020 Annual Report available on the Company's website.

CAPITAL MARKETS

CESP has common shares (CESP3) and class A and B preferred shares (CESP5 and CESP6, respectively) listed and traded on the Sao Paulo Stock Exchange (B3) in the

[21] Environmental, Social and Governance

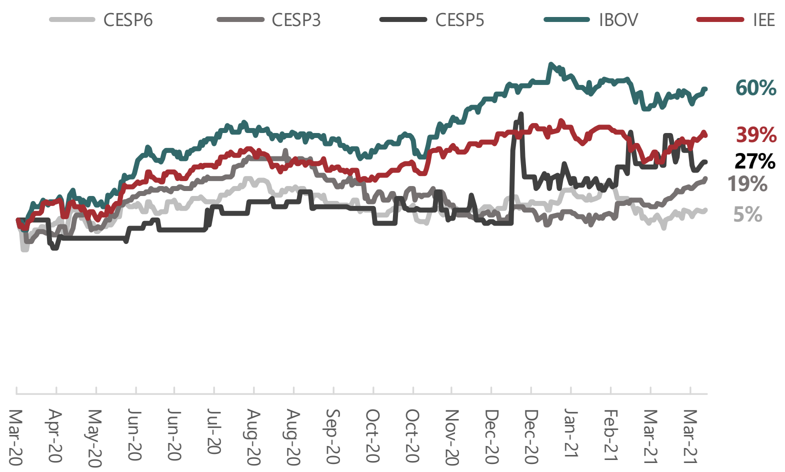
Level 1 Corporate Governance segment, which values ethics and transparency in relations with shareholders and other stakeholders of the Company. The Company's shares have been included in several indices, including the Corporate Governance Index, which lists companies with differentiated corporate governance standards, and the Brazil 100 Index of the most traded shares on B3.

At the end of 1Q21, the class B preferred shares (CESP6), which represent 64.4% of the total capital stock, were quoted at BRL28.16, decreasing 2.8% in the quarter. Daily average liquidity was BRL72 million (vs. BRL81 million in 1Q20), equivalent to 2.5 million shares traded on average per day.

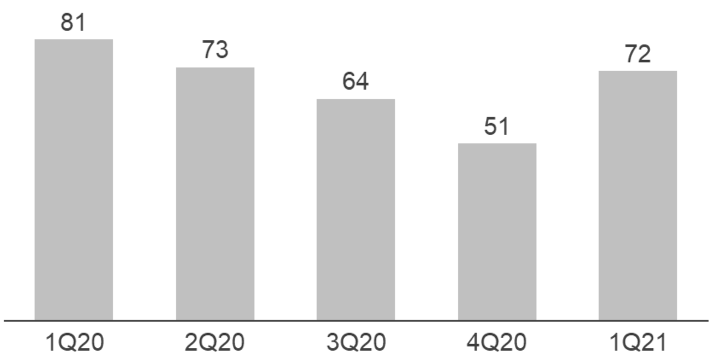
In the same period, the common shares (CESP3), which correspond to 33.3% of the capital stock, were quoted at BRL33.13, appreciating 9.2%, while class A preferred shares (CESP5), which correspond to 2.3% of the capital stock, were quoted at BRL39.30, gaining 10.3% in the quarter.

CESP's market value on March 31, 2021 was BRL9.8 billion, compared to BLR8.9 billion on March 31, 2020.

STOCK PERFORMANCE – LAST 12 MONTHS
(BRL million – base 100 on March 31, 2020)



EVOLUTION OF LIQUIDITY
(BRL million)



APPENDICES

BALANCE SHEET

	Parent Company		Consolidated	
Asset	**03/31/2021**	**12/31/2020**	**03/31/2021**	**12/31/2020**
Current	**1,159,168**	**977,559**	**1,294,499**	**1,118,857**
Cash and cash equivalents	813,730	643,045	870,126	713,384
Derivative financial instruments	-	-	-	-
Receivables	216,852	213,276	284,147	272,817
Taxes to recover	60,044	48,639	71,304	61,190
Dividends	1,158	1,158	-	-
Future energy contracts				
Prepaid expenses	961	1,957	961	1,957
Other credits	66,423	69,484	66,448	69,509
Non-current	**13,268,337**	**13,443,300**	**13,246,752**	**13,433,007**
Derivative financial instruments	-	-	-	-
Pledges and restricted deposits	218,870	260,496	218,870	260,496
Deferred IR/CSLL	3,891,628	3,933,797	3,908,905	3,954,680
Warehouse	5,960	6,023	5,959	6,023
Assets available for reversal	1,739,161	1,739,161	1,739,161	1,739,161
Investments	38,861	31,176	-	-
Immobilized	5,872,427	5,956,429	5,872,427	5,956,429
Intangible	1,495,452	1,509,895	1,495,452	1,509,895
Right of use over lease agreements	5,978	6,323	5,978	6,323
Total assets	**14,427,505**	**14,420,859**	**14,541,251**	**14,551,864**

Liabilities and Shareholders 'Equity	Parent Company 03/31/2021	Parent Company 12/31/2020	Consolidated 03/31/2021	Consolidated 12/31/2020
Current	**1,176,398**	**926,818**	**1,286,447**	**1,050,593**
Suppliers	52,084	42,342	105,192	103,080
Loans, financing and debentures	5,398	18,220	5,398	18,220
Lease	1,700	1,700	1,700	1,700
Derivative financial instruments	79,182	58,936	127,584	95,084
Future energy contracts	-	-	-	17,336
Estimated liabilities and payroll	12,460	22,479	13,060	23,387
Taxes and social contributions	24,953	32,084	32,881	40,721
Regulatory charges	75,534	76,507	75,534	76,507
Dividends and interest on capital	834,541	581,919	834,541	581,919
UBP - Use of public asset tax	40,336	41,307	40,336	41,307
Social and environmental obligations	28,411	28,426	28,411	28,426
Other liabilities	21,799	22,898	21,810	22,906
Non-current	**6,200,629**	**6,287,828**	**6,204,326**	**6,295,058**
Loans, financing and debentures	1,840,578	1,800,854	1,840,578	1,800,854
Lease	4,468	4,788	4,468	4,788
Derivative financial instruments	-	6,019	-	9,141
Future energy contracts	-	-	3,697	4,108
Regulatory charges	1,240	1,240	1,240	1,240
UBP - Use of public asset tax	105,567	114,057	105,567	114,057
Provisions for litigation	1,606,027	1,748,257	1,606,027	1,748,257
Social and environmental obligations	148,503	152,749	148,503	152,749
Post-employment benefit	2,451,341	2,412,379	2,451,341	2,412,379
Other liabilities	42,905	47,485	42,905	47,485
Shareholders' Equity	**7,050,478**	**7,206,213**	**7,050,478**	**7,206,213**
Capital stock	5,975,433	5,975,433	5,975,433	5,975,433
Capital reserves	1,929,098	1,929,098	1,929,098	1,929,098
Profit reserves	1,934,515	2,187,137	1,934,515	2,187,137
Equity valuation adjustments	(2,893,847)	(2,885,455)	(2,893,847)	(2,885,455)
Other comprehensive income	108,611	-	108,611	-
Retained earnings	(3,332)	-	(3,332)	-
Total Liabilities and Shareholders 'Equity	**14,427,505**	**14,420,859**	**14,541,251**	**14,551,864**

INCOME STATEMENT

Income Statement (Detailed)	Parent Company			Consolidated		
BRL thousand	1Q21	1Q20	Chg. (%)	1Q21	1Q20	Chg. (%)
Gross operational revenues	**463,363**	**460,885**	**1%**	**634,200**	**540,862**	**17%**
Bilateral contracts	335,807	323,147	4%	459,377	394,841	16%
Trading operations	-	-	n.m.	58,304	12,252	n.m.
Energy Auctions - distributors						
Short-term energy	11,828	15,882	-26%	11,828	15,882	-26%
Derivative financial instruments	(15,354)	(5,668)	171%	(26,391)	(9,637)	174%
Other revenue	705	747	-6%	705	747	-6%
Deduction from the operating revenues	**(60,491)**	**(61,676)**	**-2%**	**(77,315)**	**(80,322)**	**-4%**
Quota for global reversal reserve - RGR	(446)	(843)	-47%	(446)	(843)	-47%
Research and development - R&D	(4,184)	(3,933)	6%	(4,184)	(3,933)	6%
Taxes on services - ISS	(21)	(23)	-9%	(21)	(23)	-9%
COFINS on operating revenues	(36,383)	(34,666)	5%	(50,206)	(49,986)	0%
PIS on operating revenues	(7,899)	(7,526)	5%	(10,900)	(10,852)	0%
Financial compensation for the use of water resources	(10,228)	(13,456)	-24%	(10,228)	(13,456)	-24%
Energy sector inspection fee - TFSE	(1,330)	(1,229)	8%	(1,330)	(1,229)	8%
Net Operational Revenues	**402,872**	**399,209**	**1%**	**556,885**	**460,540**	**21%**
Costs of the electric energy service	**(214,520)**	**(173,695)**	**24%**	**(365,112)**	**(226,335)**	**61%**
Gross operating profit	**188,352**	**225,514**	**-16%**	**191,773**	**234,205**	**-18%**
Operating expenses	**139,258**	**(47,059)**	**n.m.**	**155,855**	**(25,408)**	**n.m.**
General and administrative	(25,298)	(20,640)	23%	(27,961)	(23,828)	17%
Other operating revenues, net	164,556	(26,419)	n.m.	183,816	(1,580)	n.m.
Equity	13,354	20,316	-34%	-	-	n.m.
Operating profit (loss) before financial income	**340,964**	**198,771**	**72%**	**347,628**	**208,797**	**66%**
Financial result	5,488	10,051	-45%	5,725	10,513	-46%
Financial Expenses	(173,559)	(119,692)	45%	(173,588)	(119,723)	45%
Net exchange variation	-	-	n.m.	-	-	n.m.
Financial result	**(168,071)**	**(109,641)**	**53%**	**(167,863)**	**(109,210)**	**54%**
Financial result	**172,893**	**89,130**	**94%**	**179,765**	**99,587**	**81%**
Income before tax and social contribution	(9,822)	(34,007)	-71%	(10,166)	(37,077)	-73%
Tax and social contribution - current	(47,273)	(1,310)	n.m.	(53,801)	(8,697)	n.m.
Tax and social contribution - deferred	**(57,095)**	**(35,317)**	**62%**	**(63,967)**	**(45,774)**	**40%**
Net Income (loss)	**115,798**	**53,813**	**115%**	**115,798**	**53,813**	**115%**
Net income (loss) for the period per share	0.35	0.16	115%	0.35	0.16	115%

NATURE OF COSTS AND EXPENSES

	Parent Company						
	1Q21			1Q20			
COSTS & EXPENSES	**Costs**	**Expenses**	**Total**	**Costs**	**Expenses**	**Total**	**Var. (%)**
Purchased energy	(69,181)	-	(69,181)	(29,696)	-	(29,696)	133%
Regulatory charges	(39,049)	-	(39,049)	(33,931)	-	(33,931)	15%
Personnel	(5,154)	(12,724)	(17,878)	(7,493)	(10,305)	(17,798)	0%
Administrators	-	(2,134)	(2,134)	-	(1,240)	(1,240)	72%
Post-employment benefits	-	438	438	-	122	122	n.m.
Material	(287)	(249)	(536)	(442)	(77)	(519)	3%
Third-party services	(2,657)	(4,874)	(7,531)	(1,233)	(4,092)	(5,325)	41%
Insurance	-	(1,036)	(1,036)	-	(2,250)	(2,250)	-54%
Depreciation/amortization	(95,972)	(1,883)	(97,855)	(98,367)	(1,967)	(100,334)	-2%
Rents	(253)	-	(253)	(116)	(504)	(620)	-59%
Reversal (Provision) for litigation	-	202,872	202,872	-	(26,979)	(26,979)	n.m.
Expenses with judicial deposits	-	(39,781)	(39,781)	-	-	-	n.m.
Reversal (Provision) for PIS/COFINS judicial deposits	-	(268)	(268)	-	(15)	(15)	n.m.
Conservation and maintenance	(777)	(675)	(1,452)	-	-	-	n.m.
Other (expenses) or income	(1,164)	589	(575)	(2,417)	248	(2,169)	-73%
Taxes, rates and contributions	(26)	(1,017)	(1,043)	-	-	-	n.m.
Total	**(214,520)**	**139,258**	**(75,262)**	**(173,695)**	**(47,059)**	**(220,754)**	**-66%**

	Consolidated						
	1Q21			1Q20			
COSTS & EXPENSES	**Costs**	**Expenses**	**Total**	**Costs**	**Expenses**	**Total**	**Var. (%)**
Purchased energy	(219,719)	-	(219,719)	(82,336)	-	(82,336)	167%
Regulatory charges	(39,049)	-	(39,049)	(33,931)	-	(33,931)	15%
Personnel	(5,154)	(14,791)	(19,945)	(7,493)	(12,402)	(19,895)	0%
Administrators	-	(2,134)	(2,134)	-	(1,240)	(1,240)	72%
Post-employment benefits	-	438	438	-	122	122	n.m.
Material	(287)	(251)	(538)	(442)	(75)	(517)	4%
Third-party services	(2,657)	(5,103)	(7,760)	(1,233)	(4,953)	(6,186)	25%
Insurance	-	(1,036)	(1,036)	-	(2,250)	(2,250)	-54%
Depreciation/amortization	(95,972)	(1,883)	(97,855)	(98,367)	(2,028)	(100,395)	-3%
Rents	(253)	-	(253)	(116)	(547)	(663)	-62%
Provision (reversal) to reduce the realizable value of warehouses	-	-	-	-	54	54	n.m.
Reversal (Provision) for litigation	-	202,872	202,872	-	(26,979)	(26,979)	n.m.
Expenses with judicial deposits	-	(39,781)	(39,781)	-	-	-	n.m.
Future energy contracts	-	19,260	19,260	-	24,840	24,840	-22%
Provision (reversal) for PIS/COFINS judicial deposits	-	(268)	(268)	-	(15)	(15)	n.m.
Other (expenses) or income	(1,218)	450	(768)	(2,417)	65	(2,352)	-67%
Taxes, rates and contributions	(26)	(1,219)	(1,245)	-	-	-	n.m.
Conservation and maintenance	(777)	(699)	(1,476)	-	-	-	n.m.
Total	**(365,112)**	**155,855**	**(209,257)**	**(226,335)**	**(25,408)**	**(251,743)**	**-17%**