



INTERIM FINANCIAL STATEMENTS

Eneva S.A.

March 31, 2021

Independent auditors' report on the interim financial
statements



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Report on review of quarterly information - ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards – IFRS)

To the Board of Directors and Management of
Eneva S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the interim financial information, individual and consolidated, of Eneva S.A. ("Company"), included in the quarterly information - ITR for the quarter ended March 31st, 2021, which comprises the balance sheet and the respective statements of income, statements of comprehensive income, the statements of changes in shareholders' equity and the statement of cash flows for the three-month period then ended, including the explanatory notes.

The Company's Management is responsible for the preparation and presentation of this individual interim financial information in accordance with CPC 21(R1) and the consolidated interim financial information in accordance with CPC 21(R1) and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of quarterly information – ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We have conducted our review in accordance with the Brazilian and international interim information review standards (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 financial information consists of inquiring primarily the people responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly smaller than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, we are not aware of any fact that might lead us to believe that the individual interim financial information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1) applicable to the preparation of quarterly information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.



Conclusion on the consolidated interim financial information

Based on our review, we are not aware of any fact that might lead us to believe that the consolidated interim financial information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of quarterly information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters - Statements of added value

The aforementioned quarterly information includes the statements of added value (DVA), individual and consolidated, for the three-month period ended March 31st, 2021, prepared under the responsibility of the Company's Management, and presented as supplementary information for the purposes of IAS 34. These statements were subject to review procedures jointly performed with the review of the quarterly information, aiming at concluding whether they have been reconciled with the interim financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Committee for Accounting Pronouncements 09 (CPC 09) - Statement of Added Value. Based on our review, we are not aware of any fact that might lead us to believe that the accompanying statements of added value are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, May 12, 2021

KPMG Auditores Independentes

CRC SP-014428/O-6 F-RJ

Original in Portuguese signed by

Luis Claudio França de Araújo

Accountant CRC RJ-091559/O-4

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Balance Sheet

(All amounts in thousands of reais)

		Parent Company		Consolidated	
	Note	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	5	377,323	275,334	1,464,233	1,384,933
Marketable securities	6	168,235	144,570	599,610	511,317
Trade receivables	7	1,381	1,413	318,965	700,964
Inventories	8	48,223	45,277	232,692	179,015
Prepaid expenses		4,964	7,042	19,418	29,411
Income tax and social contribution recoverable		30,274	22,039	59,604	73,022
Other taxes recoverable		7,734	6,949	32,397	19,846
Derivative financial instruments	14	-	-	1,871	-
Dividends and interest on capital receivable	16	62,193	62,192	-	-
Judicial deposits		2,229	2,229	2,412	2,412
Related-parties' loans	16	221,887	186,692		
Related-party transactions	16	48,075	140,802	-	-
Advances to suppliers		1,660	2,171	18,381	23,070
Others		-	-	5,999	6,412
		974,178	896,710	2,755,582	2,930,402
Non-current assets					
Long-term receivables					
Judicial deposits		1,891	1,882	4,058	3,770
Related-party transactions	16	83,547	139,355	51	51
Related-parties' loans	16	1,429,610	1,486,755	-	-
Income tax and social contribution recoverable		2,713	531	8,015	6,233
Other taxes recoverable		121,985	109,996	131,585	110,243
Deferred income tax and social contribution	9	492,878	503,142	828,427	865,059
Others		89	94	4,260	7,485
		2,132,713	2,241,755	976,396	992,841
Investments					
Property, plant and equipment	10	6,366,105	6,287,200	9,673	9,633
Intangible assets	11	2,513,816	2,413,979	11,335,545	10,946,675
		890,640	898,610	1,324,904	1,338,545
		11,903,274	11,841,544	13,646,518	13,287,694
		12,877,452	12,738,254	16,402,100	16,218,096

The accompanying notes are an integral part of these financial statements.

Balance Sheet

Continuing

(All amounts in thousands of reais)

		Parent Company		Consolidated	
	Note	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Liabilities					
Current liabilities					
Trade payables	12	36,115	44,523	411,565	492,456
Borrowings and financings	13	15,600	15,613	19,482	19,193
Debentures	13	37,389	11,886	160,624	118,520
Lease		25,050	25,720	41,458	34,729
Income tax and social contribution payable		1,100	4,394	113	36,998
Other taxes payable		9,913	41,612	25,057	67,086
Derivative financial instruments	14	-	-	-	2,391
Social and labor obligations		31,643	34,643	46,545	49,070
Profit sharing		11,974	51,255	18,415	78,947
Trade payables - electric power sector		-	-	12,316	12,455
Research and development - electric power sector		-	-	79,564	82,603
Provision - reimbursement cost		-	-	58,352	64,445
Other payables		4,054	4,074	7,117	7,046
		172,838	233,720	880,608	1,065,939
Non-current liabilities					
Trade payables	12	1,558	2,338	26,855	44,382
Borrowings and financings	13	60,758	64,605	1,477,036	1,311,099
Debentures	13	4,345,245	4,273,366	5,638,201	5,593,853
Lease		38,831	42,614	101,499	66,239
Related-party transactions	16	105,629	105,629	176	168
Contractual retention		-	-	4,330	4,330
Provision for uncovered liability		4,541	4,298	-	-
Provision for contingencies	15	6,079	6,871	91,898	92,603
Provision for decommissioning costs		67,444	70,650	71,347	75,109
Deferred income tax and social contribution	9	-	-	38,336	32,692
Other payables		76	-	1,018	942
		4,630,161	4,570,371	7,450,696	7,221,417
Total liabilities		4,802,999	4,804,091	8,331,304	8,287,356
Shareholders' equity	17				
Share capital		8,873,481	8,848,409	8,873,481	8,848,409
Treasury shares		(75,073)	-	(75,073)	-
Capital reserve		8,173	25,418	8,173	25,418
Tax incentives reserve		253,071	253,071	253,071	253,071
Other comprehensive income		15,166	10,775	15,166	10,775
Accumulated losses		(1,000,365)	(1,203,510)	(1,000,365)	(1,203,510)
Shareholders' equity attributable to controlling shareholders		8,074,453	7,934,163	8,074,453	7,934,163
Interest of non-controlling stockholders		-	-	(3,657)	(3,423)
Total shareholders' equity		8,074,453	7,934,163	8,070,796	7,930,740
		12,877,452	12,738,254	16,402,100	16,218,096

The accompanying notes are an integral part of these interim financial statements.

Statements of Operations

For the quarters ended March 31, 2021 and 2020
(All amounts in thousands of reais, except, result per share)

		Parent Company		Consolidated	
	Note	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Sales and services income	20	232,039	202,831	951,352	939,110
Cost of sales and services	21	(93,642)	(71,819)	(580,262)	(523,066)
Gross profit		138,397	131,012	371,090	416,044
Operating costs/income					
General and administrative	21	(71,492)	(66,447)	(99,186)	(86,136)
Other operating income (expenses)	21	8,905	45	22,099	(17,163)
Equity in the result of investees	10	118,642	122,534	47	(6,377)
Result before finance income (costs) and taxes		194,452	187,144	294,050	306,368
Finance income/costs					
Finance income	22	42,664	50,306	44,261	62,811
Financial costs	22	(23,128)	(56,019)	(85,261)	(127,353)
Result before income taxes		213,988	181,431	253,050	241,826
Income tax and social contribution on income					
Current	11	(579)	-	(7,864)	(15,607)
Deferred	11	(10,264)	(1,673)	(42,275)	(46,583)
Profit for the period		203,145	179,758	202,911	179,636
Attributed to the owners of the parent company		203,145	179,758	203,145	179,758
Attributed to the non-controlling shareholders		-	-	(234)	(122)
Earnings per shares attributable to the owners of the parent during the year (expressed in R\$ per share)					
Basic earnings per share	18	-	-	0.21971	0.57004
Diluted earnings per share	18	-	-	0.21746	0.56709

The accompanying notes are an integral part of these interim financial statements.

Statements of Comprehensive Income

For the quarters ended March 31, 2021 and 2020
(All amounts in thousands of reais)

	Parent Company		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Profit for the period	203,145	179,758	202,911	179,636
Other comprehensive income				
Items that will be reclassified later to the result				
Cumulative translation adjustments	129	14,283	129	14,283
Carrying value adjustments	-	249	-	249
Total items that will be reclassified later to the result	129	14,532	129	14,532
Items that will not be reclassified to the result				
Gain with derivatives	4,262	62,432	4,262	62,432
Total comprehensive income for the period	207,536	256,722	207,302	256,600
Comprehensive income attributed to minority interest	-	-	(234)	(122)
Comprehensive income attributed to the owners of the company	207,536	256,722	207,536	256,722

The accompanying notes are an integral part of these interim financial statements.

Statements of Changes in Equity

(All amounts in thousands of reais)

			Revenue reserves						
	Paid-in share capital	Treasury shares	Capital reserve and options granted	Tax incentives reserve	Other comprehensive income	Accumulated Losses	Total Controllers' Equity	Non-controlling interests	Total Consolidated Shareholders' Equity
At January, 2020	8,834,907	-	15,640	110,725	9,541	(2,068,379)	6,902,434	(2,353)	6,900,081
Transactions with shareholders:									
Profit for the period	-	-	-	-	-	179,758	179,758	(122)	179,636
Fair value of asset instruments	-	-	1,271	-	-	-	1,271	-	1,271
Other comprehensive income:									
Foreign currency translation adjustments for the period	-	-	-	-	14,283	-	14,283	-	14,283
Carrying value adjustment: assets held for sale	-	-	-	-	249	-	249	-	249
Gains with derivatives	-	-	-	-	62,432	-	62,432	-	62,432
At March 31, 2020	8,834,907	-	16,911	110,725	86,505	(1,888,621)	7,160,427	(2,475)	7,157,952
At January, 2021	8,848,409	-	25,418	253,071	10,775	(1,203,510)	7,934,163	(3,423)	7,930,740
Capital increase of stock options awarded	25,072	-	(25,072)	-	-	-	-	-	-
Repurchase of shares Program	-	(75,073)	754	-	-	-	(74,319)	-	(74,319)
Transactions with shareholders:									
Profit for the period	-	-	-	-	-	203,145	203,145	(234)	202,911
Fair value of asset instruments	-	-	7,073	-	-	-	7,073	-	7,073
Other comprehensive income:									
Foreign currency translation adjustments for the period	-	-	-	-	129	-	129	-	129
Gains with derivatives	-	-	-	-	4,262	-	4,262	-	4,262
At March 31, 2021	8,873,481	(75,073)	8,173	253,071	15,166	(1,000,365)	8,074,453	(3,657)	8,070,796

The accompanying notes are an integral part of these interim financial statements.

Statements of Cash Flows

For the quarters ended March 31, 2021 and 2020
(All amounts in thousands of reais)

	Parent Company		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Cash flows from operating activities				
Result before income taxes	213,988	181,431	253,050	241,826
Adjustments to reconcile the result to the cash flows from operating activities:				
Depreciation and amortization	49,420	48,467	148,217	128,922
Write-off of properties, plants and equipment and intangible assets	-	-	482	-
Equity in the result of investees	(118,642)	(122,534)	(47)	6,377
Write-off of dry wells and subcommercial areas	4,153	(108)	4,153	(108)
Recovery of tax credits and interest	-	-	(12,917)	-
Financial result, net	(25,881)	(4,868)	51,070	21,039
Provision for contingencies	(239)	(830)	(419)	(431)
Amortization of funding cost	684	1,953	2,031	5,138
	123,483	103,511	445,620	402,763
Increase in assets / Increase in operating liabilities				
Sundry advances	511	321	4,689	6,551
Prepaid expenses	2,079	(4,334)	13,216	(42,854)
Trade receivables	32	182	384,307	271,978
Taxes recoverable	(23,191)	17,160	9,694	22,657
Secured deposits	-	(9)	(288)	(79)
Inventory	(2,946)	2,064	(53,677)	(60,679)
Taxes and contributions	(24,354)	(29,752)	(67,170)	(45,773)
Trade payables	(685)	(23,520)	(36,185)	(9,906)
Provisions and labor charges	(42,281)	(41,600)	(63,057)	(56,426)
Loans	37,767	(11,012)	-	3,870
Related-party transactions	148,535	37,730	8	(1,901)
Other assets and liabilities	18,519	8,613	4,987	11,456
	113,986	(44,157)	196,524	98,894
Income tax and social contribution paid	(11,218)	(9,197)	(19,608)	(19,912)
Net cash and cash equivalents provided by the operating activities	226,251	50,157	622,536	481,745
Cash flow from investing activities				
Acquisition of properties, plants and equipment and intangible assets	(66,920)	(62,228)	(442,819)	(526,023)
Capital transfer to investee	(1,207)	(35,974)	-	-
Advance for future capital increase	(1,890)	(306,091)	-	-
Marketable securities	(21,480)	70,598	(81,480)	(36,620)
Net cash and cash equivalents used in the investing activities	(91,497)	(333,695)	(524,299)	(562,643)
Cash flow from financing activities				
Payment of lease liability	(8,489)	(9,463)	(12,962)	(18,494)
Funding	-	-	160,171	-
Treasury shares	-	-	(74,319)	-
Amortizations of principal - financings	(3,862)	(2,888)	(3,862)	(40,213)
Interest paid	(20,414)	(1,638)	(45,295)	(26,937)
Secured deposits	-	-	(42,670)	(63,803)
Cash and cash equivalents used in the financing activities	(32,765)	(13,989)	(18,937)	(149,447)
Increase (decrease) in cash and cash equivalents	101,989	(297,527)	79,300	(230,345)
Statement of the variation in cash and cash equivalents				
At the beginning of the period	275,334	1,006,475	1,384,933	1,517,583
At the end of the period	377,323	708,948	1,464,233	1,287,238
Increase (decrease) in cash and cash equivalents	101,989	(297,527)	79,300	(230,345)

The accompanying notes are an integral part of these interim financial statements.

Statements of Added Value

For the quarters ended March 31, 2021 and 2020
(All amounts in thousands of reais)

	Parent Company		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Revenue	276,423	230,886	1,077,423	1,023,957
Sales of goods, products and services	276,423	230,863	1,051,993	1,023,714
Other revenue	-	23	25,430	243
Consumables acquired from third parties (including ICMS and IPI)	(31,246)	(50,638)	(387,424)	(404,757)
Materials, electricity, outsourced services and others	(31,246)	(50,528)	(267,052)	(288,443)
Generation inputs	-	-	(120,372)	(115,938)
Impairment and recovery of assets	-	(110)	-	(376)
Gross value added	245,177	180,248	689,999	619,200
Depreciation and amortization	(49,420)	(48,467)	(148,217)	(128,922)
Net value added generated by the company	195,757	131,781	541,782	490,278
Transferred value added	171,543	182,128	44,308	56,434
Equity in the result of investees	118,642	122,534	47	(6,377)
Finance income	32,139	32,914	43,796	60,736
Interest on loan operations and debentures	10,522	17,389	-	320
Shared services	10,237	9,288	-	-
Others	3	3	465	1,755
Total value added to be distributed	367,300	313,909	586,090	546,712
Distribution of value added	367,300	313,909	586,090	546,712
Personnel	43,082	28,489	84,209	69,904
Direct remuneration	36,999	21,694	68,032	54,008
Benefits	3,620	5,899	12,158	14,845
FGTS and contributions	2,463	896	4,019	1,051
Taxes and contributions	99,359	49,169	211,840	168,212
Federal	48,088	27,243	150,204	161,301
State	17,100	7,395	18,520	(17,208)
Municipal	335	740	337	749
Fees and contributions	33,836	13,791	42,779	23,370
Remuneration of third-parties' capital	21,714	56,493	87,130	128,960
Interest on borrowings, CCI and debentures	12,903	19,825	28,841	43,719
Other finance costs	6,707	21,460	11,946	52,995
Exchange and monetary variation	1,585	13,444	41,886	28,169
Rent	1,443	2,227	5,288	5,140
Others	(924)	(463)	(831)	(1,063)
Remuneration of own capital	203,145	179,758	202,911	179,636
Profit for the period	203,145	179,758	202,911	179,636
Profit for the period attributed to non-controlling shareholders	-	-	203,145	179,758
Loss for the period attributed to minority interest	-	-	(234)	(122)

The accompanying notes are an integral part of these interim financial statements.

Notes to the Financial Statements at March 31, 2021

(All amounts in thousands of reais unless otherwise stated)

1. Operations

SUMÁRIO

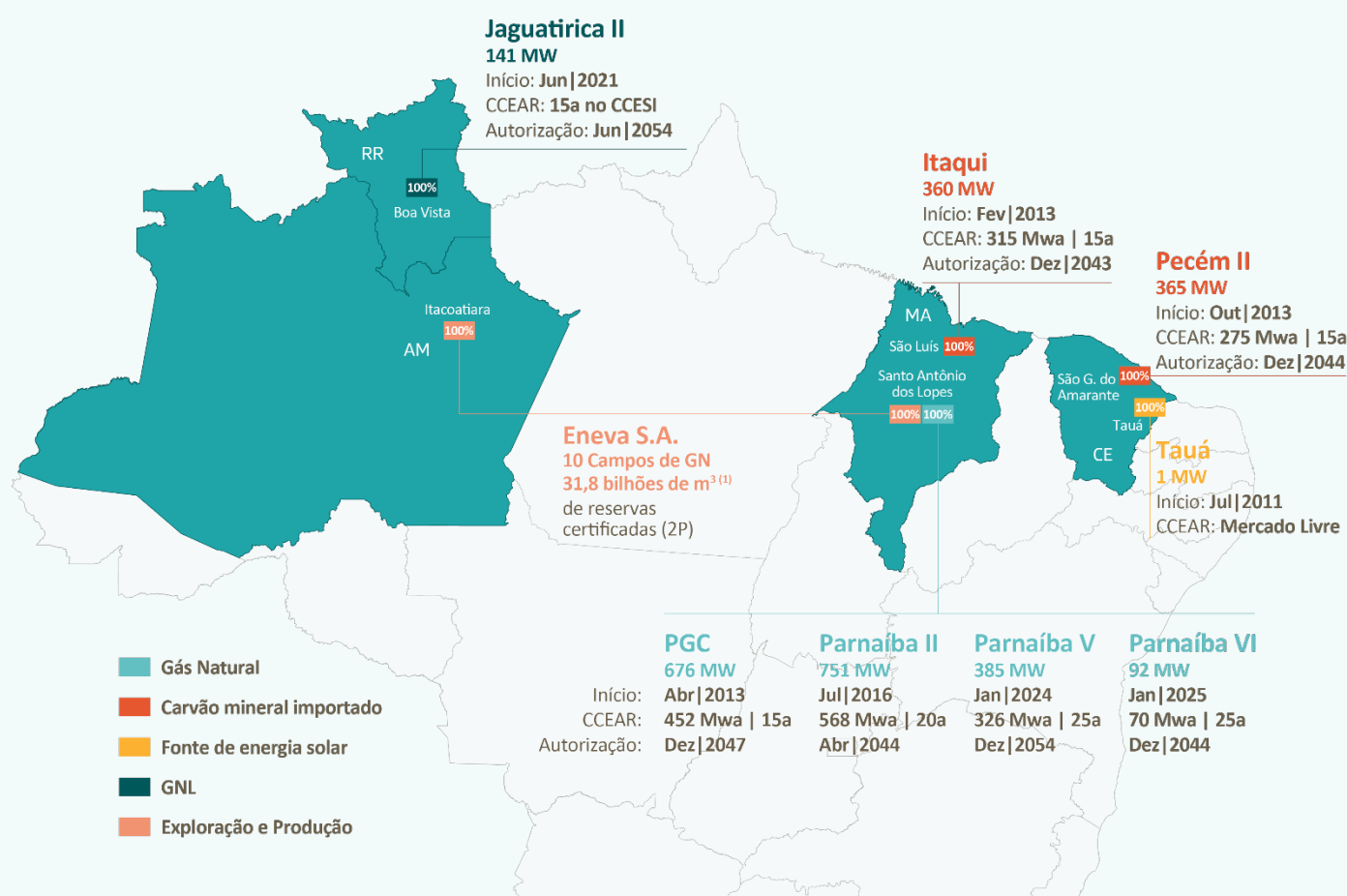
Eneva S.A. ("Company" or "Group") is a publicly traded company registered in B3 S.A. – Brasil, Bolsa, Balcão, under the code ("ENEV3"), headquartered in the Municipality and State of Rio de Janeiro, which operates in the generation and trade of electric power and in the exploration and production (E&P) of natural gas in Brazil.

Eneva counts on a thermal power station of 2.8 GW of installed capacity (78% operating), being 2.0 GW natural gas (74%) and 725 MW mineral coal (26%). It is the second largest company in thermal capacity in the country, responsible for 9% of the national installed thermal capacity.

Currently, the Company have ten fields declared commercial, five of them in production, destined entirely to supply the natural gas thermoelectric plants located in the State of Maranhão ("Complexo Parnaíba"), thus assuming a production commitment of 8.4 million m³/day.

Eneva is the largest natural gas private operator in Brazil, with an exploratory area of 64 thousand km² in the Parnaíba Basin, State of Maranhão, and in the Amazon Basin, in the State of Amazonas.

Ventures



(1) Unaudited information.

1.1 Significant events in the period:

COVID-19 pandemic- Context, initiatives and impacts

The continuity of the pandemic remains imposing huge challenges in all the aspects of the society, mainly related to the economy security.

The Company has been paying attention to the evolution of the pandemic, maintaining all measures to preserve the health and safety of its employees (own and third parties) and supporting communities in the locations where it operates. As a way of contributing to the fight against the virus, the Company continues to carry out voluntary actions to assist families in the most vulnerable situation and health professionals in the areas where it operates, focusing on preventive measures such as donations of personal hygiene kits, cleaning supplies, basic food baskets, pulmonary ventilation devices, medicines, gas cylinders, oxygen concentrators for the public health system, support for the installation of a field hospital. In the quarter, we highlight the donation of oxygen plants in the states of Roraima and Amazonas, supporting the public power in facing the COVID pandemic. Besides these actions, the Company keeps on adopting the remote work for some administrative and non-operational positions and the quick tests for its employees.

(a) Revenue recognition and evaluation of credit losses

The Company's revenues arise mainly (98%) from energy trading agreements in the regulated environment ("CCEAR"), with defined prices, volume and terms. This environment is strongly regulated with mechanisms to mitigate the risk of default by its agents (buyers and sellers). Therefore, so far, the Company has not identified a material impact resulting from the pandemic in its operating revenues arising from the power generation segment (gas thermal and coal thermal). There was also no change in the risk matrix, which impacted the probability of realization of its receivable linked to this segment, as established in CPC 48 - Financial Instruments.

Regarding the revenue arising from the energy trade segment, the Company adopted strict criteria for assessing the counterparties' credit risk. For this reason, we are not carrying out operations with agents that may be more affected by COVID-19. Furthermore, we are demanding additional guarantees to carry out new businesses. Accordingly, we also have not identified any change in the risk matrix, which would impact the revenue recognition, as well as the probability of realization of this receivable, as established in CPC 47 - Revenue from Contract with Customers and CPC 48 - Financial Instruments.

The Company revised and updated the assumptions used in the model for calculating the net present value ("NPV") of bilateral contracts for marking to market, and it did not identify changes in these interim statements.

(b) Assessment of indicative of impairment of non-financial assets and of recoverability of deferred income tax and social contribution

The company monitored the main operating and macroeconomic assumptions, concluding that there was no change in the basis scenario projected and assessed on December 31, 2020. Therefore, we identified no evidences that the assets were recorded at amounts higher than its recoverable values.

(c) Projects in construction

The schedule of the projects is the same according to disclosure on December 31, 2020. The project in construction Parnaíba V will occur in the first half of 2022 and of Azulão- Jaguatirica in the second half of 2021. The progress of the constructions is in accordance with the schedule approved by ANEEL.

Operations and finance

On February 1, 2021, the Company was invited by Petróleo Brasileiro S.A. ("Petrobras") to participate in the negotiation phase of the terms and conditions for the potential acquisition of the totality of Petrobras' interest in a set of concessions for onshore hydrocarbon exploration and production fields (Urucu Pole) located in the Solimões Basin, in the State of Amazonas. The signing of purchase/sale agreements is subject to the success of the negotiations, which involve commercial and contractual aspects of the transaction to be approved by the decision-making bodies of both parties.

On February 26, 2021, the Company presented to the National Agency of Oil, Natural Gas and Biofuels (ANP) the declaration of commerciality of Fortuna, discovered in the Block PN-T-102A, in the Parnaíba Basin. The accumulation Fortuna was named Gavião Belo Field (GVBL), which is the tenth field in the Parnaíba Basin to be declared commercial.

During the first quarter of 2021, R\$ 160 million was released of financing installments, being R\$ 112 million of Parnaíba Geração e Comercialização with BNB and R\$ 48 million of Azulão Geração de Energia with BASA, reinforcing the Company's cash to cope with ongoing investments.

2. Licenses and authorizations



For the 1st quarter of 2021, in addition to complying with all the legal and socio-environmental obligations planned for the

period, we highlight the issuance of a license for production in the Azulão wells, in the Amazon basin. It will enter into

operation when the construction of the Gas Treatment Unit of Azulão ends.

Furthermore, in the state of Maranhão, it was issued an installation license for the construction of the connection pipeline and production clusters in the Gavião Preto field.

It was also issued the sole environmental license for the implementation of the Photovoltaic Plant Ceará II in Mombaça, in the state of Ceará.

3. Presentation of the interim financial statements

SUMÁRIO 

The interim financial statements were elaborated based on the same accounting policies, critical judgments of estimates, principles, calculation methods and criteria as those adopted for the elaboration of the financial statements for the year ended December 31, 2020 and, consequently, they should be read together with this information.

In order to present just the aspects material to the quarter ended March 31, 2021, we are not presenting the notes below, which were disclosed in the financial statements for

the year ended December 31, 2020, because it did not suffer significant updates in the period.

The preparation of the interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. Accounting estimates and judgments are continually evaluated and are based on historical analysis and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Heading of the notes	Number of the notes
Critical accounting estimates and judgments	5
Income tax and social contribution recoverable	11
Intangible assets	14
Income tax and social contribution payable	16
Provision for decommissioning costs	20
Insurance Coverage	28
Commitments	29
Research and development - electric power sector	25 (e)
Provision - reimbursement cost	25 (f)

The issue of these interim financial statements was authorized by the Executive Board on May 6, 2021 and by the Board of Directors on May 12, 2021.

Parent company and consolidated interim financial statements

The interim financial statements are in accordance with CPC 21 (R1) and the Company's consolidated information are in accordance with CPC 21(R1) and IAS 34 – *Interim Financial Reporting*, issued by the *International Accounting Standards Board* – IASB, as well as the presentation of this information is according to the standards issued by the Securities and Exchange Commission, applicable to the elaboration of the interim financial statements - ITR.

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies. The Statement of value added was prepared according to the criteria defined in the Technical Pronouncement CPC 9 - "Statement of value added", while it is not required by IFRS. Therefore, under the IFRS, the presentation of such statements is considered supplementary information, and not part of the set of these interim financial statements.

In the presentation of the parent company interim financial statements, the costs related to the debentures issued by Eneva S.A. (3rd series), whose objective is the construction of project Parnaíba V, are recorded as "investment in subsidiaries", according to paragraph 8, of CPC 43 – initial adoption of technical pronouncements CPCs 15 to 41.

In the consolidated interim financial statements, these costs are presented as "property, plant and equipment". Accordingly, there is no difference between the parent company equity and the consolidated equity.

Furthermore, the shares of Eneva S.A., which were acquired by the subsidiary Parnaíba II Geração de Energia S.A., in order to carry out the Company's repurchase program, are recorded as parent company and consolidated shareholders' equity on a reflexive way. . Accordingly, this operation gives rise to no difference between the parent company's equity and the consolidated equity, in accordance with the paragraph 8, of CPC 43 - initial adoption of the technical pronouncements CPCs 15 to 41.

The interim financial statements of the Company and its subsidiaries and associates are measured using the currency of the main economic environment in which the entity operates ("functional currency"), which is real ("R\$"), except in relation to the subsidiary Parnaíba BV that uses the U.S. Dollar ("USD"), whose functional currency is different from the presentation and its translation follows the same criteria used on December 31, 2020.

Changes in accounting practices and disclosures

The Company adopts, with no material impacts, the amendments to “CPC 06 (R2) – Leases” and “CPC 48 – Financial Instruments”, in accordance with the review of the technical pronouncements No. 17, as from January 1, 2021.



4. Segment reporting

The Company's management manages its ventures based on five main business segments, namely: (i) gas-fired thermal plants, (ii) *upstream*, (iii) coal-fired thermal plants, (iv) energy trade and (v) holding and others.

The performance of the activities of each segment are evaluated by the Company's Executive Board and reflect the structure of the business model adopted. It is worth noting that the operations between the Company and its subsidiaries, as well as the operations between the subsidiaries, are completely eliminated for the presentation of the balances by segment.

The segments are described as follows:

i. Gas-fired thermal plants

This segment consists of the subsidiaries Parnaíba II Geração de Energia S.A. and Parnaíba Geração e Comercialização S.A., which make up the Parnaíba Complex in the State of Maranhão. This complex has total installed capacity of around 1.4 GW, which will increase to 2.0 GW as from the conclusion of the cycle closing works, known as Parnaíba V project, expected to be concluded in the 1st half of 2022 and Parnaíba VI project, whose objective is the expansion of the thermal power plant UTE MC2 Nova Venécia 2 (“Parnaíba II”), with additional installed capacity of 92.3 MW, expected to be concluded on the 1st half of 2025.

The entire complex is connected to the North Subsystem of generation and transmission of energy of the National Interconnected System (SIN).

Furthermore, the gas thermal generation segment counts with the Azulão-Jaguaririca project, with installed capacity of 132.3 MW, being implanted in the Municipality of Boa Vista, in the State of Roraima, expected to be concluded in 2nd half of 2021. The project is located in an isolated system.

ii. Upstream

In this segment, the Company operated 10 natural gas fields in the Parnaíba and Amazon Basins and it also has concession contracts for exploration and production (E&P) of hydrocarbons in more than 64,000 km².

The Company is committed to the production of 8.4 million m³ of natural gas per day, totally destined to the supply of Parnaíba Complex, consolidating the Reservoir-to-Wire (“R2W”) model, implemented in a pioneering way in the country. This segment comprises the Companies Eneva S.A. and Parnaíba B.V..

iii. Coal-fired thermal plants

This segment comprises the subsidiaries Itaquí Geração de Energia S.A., which has installed capacity of 360 MW, located in the State of Maranhão, connected to the North Subsystem, and Pecém II Geração de Energia S.A., with installed capacity of 365 MW, located in the State of Ceará, connected to the Northeast Subsystem, both with energy transmission from the National Interconnected System (SIN).

iv. Energy trading

In this segment, the trade of energy contracts occurs in the Free Contract Environment (“Ambiente de Contratação Livre - ACL”), mandatorily registered in the Electricity Trade Chamber (“Câmara de Comercialização de Energia Elétrica - CCEE”), through the indirect subsidiary Eneva Comercializadora de Energia Ltda.

v. Holding and others

This segment comprises Eneva Participações S.A., besides companies held for the development of projects.

The balance sheet, per segment, on the base date December 31, 2020 and March 31, 2021 and the statements of operations on the base date March 31, 2021 and 2020, are as follows:

Equity accounts - 3/31/2021:

	Natural Gas Generation				Coal-fired thermal plants				Holding and others		
	Gas thermal plants	Upstream	Eliminations	Subtotal Consolidated	Coal-fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade		Eliminations	Total consolidated
Total assets	6,591,116	6,169,173	(260,858)	12,499,431	4,646,692	(4,454)	4,642,238	158,075	856,628	(1,754,272)	16,402,100
Current assets	1,209,147	1,078,045	(208,195)	2,078,997	735,611	-	735,611	107,618	73,659	(240,303)	2,755,582
Cash and equivalents	813,933	377,324	-	1,191,257	263,619	-	263,619	4,617	4,740	-	1,464,233
Trade receivables	151,818	99,645	(97,928)	153,535	120,325	-	120,325	45,060	45	-	318,965
Inventory	34,397	48,223	-	82,620	150,061	-	150,061	-	11	-	232,692
Other assets	208,999	552,853	(110,267)	651,585	201,606	-	201,606	57,941	68,863	(240,303)	739,692
Non-current assets	5,381,969	5,091,128	(52,663)	10,420,434	3,911,081	(4,454)	3,906,627	50,457	782,969	(1,513,969)	13,646,518
Deferred income tax and social contribution	14,404	492,877	-	507,281	278,702	-	278,702	42,406	38	-	828,427
PPE and intangible assets	5,321,634	2,998,892	-	8,320,526	3,619,656	-	3,619,656	186	111,029	609,052	12,660,449
Other assets	45,931	1,599,359	(52,663)	1,592,627	12,723	(4,454)	8,269	7,865	671,902	(2,123,021)	157,642
Total liabilities	6,591,116	6,169,173	(260,858)	12,499,431	4,646,692	(4,454)	4,642,238	158,075	856,628	(1,754,272)	16,402,100
Current assets	568,612	265,796	(162,048)	672,360	474,372	(1,962)	472,410	41,875	7,472	(313,509)	880,608
Borrowings	3,878	15,603	-	19,481	1	-	1	-	-	-	19,482
Debentures	123,235	37,389	-	160,624	-	-	-	-	-	-	160,624
Other liabilities	441,499	212,804	(162,048)	492,255	474,371	(1,962)	472,409	41,875	7,472	(313,509)	700,502
Non-current assets	2,873,275	4,536,955	(98,810)	7,311,420	1,433,059	(2,492)	1,430,567	4,160	145,312	(1,440,763)	7,450,696
Borrowings	1,416,278	60,758	-	1,477,036	-	-	-	-	-	-	1,477,036
Debentures	1,292,956	4,345,245	-	5,638,201	-	-	-	-	-	-	5,638,201
Other liabilities	164,041	130,952	(98,810)	196,183	1,433,059	(2,492)	1,430,567	4,160	145,312	(1,440,763)	335,459
Non-controlling stockholders	-	-	-	-	-	-	-	-	(3,657)	-	(3,657)
Equity	3,149,229	1,366,422	-	4,515,651	2,739,261	-	2,739,261	112,040	707,501	-	8,074,453

Equity accounts - 12/31/2020:

	Natural Gas Generation										
	Gas thermal plants	Upstream	Eliminations	Subtotal Consolidated	Coal-fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
Total assets	6,603,693	6,117,417	(468,634)	12,252,476	4,698,796	(2,954)	4,695,842	155,985	833,036	(1,719,243)	16,218,096
Current assets	1,535,381	994,754	(300,994)	2,229,141	722,828	-	722,828	102,133	73,753	(197,453)	2,930,402
Cash and equivalents	918,719	275,380	-	1,194,099	170,994	-	170,994	9,638	10,202	-	1,384,933
Trade receivables	415,149	99,741	(97,999)	416,891	248,329	-	248,329	35,744	-	-	700,964
Inventory	25,227	45,277	-	70,504	108,501	-	108,501	-	10	-	179,015
Other assets	176,286	574,356	(202,995)	547,647	195,004	-	195,004	56,751	63,541	(197,453)	665,490
Non-current assets	5,068,312	5,122,663	(167,640)	10,023,335	3,975,968	(2,954)	3,973,014	53,852	759,283	(1,521,790)	13,287,694
Deferred income tax and social contribution	24,092	503,142	-	527,234	294,190	-	294,190	43,599	36	-	865,059
PPE and intangible assets	5,003,927	2,901,954	-	7,905,881	3,669,441	-	3,669,441	198	111,697	598,003	12,285,220
Other assets	40,293	1,717,567	(167,640)	1,590,220	12,337	(2,954)	9,383	10,055	647,550	(2,119,793)	137,415
Total liabilities	6,603,693	6,117,417	(468,634)	12,252,476	4,698,796	(2,954)	4,695,842	155,985	833,036	(1,719,243)	16,218,096
Current assets	804,714	332,106	(358,597)	778,223	443,342	(497)	442,845	40,271	9,737	(205,137)	1,065,939
Borrowings	3,580	15,613	-	19,193	-	-	-	-	-	-	19,193
Debentures	106,634	11,886	-	118,520	-	-	-	-	-	-	118,520
Other liabilities	694,500	304,607	(358,597)	640,510	443,342	(497)	442,845	40,271	9,737	(205,137)	928,226
Non-current assets	2,669,600	4,472,445	(110,037)	7,032,008	1,558,610	(2,457)	1,556,153	3,498	143,864	(1,514,106)	7,221,417
Borrowings	1,246,493	64,606	-	1,311,099	-	-	-	-	-	-	1,311,099
Debentures	1,320,488	4,273,365	-	5,593,853	-	-	-	-	-	-	5,593,853
Other liabilities	102,619	134,474	(110,037)	127,056	1,558,610	(2,457)	1,556,153	3,498	143,864	(1,514,106)	316,465
Non-controlling stockholders	-	-	-	-	-	-	-	-	(3,423)	-	(3,423)
Shareholders' equity	3,129,379	1,312,866	-	4,442,245	2,696,844	-	2,696,844	112,216	682,858	-	7,934,163

3/31/2021

	Natural Gas Generation				Coal-fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
	Gas thermal plants	Upstream	Eliminations	Subtotal Consolidated							
Statement of income											
Net operating revenue	562,948	232,038	(224,136)	570,850	306,933	-	306,933	111,490	271	(38,192)	951,352
Cost of goods and/or services sold	(425,495)	(93,642)	224,136	(295,001)	(212,772)	-	(212,772)	(110,143)	(538)	38,192	(580,262)
Operating costs	(13,262)	(61,990)	(3,422)	(78,674)	(6,326)	-	(6,326)	(2,936)	(1,353)	-	(89,289)
Other operating results	3,271	8,627	-	11,898	10,442	-	10,442	-	(544)	303	22,099
Costs with exploration and dry well	-	(9,897)	-	(9,897)	-	-	-	-	-	-	(9,897)
Equity in the result of investees	-	118,921	(63,484)	55,437	28,317	(28,317)	-	-	15,953	(71,343)	47
Finance income	4,621	41,101	-	45,722	6,121	-	6,121	2,613	327	(10,522)	44,261
Finance costs	(29,272)	(21,543)	-	(50,815)	(44,932)	-	(44,932)	(6)	(30)	10,522	(85,261)
Provision for current and deferred taxes	(20,901)	(10,843)	-	(31,744)	(17,141)	-	(17,141)	(1,193)	(61)	-	(50,139)
Profit (loss) for the period	81,910	202,772	(66,906)	217,776	70,642	(28,317)	42,325	175	14,025	(71,040)	202,911
Attributed to the owners of the parent company	81,910	202,772	(66,906)	217,776	70,642	(28,317)	42,325	175	14,259	(71,040)	203,145
Attributed to the non-controlling shareholders	-	-	-	-	-	-	-	-	(234)	-	(234)

3/31/2020

	Natural Gas Generation				Coal-fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
	Gas thermal plants	Upstream	Eliminations	Subtotal Consolidated							
Statement of income											
Net operating revenue	557,533	205,925	(185,587)	577,871	356,545	-	356,545	195,246	123	(190,675)	939,110
Cost of goods and/or sold services	(371,534)	(71,818)	184,402	(258,950)	(262,330)	-	(262,330)	(191,967)	(494)	190,675	(523,066)
Operating costs	(5,585)	(42,498)	-	(48,083)	(5,311)	-	(5,311)	(1,450)	(1,469)	(3,423)	(59,736)
Other operating results	(16,966)	(6,505)	-	(23,471)	(128)	-	(128)	-	(184)	6,620	(17,163)
Costs with exploration and dry well	-	(26,400)	-	(26,400)	-	-	-	-	-	-	(26,400)
Equity in the result of investees	-	129,082	(76,323)	52,759	16,377	(16,377)	-	-	32,377	(91,513)	(6,377)
Finance income	5,646	27,734	(824)	32,556	25,261	-	25,261	9,916	483	(5,405)	62,811
Financial costs	(33,378)	(34,298)	2,008	(65,668)	(66,962)	-	(66,962)	(49)	(79)	5,405	(127,353)
Provision for current and deferred taxes	(35,584)	(1,673)	-	(37,257)	(23,694)	-	(23,694)	(1,239)	-	-	(62,190)
Profit (loss) for the period	100,132	179,549	(76,324)	203,357	39,758	(16,377)	23,381	10,457	30,757	(88,316)	179,636
Attributed to the owners of the parent company	100,132	179,549	(76,324)	203,357	39,758	(16,377)	23,381	10,457	30,757	(88,316)	179,758

Attributed to the non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	122	(122)
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Gross revenue between segments and customers

	3/31/2021			3/31/2020		
	Total Gross Revenue of the Segment (a)	Intercompany Gross Revenue*	Customers Gross Revenue	Total Gross Revenue of the Segment	Intercompany Gross Revenue*	Customers Gross Revenue
Gas-fired thermal plants	626,582	29,447	597,135	618,969	42,550	576,419
Upstream	276,423	274,896	1,527	230,863	229,303	1,560
Coal	343,190	-	343,190	401,954	-	401,954
Energy trader	122,854	12,638	110,216	215,146	169,309	45,837
Holding and others	299	-	299	137	-	137
	1,369,348	316,981	1,052,367	1,467,069	441,162	1,025,907

* Deleted revenue

(a) Analysis of the gross revenue of the segment - per category

							3/31/2021
	CCEAR		MCP *	Lease		Gas and Condensed	Total
	Fixed Availability	Variable	Variable	Fixed	Variable	Variable	
Gas-fired thermal plants (a)	335,643	202,303	88,636	-	-	-	626,582
Upstream (a)	-	-	-	72,944	61,222	142,257	276,423
Coal	217,186	113,894	12,110	-	-	-	343,190
Energy trader (b)	-	-	122,854	-	-	-	122,854
Holding and others	-	-	299	-	-	-	299
Total	552,829	316,197	223,899	72,944	61,222	142,257	1,369,348

							3/31/2020
	CCEAR		MCP *	Lease		Gas and Condensed	Total
	Fixed Availability	Variable	Variable	Fixed	Variable	Variable	
Gas-fired thermal plants	318,509	121,010	179,450	-	-	-	618,969
Upstream	-	-	-	72,943	14,139	143,781	230,863
Coal	208,997	97,593	95,364	-	-	-	401,954
Energy trader	-	-	215,146	-	-	-	215,146
Holding and others	-	-	137	-	-	-	137
Total	527,506	218,603	490,097	72,943	14,139	143,781	1,467,069

* MCP = Short Term Market (free contract environment)

- a. Increase in the revenue on March 31, 2021, when compared to the same period of 2020, regarding the update of the price in the CCEAR agreements and increase in the variable lease due to the readjustment of the reference price by ANP of the natural gas international quotation.
- b. The volume of traded energy decreased due to market unfavorable conditions for the period.

5. Cash and cash equivalents

[SUMÁRIO](#)

	Parent Company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Cash and banks	15,634	3,419	88,888	43,382
Repurchase agreements	7,640	13,760	41,858	82,977
Fund and CDB (a)	354,049	258,155	1,333,487	1,258,574
	377,323	275,334	1,464,233	1,384,933

a. Short-term investments with high liquidity and with an insignificant risk of change in value. These represent amounts invested in CDBs and securities held under repurchase agreements issued by first-rate financial institutions all linked to floating rates and with an average annual yield of 100% of the DI CETIP rate (Interbank Deposit Certificate - CDI). The increase observed in 2021 is related to the financial contributions made through the raising.

The main changes in cash in the period ended March 31, 2021 arose substantially from a generation of operating cash of R\$ 622,536 and funds raising of R\$ 160,171, offset by net investments in the business segments (construction of Parnaíba V and Azulão-Jaguatirica project) in the amount of R\$ 442,819, funds invested in Marketable Securities and changes in working capital.

6. Marketable securities

[SUMÁRIO](#)

	Parent Company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Treasury Financial Bills (LFTs) (a)	96,274	72,911	527,629	439,658
CDB	71,961	71,659	71,981	71,659
	168,235	144,570	599,610	511,317

a. Treasury Financial Bills (LFTs) are post-fixed securities whose remuneration is based on the variation of the daily SELIC rate recorded between the settlement date and the maturity date.

7. Trade receivables

[SUMÁRIO](#)

	Consolidated	
	3/31/2021	12/31/2020
Energy trading agreements in the regulated environment (CCEAR):		
Parnaíba II Geração de Energia S.A.	52,735	118,719
Parnaíba Geração e Comercialização de Energia S.A.	80,059	153,620
Pecém II Geração de Energia S.A.	57,362	99,191
Itaqui Geração de Energia S.A.	52,673	104,921
(a)	242,829	476,451
Energy trading agreements in the free environment (ACL):		
Parnaíba II Geração de Energia S.A.	3,354	57,067
Eneva Comercializadora de Energia Ltda.	-	1,026
Pecém II Geração de Energia S.A.	3,233	29,413
Parnaíba Geração e Comercialização S.A.	15,656	85,692
Itaqui Geração de Energia S.A.	7,071	14,804
(a)	29,314	188,002
Bilateral energy trading agreements:		
Eneva Comercializadora de Energia Ltda.	55,423	45,410
Tauá Geração de Energia Ltda.	45	51
	55,468	45,461
Condensed gas trading contracts		
Eneva S.A.	1,717	1,413
Expected Credit Loss		
Provision for expected credit loss	(10,363)	(10,363)
Total receivables	318,965	700,964

a. Due to the seasonality of hydro generation in the country, historically, the 1st quarter has lower rates of dispatch for thermal generation due to the lower Difference Settlement Price (PLD) than the unit variable cost (CVU) of these plants. Thus, the reduction presented is due exactly to the retraction

of the dispatch curve for the period. It is worth mentioning that we have verified 100% of timely payment on CCEAR contracts and the free environment.

Credit risk assessment

The energy market is a highly regulated environment, with mechanisms that mitigate the risk of default by its agents. The financial security of the market is based on the model of a multilateral and centralized clearinghouse.

Operations carried out within the scope of the Electricity Trade Chamber (CCEE) are accounted for and settled on a multilateral basis, with no indication of party and counterparty. This model is beneficial for individual agents and for the stability of the market as a whole, minimizing the likelihood of negative impacts. Thus, all agents are guarantors of the operations to be settled.

Additionally, for contracts bilaterally traded, a risk analysis is carried out vis-à-vis the counterparties, before the operation, through audited information, market information and current situation of the company and, subsequently, through the registration of the contract with the CCEE and the monitoring of the company in relation to payments, in case of delay, the energy traded is not recorded and the counterparty will have an energy deficit, subject to the current energy price in the market (PLD) and the fine at the Electricity Trade Chamber (CCEE).

The free energy contracting market also has other forms of risk mitigation, such as contractual clauses, letter of guarantee, guarantee insurance and others.

There are no trade receivables overdue or with loss expectation, except for the balance of Canabrava Energética S.A, in the amount of R\$ 10,363 thousand, whose provision for expected credit loss was fully recognized.

8. Inventories

[SUMÁRIO](#)

	Parent Company		Consolidated	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Material, supplies and others	24,841	21,125	51,608	39,559
Coal (a)	-	-	106,057	65,530
Electronic and mechanical parts	19,135	19,904	65,507	65,489
Lubricant and chemicals	4,247	4,248	9,520	8,437
	48,223	45,277	232,692	179,015

a. Due to the consumption that occurred in the last three months of the previous year, the Company adopted the stock replacement strategy throughout the first quarter of 2021.

9. Deferred taxes

[SUMÁRIO](#)

Deferred taxes

Deferred taxes by company and nature are as follows:

Consolidated						
3/31/2021						
Deferred asset					Deferred liability	Net
	Tax losses/Negative basis	Temporary differences	Total (a)	Assets at fair value	Temporary differences	
Eneva	518,081	35,908	553,989	79,082	(140,193)	492,878
Itaqui	187,441	34,923	222,364	-	(23,514)	198,850
PGC	49,684	3,288	52,972	-	(78,083)	(25,111)
Parnaíba II	52,258	3,272	55,530	-	(41,654)	13,876
Energy trader	41,767	3,653	45,420	-	(3,014)	42,406
Eneva Participações	-	36	36	-	-	36
Pecém II Geração	94,105	9,622	103,727	-	(23,874)	79,853
Azulão Geração de Energia	-	528	528	-	-	528
Others	-	2	2	-	(13,227)	(13,227)
	943,336	91,232	1,034,568	79,082	(323,559)	790,091
Net deferred asset						828,427
Net deferred liability						(38,336)

Consolidated
12/31/2020

	Deferred asset				Deferred liability	Net
	Tax losses/Negative basis	Temporary differences	Total	Assets at fair value	Temporary differences	
Eneva	519,019	47,611	566,630	79,082	(142,570)	503,142
Itaqui	187,441	42,009	229,450	-	(20,974)	208,476
PGC	24,293	32,779	57,072	-	(76,593)	(19,521)
Parnaíba II	58,962	4,564	63,526	-	(39,434)	24,092
Energy trader	41,767	4,061	45,828	-	(2,229)	43,599
Eneva Participações	-	36	36	-	-	36
Pecém II Geração	96,801	10,940	107,741	-	(22,027)	85,714
Others	-	54	54	-	(13,225)	(13,171)
	928,283	142,054	1,070,337	79,082	(317,052)	832,367
Net deferred asset						865,059
Net deferred liability						(32,692)

(a) Amount constituted of deferred assets based on the estimated generation of future taxable profits:

	2021	2022	2023	2024	2025	From 2026 to 2028	From 2029 to 2030	From 2031 to 2034	Total
Expectation of annual realization of the deferred taxes*	36,617	69,384	81,264	113,411	73,589	189,203	147,200	323,900	1,034,568

* The projection of future taxable profits is in line with the Company's strategic plan and the estimated period for realizing deferred taxes is between 13 and 14 years.

On March 31, 2021, the taxes calculated on net income comprise Income Tax (rate of 15% and additional 10%) and Social Contribution (rate of 9%). The conciliation of the amount calculated using the combined statutory tax rate and of the expense of income tax and social contribution expense is as follows:

	Parent Company		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Result for the period before IRPJ/CSLL	213,988	181,431	253,050	241,826
Nominal rate - %	34%	34%	34%	34%
IRPJ/CSLL at nominal rate	(72,756)	(61,686)	(86,037)	(82,221)
Equity in the result of investees	41,597	45,052	16	(1,053)
Subsidy for investment – ICMS	(a) 7,176	7,288	7,176	7,288
Other permanent differences	11,545	(2,253)	11,624	(7,319)
Not constituted tax asset	(b) (12)	11,408	(4,729)	18,188
Benefit reduction SUDENE and PAT	(c) 1,607	-	21,811	18,422
Write-off of the deferred on tax losses/negative basis	-	(1,482)	-	(15,495)
Current and deferred income tax and social contribution	(10,843)	(1,673)	(50,139)	(62,190)
Expense of current income tax and social contribution	(579)	-	(7,864)	(15,607)
Deferred income tax and social contribution	(10,264)	(1,673)	(42,275)	(46,583)
Total	(10,843)	(1,673)	(50,139)	(62,190)
Effective rate	5.07%	0.92%	19.81%	25.72%

a. Subsidy for Investment related to the tax incentive in the State of Maranhão, granted by Law No. 9,463/2011, which consists of presumed ICMS credit on outlets for natural gas destined for the thermal power plant powered by this fuel.

b. This refers to the portion of deferred taxes of subsidiaries that was not recorded due to uncertainties regarding its recovery.

- c. *The most relevant amount refers to the regional tax benefit granted by Sudene, which results in decrease of up to 75% of income tax in a 10-year period.*

10. Investment



10.1 Changes in investment - equity value

Investments	%	At 12/31/2020	Transfer of unsecured liability	Capital payment	Advance for future capital increase	Equivalence	Amortization	PGC interest	Hedge accounting	Dividends	Write-off of investment	Capital reserve	Carrying value adjustment:	Treasury shares	At 3/31/2021
Subsidiaries (direct and indirect)															
Azulão Geração de Energia S. A	99.90%	1,018,623	-	-	-	(6,399)	-	-	-	-	-	-	-	-	1,012,224
Parnaíba Geração e Comercialização de Energia	60.72%	667,750	-	-	-	16,238	-	19,542	2,588	-	-	-	-	-	706,118
Parnaíba II Geração de Energia S.A.	89.70%	1,014,444	-	1,000	-	55,250	-	-	-	-	-	7,319	(3,898)	(74,319)	999,796
Parnaíba B.V.	100.00%	98,553	-	207	-	(376)	-	-	-	-	-	-	128	-	98,512
Itaqui Geração de Energia S.A.	100.00%	1,639,550	-	-	-	14,020	-	-	-	-	-	-	-	-	1,653,570
Pecém II Participações S.A.	100.00%	1,057,385	-	-	-	28,306	-	-	-	-	-	-	-	-	1,085,691
Eneva Participações S.A.	100.00%	755,749	-	-	1,841	15,256	-	-	1,674	-	-	-	3,898	-	778,418
Others	-	6,141	(37)	-	49	(2)	-	-	-	-	-	-	-	-	6,151
Joint ventures															
Porto do Pecém Transportadora de Minérios S.A.	50.00%	4,987	-	-	-	104	-	-	-	(1)	-	-	-	-	5,090
Pecém Oper. e Manutenção de Ger. Elétrica S.A.	50.00%	3,500	-	-	-	108	-	-	-	-	-	-	-	-	3608
Centrais Termelétrica São Marco S.A.	50.00%	9	-	-	-	-	-	-	-	-	(9)	-	-	-	-
MABE Construção e Administração de Projeto	50.00%	1,136	-	-	-	(160)	-	-	-	-	-	-	-	-	976
		6,267,827	(37)	1,207	1,890	122,345	-	19,542	4,262	(1)	(9)	7,319	128	(74,319)	6,350,154
Gains and losses on assets															
Subsidiaries (direct and indirect)															
Parnaíba Geração e Comercialização de Energia	60.72%	10,014	-	-	-	-	(116)	-	-	-	-	-	-	-	9,898
Pecém II Participações S.A.	100.00%	(153,064)	-	-	-	-	(1,614)	-	-	-	-	-	-	-	(154,678)
		6,124,777	(37)	1,207	1,890	122,345	(1,730)	19,542	4,262	(1)	(9)	7,319	128	(74,319)	6,205,374
Right of use															
(Direct) subsidiaries															
Parnaíba II Geração de Energia S.A.	89.70%	33,861	-	-	-	-	(1,112)	-	-	-	-	-	-	-	32,749
Itaqui Geração de Energia S.A.	100.00%	11,594	-	-	-	-	(128)	-	-	-	-	-	-	-	11,466
Eneva Participações S.A.	100.00%	116,968	-	-	-	-	(452)	-	-	-	-	-	-	-	116,516
Total investments		6,287,200	(37)	1,207	1,890	122,345	(3,422)	19,542	4,262	(1)	(9)	7,319	128	(74,319)	6,366,105

11. Property, plant and equipment



11.1 Significant events in the period:

											3/31/2021
	Land	Buildings, civil constructions, improvements	Machinery and equipment	Computer equipment	Vehicles	Furniture and utensils	PPE E&P	Provision for impairment	PPE in course	Right of use (IFRS 16)	Total
Cost											
At December 31, 2020	15,245	3,218,608	4,518,861	18,839	2,450	40,685	2,559,243	(237,030)	4,046,809	155,692	14,339,402
Additions (a)	-	-	109	18	-	32	47,052	-	713,447	-	760,658
Additions IFRS16 (b)	-	-	-	-	-	-	-	-	-	54,007	54,007
Write-offs	-	-	(2)	(480)	-	-	-	-	-	(25,065)	(25,547)
Dry well	-	-	-	-	-	-	-	-	(4,153)	-	(4,153)
Supplier prepayment	-	-	-	-	-	-	-	-	(322,292)	-	(322,292)
Provision for abandonment	-	-	(816)	-	-	-	(6,625)	-	(4,826)	-	(12,267)
PIS/COFINS credit	-	-	-	-	-	-	-	-	(19,533)	-	(19,533)
Transfers	-	-	183	-	(183)	-	110,932	-	(110,932)	-	-
Transaction cost 2nd issue of debentures 3rd series	-	-	-	-	-	-	-	-	996	-	996
Interest 2nd issue of debentures 3rd series	-	-	-	-	-	-	-	-	45,202	-	45,202
Monetary variation 2nd issue of debentures 3rd series	-	-	-	-	-	-	-	-	44,623	-	44,623
At March 31, 2021	15,245	3,218,608	4,518,335	18,377	2,267	40,717	2,710,601	(237,030)	4,389,341	184,634	14,861,096
Depreciation											
At December 31, 2020	-	(768,657)	(1,293,028)	(11,192)	(2,630)	(16,803)	(1,257,165)	26,240	-	(69,492)	(3,392,727)
Additions	-	(28,222)	(78,944)	(105)	(74)	(499)	(37,903)	-	-	-	(145,747)
Additions IFRS16	-	-	-	-	-	-	-	-	-	(10,485)	(10,485)
Transfers	-	-	(1,030)	-	1,030	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	23,408	23,408
At March 31, 2021	-	(796,879)	(1,373,002)	(11,297)	(1,674)	(17,302)	(1,295,068)	26,240	-	(56,569)	(3,525,551)
Carrying amount											
At December 31, 2020	15,245	2,449,951	3,225,833	7,647	(180)	23,882	1,302,078	(210,790)	4,046,809	86,200	10,946,675
At March 31, 2021	15,245	2,421,729	3,145,333	7,080	593	23,415	1,415,533	(210,790)	4,389,341	128,065	11,335,545

a. Changes are substantially represented by the equipment received for: (i) Second stage of the construction of the Azulão-Jaguatirica II project and (ii) Advance of the construction of Parnaíba V.

b. This is basically a new contract for the provision of towing, operation and maintenance services for cryogenic trailers for the transport of liquefied natural gas in the subsidiary Azulão Geração de Energia S.A.. The discount rate is 11.03% according to the effective period, which is 5 years and has a fixed monthly installment of approximately R\$ 1 million.

	12/31/2020										
	Land	Buildings, civil constructions, improvements	Machinery and equipment	Computer equipment	Vehicles	Furniture and utensils	PPE E&P	Provision for impairment	PPE in course	Right of use (IFRS 16)	Total
Cost											
At December 31, 2019	13,599	3,138,711	4,329,160	13,757	2,769	39,335	2,545,975	(289,807)	1,835,376	128,033	11,756,908
Additions	200	1,706	556	850	-	210	28,538	-	1,506,836	-	1,538,896
Additions IFRS16	-	-	-	-	-	-	-	-	-	27,659	27,659
Changes in derivatives	-	-	-	-	-	-	-	-	(41,084)	-	(41,084)
Write-offs	(2,930)	(831)	(22,591)	(67)	(492)	(87)	-	-	-	-	(26,998)
Dry well	-	-	-	-	-	-	-	-	(19,308)	-	(19,308)
Supplier prepayment	-	-	-	-	-	-	-	-	1,003,615	-	1,003,615
Provision for abandonment	-	-	(1,306)	-	-	-	(15,270)	-	3,074	-	(13,502)
PIS/COFINS credit	-	-	-	-	-	-	-	-	(10,840)	-	(10,840)
Transfers	4,376	79,022	213,042	4,299	173	1,227	-	-	(302,139)	-	-
Reversal of impairment	-	-	-	-	-	-	-	52,777	-	-	52,777
Transaction cost 2nd issue of debentures 3rd series	-	-	-	-	-	-	-	-	852	-	852
Interest 2nd issue of debentures 3rd series	-	-	-	-	-	-	-	-	38,572	-	38,572
Monetary variation 2nd issue of debentures 3rd series	-	-	-	-	-	-	-	-	31,855	-	31,855
At December 31, 2020	15,245	3,218,608	4,518,861	18,839	2,450	40,685	2,559,243	(237,030)	4,046,809	155,692	14,339,402
Depreciation											
At December 31, 2019	-	(659,901)	(1,098,630)	(9,600)	(2,752)	(14,895)	(1,158,119)	26,240		(33,647)	(2,951,304)
Additions	-	(108,922)	(201,458)	(1,629)	(281)	(1,908)	(99,046)	-	-	-	(413,244)
Additions IFRS16	-	-	-	-	-	-	-	-	-	(35,845)	(35,845)
Write-offs	-	166	7,060	37	403	-	-	-	-	-	7,666
At December 31, 2020	-	(768,657)	(1,293,028)	(11,192)	(2,630)	(16,803)	(1,257,165)	26,240	-	(69,492)	(3,392,727)
Carrying amount											
At December 31, 2019	13,599	2,478,810	3,230,530	4,157	17	24,440	1,387,856	(263,567)	1,835,376	94,386	8,805,604
At December 31, 2020	15,245	2,449,951	3,225,833	7,647	(180)	23,882	1,302,078	(210,790)	4,046,809	86,200	10,946,675

Depreciation

The depreciation is calculated on a straight-line basis during the assets' estimated useful lives, as follows:

PPE items	Depreciation Range
Buildings and improvements	From 25 to 50 years
Computer equipment	6 years
Machinery and Equipment	From 5 to 40 years
Furniture and utensils	16 years
Vehicles	7 years
Rights of use	From 1 to 28 years

Depreciation of generation PPE

Items of generation property, plant and equipment are depreciated by the straight-line method in the statement of operations for the period, based on the useful estimated economic life of each component, as from the beginning of its operation.

Depreciation of PPE at the exploration and production stage - (E&P)

The E&P property, plant and equipment is depreciated as from the declaration of commerciality and beginning of the production by the produced units method.

Annually, the volume of 2P reserves of each field is certified by independent consulting company, and based on this information, the Company maintains its depreciation records for produced units. On January 6, 2021, the independent consultancy Gaffney, Cline & Associates, Inc (GCA) issued a new audit executive report of the natural gas reserves of the nine fields declared as commercial in Parque dos Gaviões, in the Parnaíba Basin, and one field in the Amazon Basin.

11.2 Impairment assessment

At each quarter, the Company assesses whether there are evidences of a possible impairment of property, plant and equipment. As mentioned in Note 1.1 - Significant events in the period, Management identified no indication of impairment in this quarter.

12. Trade payables

SUMÁRIO 

Trade payables are obligations for goods or services that have been acquired in the ordinary course of business, they are classified in the balance according to maturity (current and non-current). Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

	Consolidated	
	3/31/2021	12/31/2020
Energy generation (a)	91,887	157,653
Construction of new plants (b)	150,774	187,775
Energy trading	36,489	36,138
Gas exploration and production	37,819	51,999
Maintenance of plants (c)	86,959	59,489
Others	34,492	43,784
	438,420	536,838
Current assets	411,565	492,456
Non-current assets	26,855	44,382

- a. The balance is substantially composed of obligations to suppliers of inputs and service providers related to energy generation.
- b. These correspond to the investments connected to the construction of the Azulão-Jaguaririca project and to the thermal power plant Parnaíba V. The main supplier of these constructions is Techint Engenharia e Construção.
- c. The balance is substantially linked to the scheduled shutdowns of the plants, which aim to maintain machines and increase their useful life.

13. Indebtedness



						3/31/2021				Consolidated 12/31/2020			
Company	Creditor	Currency	Interest rates	Effective rate*	Maturity	Funding costs to appropriate	Principal	Interest	Total	Funding costs to appropriate	Principal	Interest	Total
Borrowings and financings													
Eneva	FINEP	R\$	TJLP + 3.00%	7.76%	3/15/2025		46,173	146	46,319	-	49,058	159	49,217
Eneva	FINEP	R\$	TJLP + 1.00%	5.76%	12/15/2028	(288)	30,256	71	30,039	(307)	31,232	76	31,001
PGC	BNB	R\$	IPCA + 1.9388%	6.70%	7/15/2036	(7,767)	534,473	29,660	556,366	(7,925)	422,569	13,576	428,220
Azulão	BASA SubCredit A and B	R\$	IPCA + 1.6190%	6.38%	6/16/2036	(8,435)	490,616	2,782	484,963	(8,489)	490,617	2,687	484,815
Azulão	BASA SubCredit C	R\$	IPCA + 1.3247%	6.08%	6/16/2036	(5,630)	407,692	2,177	404,239	(5,664)	359,323	1,914	355,573
						(22,120)	1,509,210	34,836	1,521,926	(22,385)	1,352,799	18,412	1,348,826
Secured deposits							(25,408)	-	(25,408)	-	(18,534)	-	(18,534)
						(22,120)	1,483,802	34,836	1,496,518	(22,385)	1,334,265	18,412	1,330,292
Current assets						(1,141)	15,447	5,176	19,482	(1,089)	15,447	4,835	19,193
Non-current assets						(20,979)	1,468,355	29,660	1,477,036	(21,296)	1,318,818	13,577	1,311,099
Debentures													
PGC	1st issue - 1st series	R\$	IPCA + 7.2227%	11.99%	11/15/2025	(4,837)	313,267	8,168	316,598	(5,246)	305,685	2,719	303,158
PGC	1st issue - 2nd series	R\$	CDI + 2.50%	4.90%	11/15/2025	(7,683)	435,290	7,162	434,769	(8,424)	435,290	2,412	429,278
Parnaíba II	3rd issue - 1st series	R\$	CDI + 0.60%	3.00%	10/2/2022	(262)	100,000	1,235	100,973	(305)	100,000	602	100,297
Parnaíba II	3rd issue - 2nd series	R\$	CDI + 1.01%	3.41%	10/2/2024	(1,006)	290,000	4,159	293,153	(1,088)	290,000	2,034	290,946
Parnaíba II	3rd issue - 3rd series	R\$	CDI + 1.40%	3.80%	10/2/2026	(1,436)	360,000	5,845	364,409	(1,507)	360,000	2,863	361,356
Eneva	2nd issue - 1st series	R\$	CDI + 0.95%	3.35%	5/15/2024	(5,063)	750,000	8,066	753,003	(5,461)	750,000	2,698	747,237
Eneva	2nd issue - 2nd series	R\$	CDI + 1.45%	3.85%	5/15/2027	(6,033)	750,000	9,449	753,416	(6,300)	750,000	3,170	746,870
Eneva	2nd issue - 3rd series	R\$	IPCA + 5.05%	9.81%	5/15/2029	(4,350)	542,585	9,951	548,186	(4,494)	529,817	3,321	528,644
Eneva	3rd issue - 1st series	R\$	IPCA + 4.2259%	8.99%	12/15/2027	(13,601)	697,155	8,293	691,847	(14,152)	680,750	1,231	667,829
Eneva	5th issue - 1st series	R\$	IPCA + 5.50%	10.26%	6/15/2030	(23,775)	691,109	10,653	677,987	(24,437)	674,846	1,579	651,988
Eneva	6th issue - 1st series	R\$	IPCA + 4.127%	8.89%	9/15/2030	(16,148)	393,520	759	378,131	(16,456)	384,260	3,967	371,771
Eneva	6th issue - 2nd series	R\$	IPCA + 4.5034%	9.26%	9/15/2035	(25,132)	603,928	1,268	580,064	(25,437)	589,716	6,634	570,913
						(109,326)	5,926,854	75,008	5,892,536	(113,307)	5,850,364	33,230	5,770,287
Secured deposits						-	(93,711)		(93,711)	-	(57,914)	-	(57,914)
						(109,326)	5,833,143	75,008	5,798,825	(113,307)	5,792,450	33,230	5,712,373
Current assets						(16,133)	101,749	75,008	160,624	(15,947)	101,237	33,230	118,520
Non-current assets						(93,193)	5,731,394		5,638,201	(97,360)	5,691,213	-	5,593,853

* Calculation of effective rates takes into account accumulated indexes in the last 12 months:

Jan-21 - CDI of 2.56%, IPCA of 4.52% and TJLP of 4.81%.

Feb-21 - CDI of 2.39%, IPCA of 4.56% and TJLP of 4.76%.

Marc-21 - CDI of 2.24%, IPCA of 5.20% and TJLP of 4.70%.

The financial institutions usually do not require guarantees for borrowings and financings granted to the Parent Company. However, the borrowings got by the subsidiaries are guaranteed in the structure equivalent to Project Finance, mainly through the assets (machinery and equipment) as well as by the billing flow of the subsidiaries' CCEAR contracts. In addition, the financing is also guaranteed by the Parent Company for the subsidiaries.

The changes in borrowings and debentures are as follows (current and non-current):

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
At December 31, 2020	80,218	1,330,292	4,285,252	5,712,373
(+) New funding	-	160,171	-	-
(+) Interest incurred	1,256	42,579	44,980	60,918
(+/-) Monetary variation	-	101	68,908	76,490
(-) Payment of principal	(3,862)	(3,862)	-	-
(-) Payment of interest	(1,273)	(26,154)	(19,141)	(19,141)
(+/-) Funding cost	19	265	2,635	3,981
(+/-) Secured deposits	-	(6,874)	-	(35,796)
At March 31, 2021	76,358	1,496,518	4,382,634	5,798,825

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
At December 31, 2019	92,073	1,399,414	2,637,317	4,157,128
(+) New funding	90,000	1,363,129	2,007,968	2,007,968
(+) Interest incurred	12,183	163,058	155,663	232,336
(+/-) Monetary variation	-	1,549	102,011	115,822
(-) Payment of principal	(101,869)	(1,529,317)	(410,000)	(494,959)
(-) Payment of interest	(12,230)	(124,987)	(147,056)	(229,318)
(+/-) Funding cost	61	(10,461)	(60,651)	(53,827)
(+/-) Secured deposits	-	67,907	-	(22,777)
At December 31, 2020	80,218	1,330,292	4,285,252	5,712,373

The installments of the borrowings, financings and debentures classified as non-current liabilities on March 31, 2021 have the following payment schedule:

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
Maturity year				
2022	11,585	63,813	-	231,113
2023	15,447	78,120	-	294,486
2024	15,447	120,279	750,000	1,066,702
2025	6,790	101,484	482,384	856,892
2026 up to the last maturity	11,712	1,159,727	3,195,912	3,375,912
	60,981	1,523,423	4,428,296	5,825,105
Secured deposits	-	(25,408)	-	(93,711)
Funding cost	(223)	(20,979)	(83,051)	(93,193)
	60,758	1,477,036	4,345,245	5,638,201

Financial and non-financial covenants

The financing and debentures contracts of the parent company and of the operating subsidiaries and of the projects being implemented have obligations. Non-financial covenants are regularly monitored by treasury and periodically reported to Management, in order to ensure that the agreement is complied with. On March 31, 2021, the conditions of the financial covenants are met.

14. Financial instruments and risk management



Subsequent classification and measure

The Company's financial instruments are classified and measured as follows:

	3/31/2021				12/31/2020			
	Amortized cost	Fair value through comprehensive income	Fair value through profit or loss	Total	Amortized cost	Fair value through comprehensive income	Fair value through profit or loss	Total
Financial assets								
Cash and cash equivalent	1,464,233	-	-	1,464,233	1,384,933	-	-	1,384,933
Marketable securities	-	-	599,610	599,610	71,659	-	439,658	511,317
Judicial deposits	6,470	-	-	6,470	6,182	-	-	6,182
Derivative financial instruments	-	1,871	-	1,871	-	-	-	-
Trade receivables	318,965	-	-	318,965	700,964	-	-	700,964
Related-party transactions	51	-	-	51	51	-	-	51
	1,789,719	1,871	599,610	2,391,200	2,163,789	-	439,658	2,603,447
Financial liabilities								
Trade payables	438,420	-	-	438,420	536,838	-	-	536,838
Borrowings and financings	1,496,518	-	-	1,496,518	1,330,292	-	-	1,330,292
Debentures	5,798,825	-	-	5,798,825	5,712,373	-	-	5,712,373
Related-party transactions	176	-	-	176	168	-	-	168
Derivative financial instruments	-	-	-	-	-	2,391	-	2,391
Contractual retentions	4,330	-	-	4,330	4,330	-	-	4,330
Trade payables - electric power sector	12,316	-	-	12,316	12,455	-	-	12,455
Provision for cost due to unavailability	58,352	-	-	58,352	64,445	-	-	64,445
Research and development	79,564	-	-	79,564	82,603	-	-	82,603
Leases	142,957	-	-	142,957	100,968	-	-	100,968
	8,031,458	-	-	8,031,458	7,844,472	2,391	-	7,846,863

Fair value estimate

The financial instruments recorded at fair value are classified and disclosed as follows:

	3/31/2021				12/31/2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Marketable securities	-	599,610	-	599,610	-	439,658	-	439,658
Derivative financial instruments	1,871	-	-	1,871	-	-	-	-
	1,871	599,610	-	601,481	-	439,658	-	439,658
Financial liabilities								
Derivative financial instruments	-	-	-	-	2,391	-	-	2,391

There was no transfer of financial instruments between the fair value measure levels during the period.

Assessment methods and techniques

Due to its maturity in the short term, it is understood that the fair value of the balances of cash and cash equivalents, accounts receivable and trade receivables are equivalent to their book values.

Securities classified as measured at fair value through profit or loss refer mainly to investments in federal public securities through the Company's exclusive fund and, therefore, it is understood that their fair value is reflected in the value of the fund's quota.

Derivatives, hedge and risk management

The Company has derivative instruments, called Non-Deliverable Forwards (NDFs), in order to mitigate the foreign exchange exposition arising from investments in foreign currency foreseen by Parnaíba I Geração e Comercialização de Energia for the construction of the thermoelectric plant Parnaíba V, whose implantation began in February 2019, with construction term foreseen in the global work contract (EPC, in the Portuguese abbreviation) for 31 months.

Derivatives are used only for economic purposes of cash flow hedge, since the purpose of the hedge is to bring greater predictability to future cash flow, mitigating the risk of exchange rate impact on the payments provided for in the EPC contract of auction A -6 of 2018 (Parnaíba V) and not as speculative investments.

14.1 Market risk

Risk of variation in the prices of commodities, foreign exchange rates and interest.

Risk of price variation (commodities)

In the case of the Company, this risk is exclusively associated to the price of the coal, which forms the inventories necessary for the generation of energy in the thermoelectric plants Pecém II and Itaqui.

The period between the purchase of the load and its use for the energy generation is set as the risk of price variation taken by the thermoelectric plant. The projection of risk and sensitivity of the average amounts for the periods ended March 31, 2021 and December 31, 2020 is as follows:

	Itaqui			Pecém II		
	Market value (Probable)	API2 / CIF ARA (25% increase)	API2 / CIF ARA (50% increase)	Market value (Probable)	API2 / CIF ARA (25% increase)	API2 / CIF ARA (50% increase)
December 31, 2020						
Variable income (Ccomb)	139,449	174,311	209,173	127,291	159,114	190,937
Variable cost (Coal)	(119,829)	(149,234)	(178,639)	(104,809)	(131,642)	(158,474)
Variable result	19,620	25,077	30,534	22,482	27,472	32,463
March 31, 2021						
Variable income (Ccomb)	129,692	162,115	194,538	159,928	199,910	239,892
Variable cost (Coal)	(118,937)	(146,052)	(173,167)	(140,519)	(173,693)	(206,867)
Variable result	10,754	16,062	21,370	19,408	26,216	33,024

Assumptions*

	Itaqui		Pecém II	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020
Electric power generation - MWh	805,534	1,007,234	953,108	919,017
Coal consumption tone	336,495	424,368	396,245	388,263
CIF ARA	56.93	53.28	59.37	53.25
API2	56.93	53.28	59.37	53.25
Award	5.50	1.00	3.5	(1.25)
Factor i	0.52	0.52	0.52	0.53
FX	5.40	4.97	5.37	4.95

Being:

$Ccomb = CIF\ ARA * Factor\ i * FX$

$Coal\ cost = API2 + award$

$API2 \sim CIF\ ARA$

* Unaudited information.

Interest rate risk

(a) Risk related to floating interest

The Company and its subsidiaries have liabilities indexed to floating interest in the interbank deposit segment (DI), in the inflationary segment with restatement according to the IPCA price index and by the TJLP (long term interest rate) economic index.

The BNDES facilities restated by the IPCA and TJLP price indexes - which also contain a strong inflation component - are part of a special credit segment posing low volatility and therefore a low probability of abrupt changes in rates. The assets of the Company and its subsidiaries, represented by their income, will also be updated by the same rates, which substantially decreases the mismatch between the assets and liabilities.

In order to verify the sensibility of the debts indexers to which the Company was exposed, 3 different scenarios were defined. As probable scenario, the Company used market projections to estimate what would be the gross financial expenses for the next 12 months. As alternative scenarios, the Company calculated which would be the financial loss for the next 12 months should the TJLP, CDI and IPCA curves be displaced in 25% and 50% respecting the payment term of each line.

	Scenario Probable	Scenario I (25% increase)	Scenario II (50% increase)
Cash flow risk:			
Liabilities indexed to TJLP	6,532	7,546	8,473
Liabilities indexed to CDI	174,843	208,434	241,778
Liabilities indexed to IPCA	333,069	369,123	404,922
Expected financial costs	514,444	585,103	655,173
Increase in finance costs	-	70,659	140,729

Methodology: parallel displace above the interest curves in 25% and 50%.

IPCA 12M: 3.32% (Source: Boletim Focus)

TJLP 12M: 4.55% (Source: National Monetary Council)

Average CDI 12M: 2.86% (Source: Market Projection)

14.2 Liquidity risk

The Company and its subsidiaries monitor their liquidity levels, based on expected cash flows versus the amount of cash and cash equivalents on hand. Managing the liquidity risk means maintaining cash, sufficient securities and capacity to settle market positions. The amounts recognized at March 31, 2021 approach the operations' settlement values, including estimated future interest payments.

Consolidated 3/31/2021					
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Liabilities					
Trade payables	176,128	235,437	26,855	-	-
Commercial operations	-	-	176	-	-
Borrowings and financings	45,601	39,943	130,455	611,976	1,504,003
Debentures	175,022	195,906	589,194	3,284,383	5,297,965
Contractual retention	-	-	-	4,330	-
	396,751	471,286	746,680	3,900,689	6,801,968
					12,317,374
Consolidated 12/31/2020					
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Liabilities					
Trade payables	-	455,352	80,257	-	-
Trade payables	-	-	1,397	-	-
Borrowings and financings	42,823	32,589	111,067	416,002	1,119,028
Debentures	173,345	195,309	584,075	3,334,003	5,500,498
Contractual retention	-	-	-	4,330	-
	216,168	683,250	776,796	3,754,335	6,619,526
					12,050,075

14.3 Credit risk

This arises from the possibility of the Company and its subsidiaries suffering losses due to the default of their counterparties of financial institutions where they have funds or financial investments. This risk factor could derive from commercial operations and cash management.

The Company understands that there is no credit risk in trade receivables, see assessment in Note 7 - "Trade receivables". Furthermore, to mitigate these risks, we adopted a practice of analyzing the financial position of their counterparties, as well as constantly monitoring outstanding accounts.

The Company has a financial investment policy, which establishes investment limits for each institution and considers the credit rating as a reference for limiting the investment amount. The loans are exposed to low risks due to the classification of first-tier banks (AAA and AA), which the Company has a relationship with. The average terms are continually assessed, as are the indexes underlying the investments, in order to diversify the portfolio.

		Consolidated
	3/31/2021	12/31/2020
Credit risk positions		
Cash and cash equivalent	1,464,233	1,384,933
Marketable securities	599,610	511,317
Trade receivables	318,965	700,964
Derivatives	1,871	-
Judicial deposits	6,470	6,182
Secured deposits on borrowings and debentures	119,119	76,448
	2,510,268	2,679,844

14.4 Foreign exchange rate risk

The Company has no material foreign exchange exposure related to its financial liabilities, arising from transactions in foreign currency, except those mentioned in the paragraph "Derivatives, hedge and risk management" of this note.

14.5 Capital risk

The Company's objectives when managing capital are to safeguard the business' ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure for reduction of the cost of capital.

In order to maintain or adjust the capital structure of the Company, Management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

15. Provision for contingencies



The Company and its subsidiaries are parties in civil, tax and labor lawsuits, as well as in administrative proceedings, assessed by its lawyers and legal advisors.

The Company constitutes a provision when there is present obligation, arisen from past events, and that it is probable that a cash disbursement will occur for its ending. The consolidated balance of the provision for contingencies in the period ended March 31, 2021 is presented, as follows:

	12/31/2020				Consolidated
	Accumulated balance	Additions	Reversal	Update	3/31/2021
					Accumulated balance
Civil	70,613	-	-	36	70,649
Labor	21,950	-	(741)	-	21,209
Tax	40	-	-	-	40
Total provisions	92,603	-	(741)	36	91,898

Possible risk contingencies (do not require the constitution of provision)

The lawsuits and administrative proceedings that have not been provided for, as they involve a prognosis of loss classified by its lawyers and legal advisors as possible loss, are presented below:

		3/31/2021	Consolidated 12/31/2020
Environmental		26,254	25,912
Regulatory		12,724	12,724
Labor	(a)	38,673	51,873
Civil		41,345	49,324
Tax	(b)	227,677	224,460
Total		346,673	364,293

(a) Labor

These encompass complaints filed by former employees of the Company and of outsourced companies, who claim, among others, severance pay, hazard premium, employment bond and subsequent equalization of the rights to the Company's employees or, even, any amounts overdue by their direct contractors. The reversal presented in the previous table is linked to the settlement of claims by the claimants and the closure of suits during 2020. There is no material individual suit.

(b) Tax

Subsidiary Itaquí Geração de Energia S.A.

The subsidiary has tax claims in which it appears as a defendant. The main demand is related to the tax assessment issued by the federal tax authorities to disallow financial expenses that are supposedly unnecessary because the hedge of a certain operation contracted to cover an unrealized foreign currency loan has not been proven.

The matter is under discussion at the administrative level, with a challenge to the tax assessment filed on January 22, 2019, and subsequently on July 10, 2019, a voluntary appeal was filed. Currently, the lawsuit awaits judgment of the Voluntary Appeal by CARF.

In the event of an unfavorable outcome, the effect will be the write-off of approximately R\$ 195 million in tax losses and CSLL negative calculation basis in auxiliary tax controls (ECF), not representing any disbursement and impact on the Company's cash.



16. Related parties

The balances of assets, liabilities and effects on income of related-party transactions are as follows:

	Assets		Liabilities		Result	
	3/31/2021	12/31/2020	3/31/2021	12/31/2020	3/31/2021	3/31/2020
Loan						
Itaqui Geração de Energia S.A. (a)	767,895	808,285	-	-	4,699	(1,359)
Pecém II Geração de Energia S.A. (b)	882,914	864,473	-	-	5,823	14,387
Parnaíba B.V.	-	-	-	-	1	20,302
Others	688	689	-	-	-	-
	1,651,497	1,673,447	-	-	10,523	33,330
Commercial operations						
Parnaíba Geração e Comercialização de Energia S.A. (c)	64,037	147,130	36	36	150,357	117,055
Parnaíba II Geração de Energia S.A. (c)	45,060	99,156	48	48	103,000	88,266
Itaqui Geração de Energia S.A.	4,876	10,625	2,323	2,323	2,466	2,732
Pecém II Geração de Energia S.A.	2,573	7,080	141	141	1,684	1,733
Parnaíba B.V.	-	-	97,928	97,928	-	-
Others	15,076	16,166	5,153	5,153	1,952	498
	131,622	280,157	105,629	105,629	259,459	210,284
Dividends and interest on capital receivable						
Parnaíba Geração e Comercialização de Energia S.A.	23,962	23,962	-	-	-	-
Parnaíba II Geração de Energia S.A.	38,230	38,230	-	-	-	-
Porto do Pecém Transportadora de Minérios S.A.	1	-	-	-	-	-
	62,193	62,192	-	-	-	-
	1,845,312	2,015,796	105,629	105,629	269,982	243,614

- a. The balance is comprised by two loan agreement entered into with Eneva (creditor) being the first one subject to interest of 104% of CDI and indefinite maturity and the second one subject to interest of 2.47% + IPCA and maturing in September 2026, in the amount of R\$ 767,895 (R\$ 808,285 on December 31, 2020). The variation corresponds to the interest incurred in the period.
- b. The balance is comprised by two loan agreement entered into with Eneva (creditor) being the first one subject to interest of 104% of CDI and indefinite maturity and the second one subject to interest of 3.19% + IPCA and maturing in December 2027, in the amount of R\$ 882,914 (R\$ 864,473 on December 31, 2020). The variation corresponds to the interest incurred in the period.
- c. Balances basically comprised of the sale of natural gas and lease of the Gas Treatment Unit (UTG) for the subsidiaries Parnaíba II Geração de Energia S.A. and Parnaíba Geração e Comercialização de Energia S.A.. This is an expected variation for the period, due to the seasonality of the plants' dispatch curve.



17. Equity

17.1 Share capital

On March 31, 2021 and December 31, 2020, the Company's capital is R\$ 8,873,481 and R\$ 8,848,409, respectively. The Company only has common, book entry shares, with no par value. The authorized capital on March 31, 2021 is comprised of 1,596,513,720 authorized shares, of which 1,265,094,016 were issued (315,835,960 on December 31, 2020*).

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Shareholder	Parent Company		Parent Company	
	3/31/2021		12/31/2020*	
	Number	%	Number	%
Banco BTG Pactual	289,640,404	22.89%	72,410,101	22.93%
Cambuhy	289,640,404	22.89%	72,410,101	22.93%
Velt Partners	-	0.00%	17,665,975	5.59%
Dynamo	63,415,788	5.01%	15,853,947	5.02%
Atmos Investimentos	63,173,044	4.99%	15,793,261	5.00%
Treasury shares	4,641,208	0.37%	-	-
Others	554,583,168	43.84%	121,702,575	38.53%
Total	1,265,094,016	100.00%	315,835,960	100.00%

On March 11, 2021, the Company approved the split of all shares in the proportion of 1 share to 4 shares of the same type, without changing the share capital.

* The number of shares on December 31, 2020 refer to the number before the Company's split of shares, effective as from March 31, 2021.

18. Result per share

[SUMÁRIO](#)

The diluted and basic result per share was calculated by the division of the result for the period attributable to controlling and non-controlling stockholders of the Company on March 31, 2021 and 2020 and the respective weighted average of shares outstanding during the same period, as follows:

	3/31/2021	3/31/2020
Result for the period		
Numerator		
Profit attributable to the stockholders	203,145	179,758
Denominator		
Weighted average of shares	924,589,040	315,344,051
Profit per share (R\$) - basic	0.21971	0.57004
	3/31/2021	12/31/2020
Result for the period		
Numerator		
Profit attributable to the stockholders	203,145	179,758
Denominator		
Weighted average of shares	924,589,040	315,344,051
Effect of the options	9,583,804	1,637,140
Profit per share (R\$) - diluted *	0.21746	0.56709

* The dilution factor represented by the Company's share-based compensation programs represented no material change in the calculation of the diluted profit.

19. Share-based payment

[SUMÁRIO](#)

Stock options awarded by the Company

The Company's effective stock option program was approved by the Board of Directors on August 10, 2016. The beneficiaries are the members of the Board of Directors, of the Executive Board and selected employees.

The options may reach the maximum of 4% (four percent) of the Company's total shares at the options issue date. For this limit effect, it will be considered the sum of all the shares issued by the Company, including the shares that come to be issued by the Company due to options awarded within the scope of the options plan.

The changes in the options plan in the period between December 31, 2020 and March 31, 2021 are as follows:

Plan awarded by the Company - number of share options	Number of Options	Weighted Average Price of Options
At December 31, 2020	12,573,336	7.12
Exercised	(1,902,556)	6.29
Awarded	4,963,380	15.88
Expired	(505,444)	8.18
At March 31, 2021	15,128,716	10.06

The Company is not able to measure the value of the services received by the participants, therefore, it decided to measure their respective fair values, based on the fair value of equity instruments awarded. According to the program's regulation, the Company will settle this obligation with the issue of new shares or using (when constituted) the account "Treasury Shares". The effect on result on March 31, 2021 is of R\$ 3,958.

(a) Restrict performance units

The Company granted two distinct long term compensation incentive plans based on shares. The first one was approved on July 12, 2018 and the second, called Long Term Compensation Incentive Plan Based on Shares (Performance Shares Plan) was approved at the Annual and Extraordinary Shareholders' Meeting held on April 29, 2019. In these plans, the Company grants restricted performance units to the beneficiaries who provide services to it, however, the plans follow different rules for the acquisition of the right to transfer shares. The appropriation of the plan's fair value to the result of the period of 2021 was of R\$ 3,115.

The changes in the units plans in the period between December 31, 2020 and March 31, 2021 are as follows:

Units Plan Granted by the Company - Number of Units	Number of Units	Weighted Average Price of the Shares
At December 31, 2020	5,513,748	15.53
Exercised	-	-
Canceled	-	-
Granted	-	-
Expired	(69,408)	15.65
At March 31, 2021	5,444,340	16.70

On December 10, 2020, the Company's Board of Directors approved the Repurchase Program whose objective is the acquisition of Company's shares by Parnaíba II Geração de Energia S.A., to meet the obligations arising from the Long-Term Share-based Compensation Incentive Plan approved on July 12, 2018, for the managers and employees of the Company and its subsidiaries. The maximum number of shares to be acquired is of 1,070,000 (one million and seventy thousand).

20. Sales and services income

The reconciliation between the gross revenue and the net revenue recorded in the income statement for the year is as follows:

	Parent Company		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Gross revenue				
Available funds (ACR) (a)	-	-	552,829	527,506
Sale of electricity (ACR) (b)	-	-	321,699	226,003
Sale of electricity (ACR) (b)	-	-	176,312	270,838
Sale of gas and condensed Lease	142,257	143,781	1,524	1,560
	134,166	87,082	-	-
	276,423	230,863	1,052,364	1,025,907
Deduction from revenue				
Taxes on sales and services	(44,384)	(28,032)	(91,942)	(75,462)
P&D	-	-	(8,699)	(9,142)
Reimbursement	-	-	(371)	(2,193)
	(44,384)	(28,032)	(101,012)	(86,797)
Total net revenue	232,039	202,831	951,352	939,110

- a.** The increase in this account is due to the annual increase provided for in the contract referring to revenue linked to the remuneration of the generation enterprise (fixed installment) maintained at the disposal of the National Integrated System (SIN) to enter into operation whenever requested by the National System Operator ("ONS").
- b.** The observed decrease is related to the lower attendance to energy dispatch, with a decrease of 13.8% in average generation in the period compared to the same period in 2020.



21. Costs and expenses per nature

	Parent Company		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Cost				
Regulatory costs	-	-	(35,645)	(34,516)
Depreciation and amortization	(40,982)	(40,204)	(132,851)	(113,888)
Rental expenses	(927)	(1,616)	(4,569)	(4,549)
Personnel expenses	(9,491)	(6,887)	(41,962)	(37,118)
Electric power for resale	-	-	(154,524)	(155,481)
Taxes and contributions	(123)	(151)	(123)	(2,382)
Generation inputs	-	-	(129,168)	(124,586)
Consumption material	(1,667)	(940)	(11,735)	(7,772)
Government interests (a)	(33,823)	(13,791)	(33,823)	(13,791)
Operating insurance	(1,051)	(337)	(7,043)	(6,373)
Outsourced services	(5,510)	(7,730)	(20,745)	(17,266)
Others	(68)	(163)	(8,074)	(5,344)
	(93,642)	(71,819)	(580,262)	(523,066)
Administrative and general expenses				
Depreciation and amortization	(8,438)	(8,263)	(15,366)	(15,034)
Environmental expenses	(427)	(245)	(513)	(369)
Rental expenses	(516)	(611)	(719)	(591)
Costs with exploration and dry well	(9,897)	(26,400)	(9,897)	(26,400)
Personnel expenses (b)	(51,467)	(25,207)	(55,570)	(27,934)
Taxes and contributions	(350)	(629)	(416)	(792)
Consumption material	(198)	(1,012)	(692)	(1,035)
Shared services - cost sharing	10,237	9,288	-	-
Outsourced services	(3,406)	(5,927)	(7,508)	(6,573)
Others	(7,030)	(7,441)	(8,505)	(7,408)
	(71,492)	(66,447)	(99,186)	(86,136)
Other income and expenses				
Provision for loss in investment	-	(114)	-	(228)
Loss in the disposal of goods (c)	-	-	(549)	(16,912)
Contingencies	239	-	419	431
PIS/COFINS credit (d)	9,602	-	24,663	-
Other income (expenses)	(936)	159	(2,434)	(454)
	8,905	45	22,099	(17,163)
	(156,229)	(138,221)	(657,349)	(626,365)

- a.** The increase is due to the higher expenditure on payment of charges (royalties and special interests) related to the upstream operation due to the readjustment in the reference price of gas that occurred in February 2021.
- b.** The increase in personnel expenses is substantially linked to the update of the fair value and recognition of charges due for the exercise of the share-based payment plans granted by the Company to its managers and employees and by the 13.2% increase in the number of employees when compared to the same period in 2020.
- c.** The observed variation refers to the donation of the substation to Eletronorte, in the amount of R\$ 16,527, which occurred in 2020. This donation was established in the licensing process of the Parnaíba Complex.
- d.** The Company started a work to review the credit appropriation system for the last 5 years of operating companies, in order to map PIS and COFINS credits that may not be used under the non-cumulative regime, based on the definitions contained in Laws No. 10,637/02 and 10,833/03, as well as credits arising from the expansion of the concept of input defined by the Superior Court of Justice (STJ) in 2018, based on the criteria of essentiality and relevance.



22. Finance income/costs

	Parent Company		Consolidated	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Financial costs				
Debt charges	(1,256)	(1,640)	(1,256)	(31,044)
Fine and interest paid or incurred	(18)	(11)	(146)	(253)
Amortization of the borrowings transaction cost	(684)	(1,953)	(2,031)	(5,138)
Commission on bank guarantees	(374)	(536)	(930)	(1,153)
Interest on provision for abandonment costs	(3,796)	(970)	(4,055)	(1,049)
Interest on lease liabilities	(1,679)	(2,282)	(3,586)	(2,103)
Interest on loans	-	(5,602)	(45)	(2,460)
Debentures interest	(11,647)	(19,814)	(27,585)	(43,466)
Exchange and monetary variation	(1,585)	(13,444)	(41,886)	(28,169)
Others	(2,089)	(9,767)	(3,741)	(12,518)
	(23,128)	(56,019)	(85,261)	(127,353)
Finance income				
Financial investment	2,358	10,187	8,099	19,134
MTM energy agreements/ derivatives	-	-	2,308	9,612
Fine and interest received or earned	6	23	8	799
Earnings from loans	10,523	17,389	-	320
Exchange and monetary variation	28,293	22,572	29,219	30,708
Others	1,484	135	4,627	2,238
	42,664	50,306	44,261	62,811
Financial result, net	19,536	(5,713)	(41,000)	(64,542)

The main variations consist in the decrease of interest incurred on loans ("debt charges") and debentures ("interest on debentures"), mainly due to the restructuring of the Company's debts and the issuance of debentures at more attractive costs and due to the fact that in the first quarter of 2021, when compared to the same period in 2020, more debts linked to the construction of the Company's capital projects with the capitalization of interest incurred.

Board of Directors

Jerson Kelman

President

Directors:

Elena Landau

Felipe Gottlieb

Guilherme Bottura

Phillippe Reichstul

Marcelo Pereira Lopes de Medeiros

Renato Antônio Secondo Mazzola

Executive Board

Pedro Zinner

Chief Executive Officer

Lino Lopes Cançado

Chief Operations Officer

Marcelo Campos Habibe

Finance and Investor Relations Officer

Marcelo Cruz Lopes

Marketing, Commercialization and New Business Officer

Controllership

Ana Paula Alves do Nascimento

CRC-RJ 086983/O-0

Controller

Bruno Campelo de Azevedo

CRC-RJ 106648/O-9

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