eneva

MANAGEMENT REPORT 2021

Index

MESSAGE FROM THE MANAGEMENT

2021 was an amazing year for the Company: we ended the year with the best historical quarter and our resilient structure and thoughtful capital allocation were the highlight amid a challenging environment. Our EBITDA reached R$ 2.3 billion, an outstanding increase of 40% in comparison to the last year. The reserve replacement reached 264% only in the Parnaíba Basin and we have also added 1.3 billion m³ 2P gas reserves to our Azulão asset in Amazonas. The merger with Focus helped diversify our portfolio and made us one of the biggest companies trading solar energy in Brazil, adding more than 3GW in renewable energy to our portfolio. We were successful in the energy capacity auction contracting the Parnaíba IV plant and a thermal capacity of 295 MW in Amazonas, using the Reservoir-to-Wire (R2W) model in another basin. Material investments along the year provided a sound basis that will boost our future reserves.

Eneva's capital structure and balance have shown that the Company has been able to ensure a low capital cost with strong liquidity to capitalize on the opportunities of long-term generation of value. With our projects becoming reality and a strong free cash flow in 2022, we could work with the "growth trilemma" mentioned in the Letter to the Shareholders published last year and implement a policy to distribute dividends. We intend to reach our announced leveraging goals by means of (i) adhering to the net debt/EBITDA limit of 4x in M&A, (ii) payment discipline after the cash balance has been extended, and (iii) timely reacquisitions to avoid excessive deleveraging. The capex project execution also proceeded as expected, with some small adjustments in view of delays during the Covid-19 pandemic.

Our shareholder base sees merit in our timely M&A approach and trust our Management's capacity to generate value. Any creative and timely funding decisions are made both in and out the context of projects and M&A: whenever capital is required, we take part in timely transaction in the capital market to obtain funds (including debt, shares and hybrid transactions) and/or contract funding whenever they present favorable conditions, even if there is no way to promptly obtain the required capital.

We believe diversification can walk along with specialization and generate value to Eneva, making it more resilient. Our capacity to adapt our business to meet the needs of an ever-changing world is one of the things that makes us stand out. Since the re-IPO five years ago that we have been seeking for new opportunities to generate value to our business and we will keep doing so to make the capital allocation more efficient in our diversification strategy. Although we have made a small number of transactions, our focus is not on quantity but on quality. With less transactions, the knowledge and the value to be generated with each of them must be outstanding. For instance, take our recent merger with Focus, an important moment in the development of our portfolio. From a strategic point of view, the acquisition allowed us to take part in the consumption trend of including green energy/hydrogen and distributed energy production. We are now better prepared to make the transition to renewable sources as the consumers change their habits.

These achievements last year make us more optimistic towards the future. Eneva is now very prepared to enjoy the opportunities in the current moment, when the market is changing, to develop a model focused on the clients. Our success during the pandemic is an example of these accomplishments and potentials. We have quickly adapted and changed our approach in this new context to meet our clients' needs. We have done so using our first-line technology and a diversified portfolio of products to ensure our clients have access to trusting energy generation.

Eneva is aware the world is now interested in replacing fossil fuels for low carbon energy - either from renewable sources or nuclear or even hydrogen ones. This transition will impact almost every business everywhere and it is going on during a moment of global energy crisis, with severe climate changes and post-pandemic recovery of the demand for energy, which had led many countries to store fossil fuels and led to a material increase in the global emissions of carbon dioxide last year, the opposite to what was expected in the expressed global trend for zero-carbon goals. Both this trend and the disruption in 2021 both in the USA and Europe have led to a discussion on the impact and readiness of a global transition to a cleaner energy.

Therefore, we expect to undertake a more balanced transition from now on, with a short-term financing adequate to the use of fossil fuels in the next couple of decades while alternate sources become more competitive and the access to them becomes broader.

Given the present situation, we still believe natural gas will keep playing an important role in the energy transition, working as a bridge to the use of hydrogen or any other new sources. We believe our vast experience with intensive carbon assets will provide us with the knowledge to better take care of them and in our mission to spearhead a fair, inclusive transition by providing energy that generates value.

Eneva is oriented by a series of essential values and a purpose that has contributed to set our most ambitious goal to 2030. Our mission is to lead a fair, inclusive transition by providing energy that generates value. We aim to grow and reach the right size to become the leaders in the creation of long-term values, working as an integrated energy company. In order to achieve this goal, we have set six main goals we must: 1) expand the lifecycles of the current assets and use the R2W in other locations; 2) expand the reserves and develop integrated solutions in the Northern region; 3) develop gas hub infrastructures; 4) trade energy resources and develop new business models; 5) create a renewable energy portfolio while promoting low carbon technologies; and 6) develop an organization adapted to such purpose, ready to act. Having these pillars in mind we can efficiently and quickly adapt in an ever-changing environment. They will provide us with constant improvement and a faster pace to better meet the demands of our clients, all these elements important to Eneva's strategy for 2030.

It is also worth noting that in 2021 our environmental footprint became more transparent, and our corporate social responsibility methodology was implemented in new regions. Eneva ended 2021 adhering to the 10 UN Global Compact Principles, showing our commitment to 9 out of the 17 SDGs. For the first time, we published our inventory of greenhouse gas emissions throughout our value chain, according to the highest standards of disclosure set by the GHG Protocol (Gold). Another important step: we adhered to the CDP. Despite not being mandatory, disclosing the carbon emissions has become more and more relevant for the companies and suppliers to increase transparency. It helps the companies identify and deal with ever-growing risks and is aligned to the regulatory changes and policies and meet the demands from investors and clients for more sustainable organizations. According to the CDP, our classification for weather is C, while for water is B — it shows there is room for improvement. To show we are really focused on our goals, we have committed to limit our greenhouse gas emission throughout our gas generation portfolio in 0.39 tCO_2/MWh by 2030 and we plan to achieve zero carbon in all our operations by 2050 while still focusing on our growth.

Finally, we must highlight our competitive positioning, our team with proven outstanding performance and the successful investments we have made in the latest years have given us confidence to face 2022 and make sure our goals are achieved in 2030, increasing the value of our shares.

ENEVA

Overview

ENEVA S.A. ("ENEVA") is an integrated energy company with a supplementary business in electric power generation and exploration and production of hydrocarbons in Brazil, a pioneer in the development and operation of the Reservoir-to-Wire ("R2W") model in the country. The Company is located in the city of Rio de Janeiro and has assets in the states of Maranhão, Ceará, Amazonas, Roraima, Mato Grosso do Sul and Goiás.1

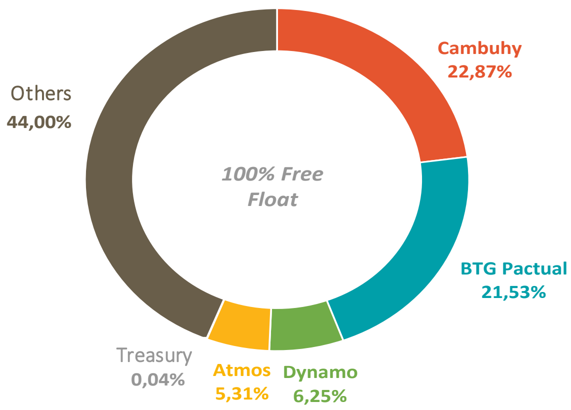
The Company has also been operating a 2.2 GW thermal generation complex that represents about 7% of the country's natural gas and coal thermal generation capacity. With the start of operation of four new plants, the total installed capacity will reach 2.8 GW until 2024 and 3.1 GW until 2026.2

In December 2021, ENEVA was operating 11 natural gas fields in the Parnaíba and Amazonas basins, with the certified reserves (2P) amounting to 36.56 bcm (billion cubic meters), and in the Juruá area, in the Solimões basin. ENEVA has also been granted with concessions to explore and produce hydrocarbons in the Basins of Parnaíba, Amazonas, Solimões e Paraná (more than 64 thousand km^2) in different exploratory stages.

In 2021, the Company was the largest private operator of natural gas in Brazil, producing up to 8.4 million m^3 per day. In 2022, with the start of operations in the Azulão Field, at Amazonas Basin, natural gas production capacity will reach 9.0 million m^3 per day.

[1] "Brasil Energia Petróleo" publication No. 432, November 2016, pp. 34-36.
[2] ANEEL data from March 2022, available on ANEEL's Generation Information System (Generation Capacity in Brazil – Matrix according to type and source: https://app.powerbi.com/view?r=eyJrIjoiNjc4OGYyYjQtYWM2ZC00YjllLWJlYmEtYzdkNTQ1MTc1NjM2IiwidCI6IjQwZDZmOWI4LWVjYTctNDZhMi05MmQ0LWVhNGU5YzAxNzBlMSIsImMiOjR9
[3] Brazilian Statistical Yearbook of Oil, Natural Gas and Biofuels 2021. Page 81, Table 2.12

The Company is listed in the Novo Mercado segment since its IPO in 2007, and it is now a Corporation. Eneva has a single class of shares, and its capital stock is made up of 1,266,339,183 common shares, traded at B3 - Brasil, Bolsa, Balcão under the symbol ENEV3. The Company's shareholding is detailed in the graph to the side:

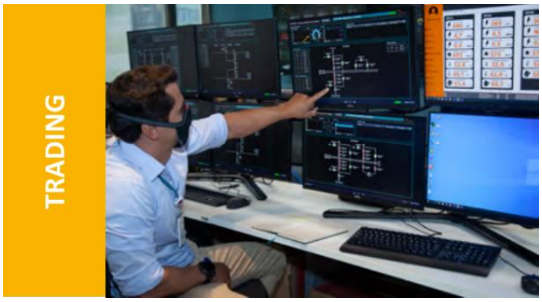


Asset Portfolio

ENEVA operates in the following segments:

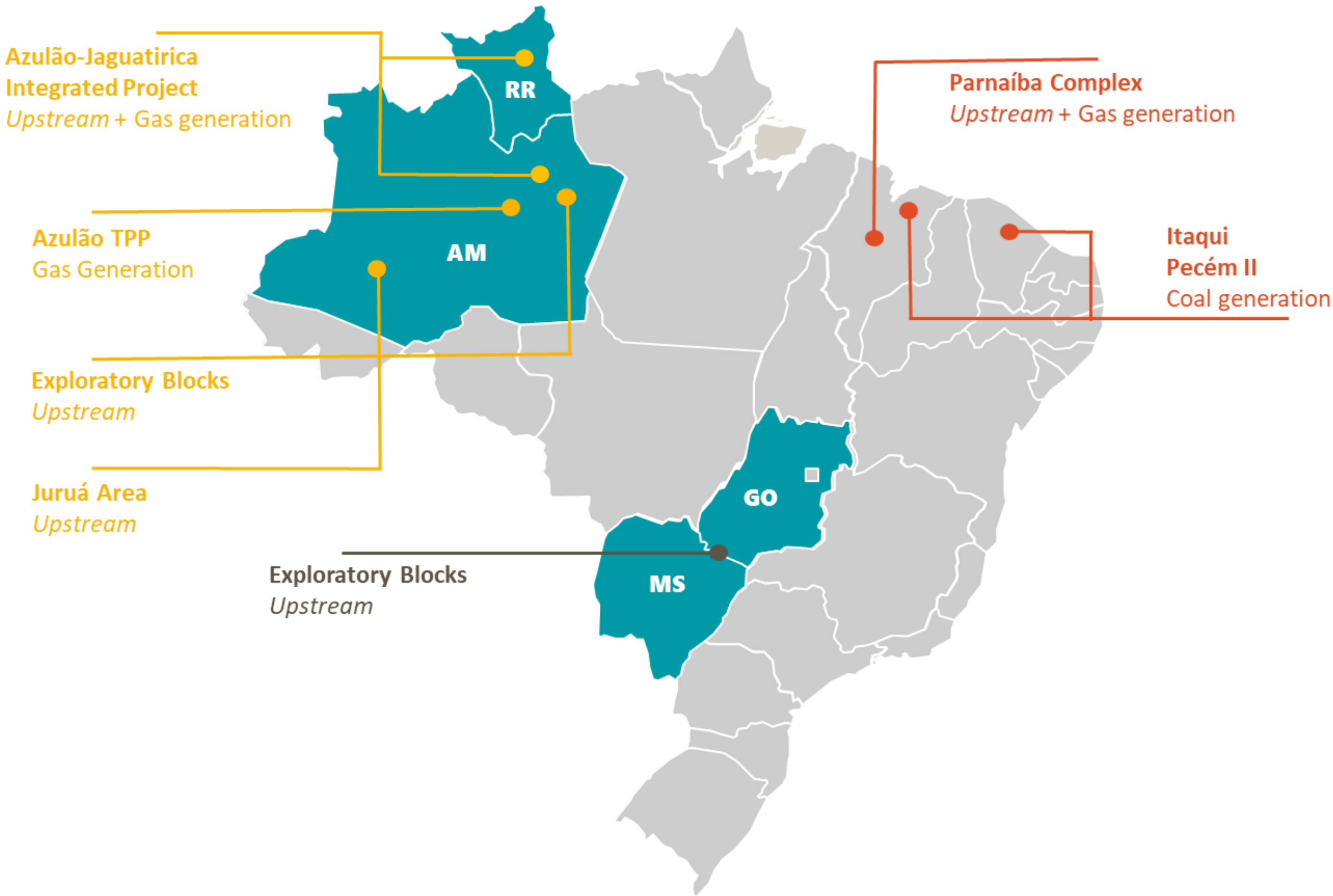
Safe and competitive power generation for the Brazilian electric system, with a thermoelectric generation complex of 3.1 GW of installed capacity (71% operational).

Exploration and production in several natural gas fields located in the sedimentary basins of Parnaíba, Amazonas and Paraná, besides the Juruá area in the Solimões Basin, and more than 64 thousand km² in exploratory concessions.



Commercial integration of different generation sources through contracts from own and third-party plants. It offers to free market customers a combination of sources that minimize the socio-environmental impacts of energy generation with security of supply.

The Company's assets are located in the whole country as shown in the image below:



The Parnaíba complex, located in state of Maranhão, has a total installed capacity of 1.9 GW, with 1.4 GW already in operation. In December 2021, the Complex had 4 natural gas power plants (Parnaíba I, II, III, IV) which supply was its own and ten onshore natural gas fields located in the surroundings. Meanwhile, Parnaíba V and VI plants were under construction. As the natural gas fields were strategically located close to the generation complex, it provided power generation for a competitive price and less envirionmental impact by reducing the costs and losses in the fuel transportation. To cope with the generation from the complex, the Parnaíba Basin had 29.45 bcm in natural gas reserves (2P) certified by Gaffney, Cline & Associates ("GCA") for December 31, 2021.

The Jaguaritica II Thermal Power Plant ("TTP") located in the state of Roraima will have an installed capacity of 141 MW and will be fueled by the natural gas from the Azulão Field, in the State of Amazonas (Amazonas Basin). The extracted natural gas produced in the field is liquefied and transported in cryogenic tanks to the plant through an already existing road. As the Jaguatitica II TTP starts operating, most of the diesel oil generation supplying Roraima will be turned off, reducing the emissions of carbon and NOx (nitrous oxide).

Azulão TTP has become the Company's most recent natural gas power plant and will be located in the city of Silves, State of Amazonas, connected to the Northern Subsystem of the National Interconnected System. The Azulão TTP project was contracted during the first ANEEL Capacity Reserve Auction held in December 2021. The agreement provides for the sale of 295 MW of power for 15 years as of July 2026. The Azulão TTP will be fueled by the natural gas from the Azulão Field, located less than 1km of distance from the place the plant will be installed. It is ENEVA's approach to replicate the R2W business model, successfully implemented in the Parnaíba Basin and undergoing implementation in the Azulão-Jaguatirica Integrated Project.

The Amazonas Basin had 7.11 bcm in natural gas reserves (2P) certified by GCA for December 31, 2021.

The Company also operates two coal power plants: Itaqui TTP, in the state of Maranhão and with an installed capacity of 360 MW, and Pecém II TTP, in the state of Ceará and with an installed capacity of 365 MW.

In the Upstream segment, besides the 11 natural gas fields in the Parnaíba and Amazonas Basins, the Company also won concessions to exploit the auctioned blocks from the 13th and 14th Bidding Rounds of the National Petroleum, Natural Gas and Biofuel Agency ("ANP") and in the 1st Permanent Offer Cycle, all located in the Parnaíba Basin. The Company has also concessions to exploit three blocks close to the Azulão Field, located in the Amazonas Basin, four in the Paraná Basin, and other ones in the Juruá Area, in the Solimões Basin, all won during the 2nd Permanent Offer Cycle of ANP.

Strategic Planning

ENEVA's approach — known as Eneva Way of Being — involves putting together the journeys, experiences and stories of the people comprising our team and reflect on how we should conduct the business and our relationships. This approach is grounded on three foundations: Mission, Vision and Behavior.

Mission

According to the Company's long-term strategic planning, Eneva's mission is to spearhead a fair and inclusive transition to an energy generation that creates value, what shall be done following these points:

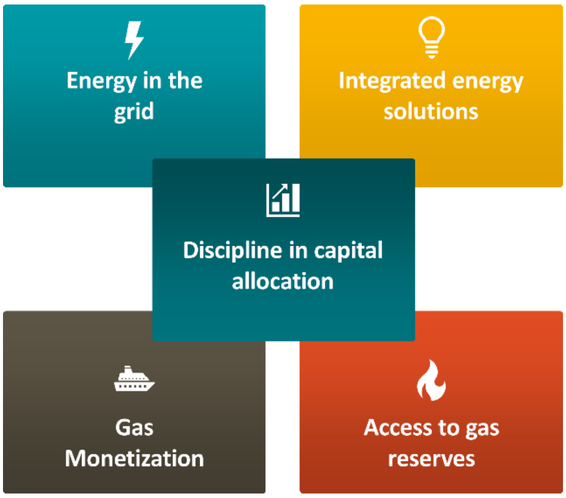
- Make the access to a reliable and accessible energy generation democratic;

- Expand the use of natural gas to replace more pollutant fuels and invest in renewable energy;
- Reinforce the inclusion of the most vulnerable populations;
- Provide integrated energy solutions;
- Develop mutually beneficial relationships between the company, employees, clients, suppliers and the surrounding communities that we need to be successful.

Vision

Eneva's growth strategy to 2030 is based on its vision, which is to be the leading integrated energy company in value creation. Associated with this vision, to grow and maximize the generation of value, is the consolidation as an integrated energy player.

The strategic planning relies on **five levers**:



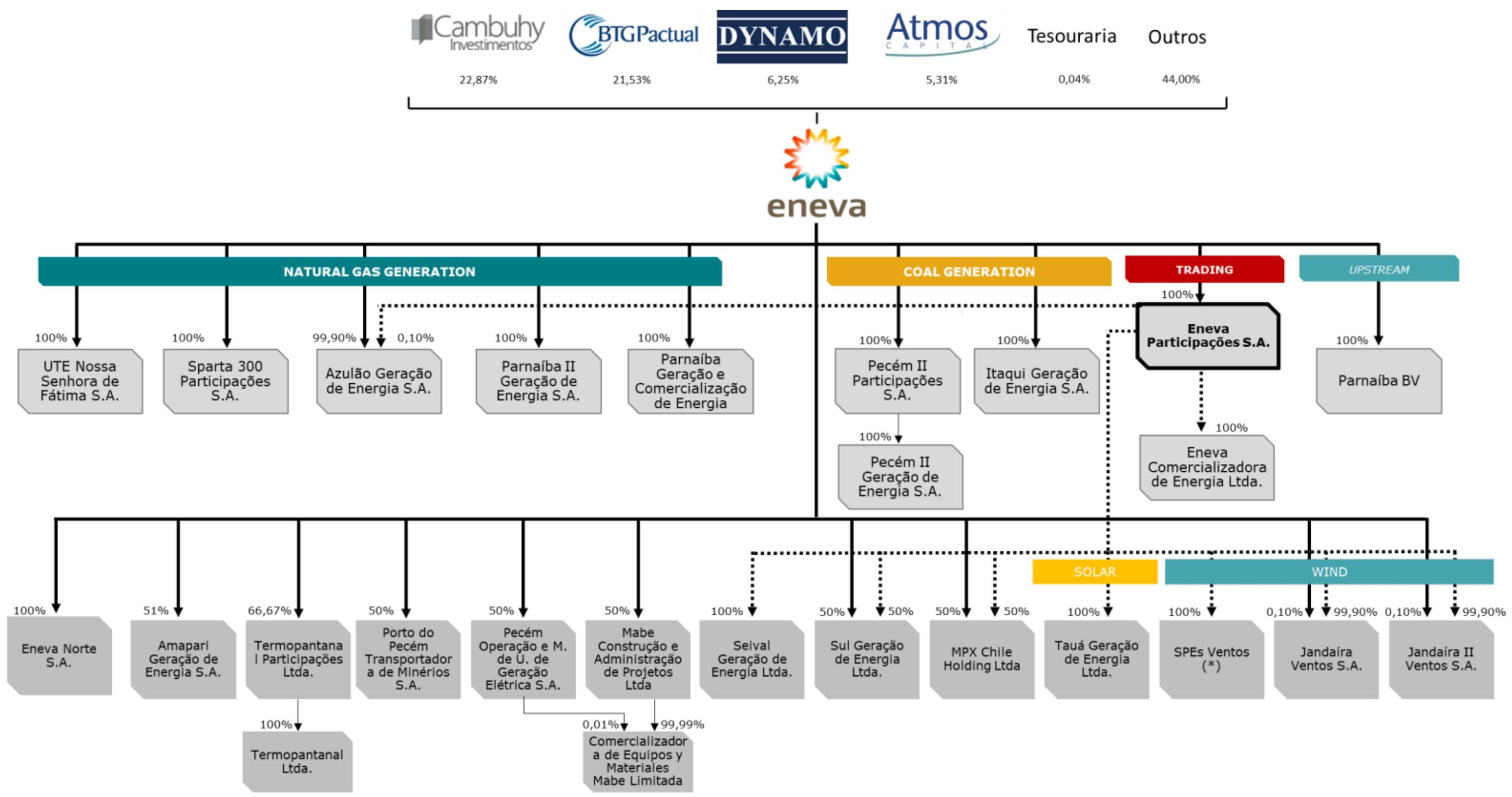
Behavior

To achieve both mission and vision, the Company must behave this way:

- Dare to assume the risk in a responsible way;
- Be receptive, constructive and resilient;
- Seek for the highest performance standards;
- Trust each other;
- Celebrate and award those successful.

Corporate structure

The image below shows ENEVA's corporate structure on December 31, 2021:



PEOPLE MANAGEMENT

Eneva ended 2021 with a total of 1224 employees, 1127 of them permanent. If we compare with 2020, when we had 1105 employees, we can say the Company's staff grew 10.77%.

Most of Eneva's staff works in the Northeastern, Southeasern and Northern region, respectively representing 59%, 30% and 11% of the total staff. The Company's plants are located in the states of Maranhão (Parnaíba Complex and Itaqui Unit), Ceará (Pecém II Unit) and Amazonas and Roraima (Azulão-Jaguatirica Integrated Project). To support the beginning of the activities in the region, new employees were hired, from 53 to 129 between 2020 and 2021, showing a growth of 143%.

Number of Employees[4]

Unit	Region						General		
	Northeast		North		Southeast				
	Female	Male	Female	Male	Female	Male	Female	Male	Total
Headquarters	0	0	0	0	156	233	156	233	**389**
Parnaíba Complex	53	309	0	0	0	0	53	309	**362**
Itaqui	29	174	0	0	0	0	29	174	**203**
Pecém II	23	115	0	0	0	0	23	115	**138**
Azulão	0	0	15	56	0	0	15	56	**71**
Jaguatirica	0	0	10	51	0	0	10	51	**61**
Total	**105**	**598**	**25**	**107**	**156**	**233**	**286**	**938**	**1.224**

Hiring

267 new workers were hired in 2021 in the Northeastern (40%), Southeastern (39%) and Northern (21%) regions.

Contracting of Local Labor

Out of all this new hiring in the Northern and Northeastern regions, 67% of them were born in those regions and about 75% were local labor (residing in said regions at the moment of contracting).

4 This quantity refers to the total number of employees, considering those by employment status such as CLT indefinite term, CLT fixed term, statutory, apprentices and interns.

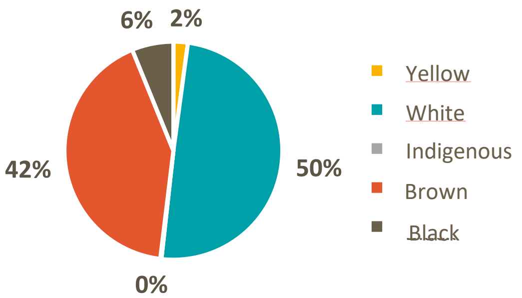
Termination Rate

In 2021, the termination rate was 16.76%, out of which 9.85% came from involuntary termination, and 6.91% from voluntary.

Diversity of workers

Out staff is comprised by 23% of women and 77% of men. For the leadership positions, 16% are held by women and 84% by men. The higher percentage of women in those positions in the coordination level, 31%, while the lower is in operational supervision, 5%.

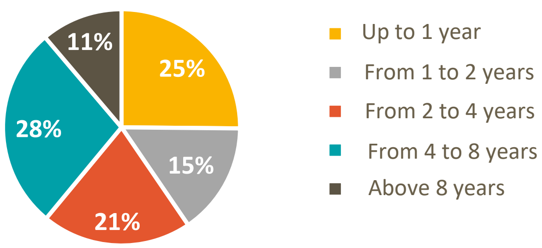
Distribution per Race



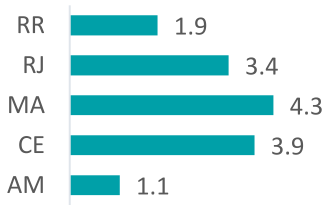
Almost half of our employees (48%) have identified themselves as black (brown + black).

About 28% of our staff have been working with us for 4 to 8 years, while 25% have been hired for less than a year and 21% have been working with Eneva for 2 to 4 years. The average time working for Eneva is 3.7 years, with the longest tenure being 15 years.

Time on job per Groups

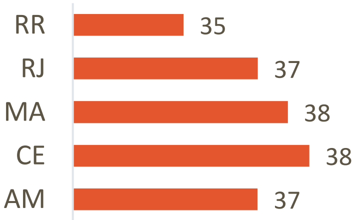


Average time on job (years)

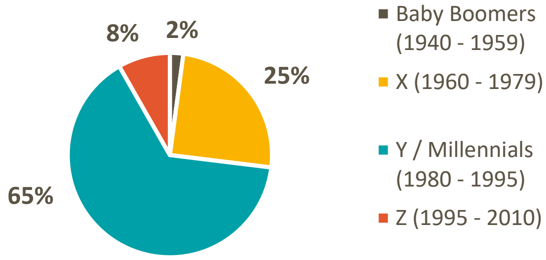


The average age of the Company's employees is 37 years, with the minimum one being 19 and the maximum, 75. Also, 65% of our employees belong to the Y generation (Millennials), while 25% to the X generation.

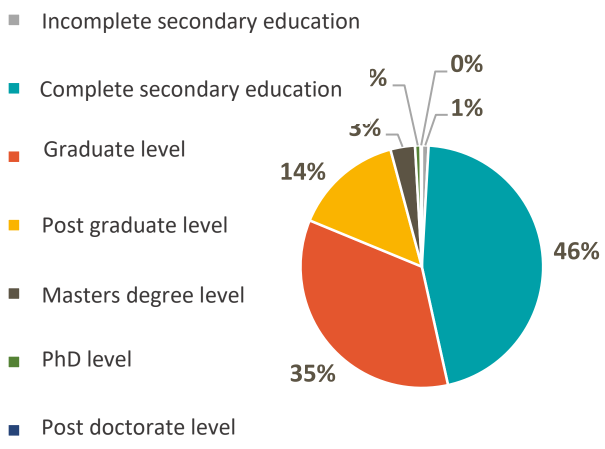
Average Age



Generation



Ensino



More than half of our staff (53%) are undergraduates or graduates.

People development

In 2021, the teams were offered training based on their profiles and the skills required for Eneva's project portfolio. Through Academia do Conhecimento (training module adopted by Eneva to manage all on site and online training), the catalog of courses grew to 94 in different categories: behavioral, technical, leadership, ethics and integrity, systems and tools. All employees can access the content anytime and anywhere to develop their technical and behavioral skills.

Eneva's Multiplicadores Internos Program also helped providing education to professionals of all areas and units of the Company in many different topics. The CRIE (Eneva's Qualification for Internal Resources) was implemented to provide supporting tools to these professionals. Every professional taking part in the program received a Multiplier Kit as well as a score to exchange for products and awards in the Seja+Eneva internal program. The program currently has 45 professionals from different areas and has led to the creation of 15 courses now available in Academia do Conhecimento.

In 2021, the Individual Development Program (PDI) was reframed to provide more agility, autonomy and control to all employees, resulting in 93% of them adhering to the program — in the previous cycle, the adhesion was 53%. The main purpose of the PDI is to make the employee commit to his/her/their self-improvement based on learning goals, which may be focused on technical, behavioral or managerial development or skills in the use of tools and systems.

In the second half of 2021, the Technical Internship Program was resumed and a third class group entered in the Parnaíba Complex. The program is part of Eneva's commitment to teach the local labor. The group has 13 students aged 20 to 26 years, 6 of them women and 7 men. They are students of the technical courses of Electromechanics and Oil and Gas and live in the cities close to the Complex. 54 people have studied in the program for the last 4 years. Those students not hired at the end of the course received career guidance and follow-up for 6 months so they can be better prepared to enter the job market.

Trainee Program

During the second year of the program, the trainees were appointed to work in a given unir and/or area with the challenge of developing a project in all its stages (planning, execution, follow-up and management). The trainees were mentored and received training in Project Management.

Compensation

Eneva's compensation strategy has been developed to award the merit, focusing on results and making sure the employees understand they are as responsible for the Company as its owners. The Compensation Policy aims to promote a higher performance and to attract and retain skilled employees aligned to our values.

Every year a market survey is taken with the involvement of a specialized third-party company with the purpose of setting the compensation strategies and comparing the Company to those of same size and in the same industry to attract and retain people with the expertise required for the development of the business.

Eneva is focused on maintaining an average base compensation strategy and rewarding the outstanding results through Short- and Long-Term Incentives aligned between the 25% in the market that pay the best compensation available. The long-term incentives inform the employee the Company intends to retain him/her/them and that it is important to have a strategic approach in face of the projects.

Matching	Units	Options
Attraction & retention	Retention	Attraction & retention of personel
Managers and key people	Board of Executive Officers	Top Management
Lock-up	IPCA + Spread	IPCA + Spread

Performance Evaluation and Succession

To promote performance culture and the continuous development of its employees, Eneva relies on an impressive people management process — the Career and Succession Assessment Cycle - CACS, an annual assessment for all Eneva's professionals. The purposes of the CACS are:

- Acknowledging the best performance, strengthening the meritocracy culture;
- Identifying talents and potential successors;
- Supporting the managers in developing their team, providing them with sound feedback with multiple perceptions;
- Maintaining the Company qualified to face the current and future challenges;
- Producing inputs for a consistent PDI.

The CACS annual cycle has been happening for 5 years. In 2021, 1010 professionals were assessed by 70 committees, amounting to a total of 340 hours of meetings. 10% of all eligible women were promoted — for the men, 8%. In 2020, 16% of the women and 10% of the men were promoted.

The succession of the mapping process provides an opportunity for an assertive, focused development so that people can actually hold positions with a higher complexity.

6% of all the Company's positions were identified as critical ones, with 61% of them having a short-term successor internally found, while the remaining 39% had one in the market. Concerning the internal mapping for medium-/long-term successors for the critical positions, the total was 76%.

Benefits

ENEVA adopts a procedure to grant benefits aiming to ensure internal equity and competition with the market, always respecting the provisions of the Collective Bargaining in force executed in every jurisdicion it operates in. Every step of the request and grant of the benefit is reported and the amounts paid are according to the mentioned Collective Bargaining.

In 2021, besides the benefits already included in the Company's portfolio, 7 new ones were added or enhanced, such as Funeral Allowance in case of death of the parents, the Eneva Baby program (to help and guide pregnant women until the childbirth), payroll deductible loans etc.

An internal survey was taken to check how satisfied the employees were with the offered benefits. 60% of all the Company's employees answered. The results showed:

- The meal allowance, the healh plan and the gift card for Christmas were the benefits that most pleased the employees;
- The meal voucher, private social security plan, life insurance and dental plan were also very appreciated;
- Most of the employees deemed the health plan, the dental plan, the meal allowance and voucher, the life insurance and the private social security plan as the most important benefits;
- And finally, about 200 employees praised the benefits in the comments field.

ESG COMMITMENTS (Environmental, Social and Governance)

In 2021, Eneva set as its ESG positioning a socially fair and inclusive energy transition. From 2030 to 2050 the Company should proceed with its long-term commitments while considering the specificities of the industry and Brazil, the expectations for the Ten-Year Plan for Expansion to provide higher capacity making use of renewable sources and natural gas until 2030; the intermittency of the renewable matrix, demanding a stable energy source; the need to optimize assets so they are not inoperative and can support the economic growth; the fact Brazil is a developing economy with higher population growth rates but with more than 2 million people without access to electric power, according to IBGE; and the transition to a low carbon economy that required more skilled people, demanding a large-size approach to training these people.

The Company has been making use of UN's Sustainable Development Goals (SDGs) to face this challenge, retaining those goals that are the closest to the positive impacts generated by the business. With the objectives mapped and defined, the Commitments were presented into three interdependent components to develop a positive social, economic and envionmental legacy in the places Eneva has been operating.

ESG Commitments based on 3 interdependent componets and 9 priority SDGs:

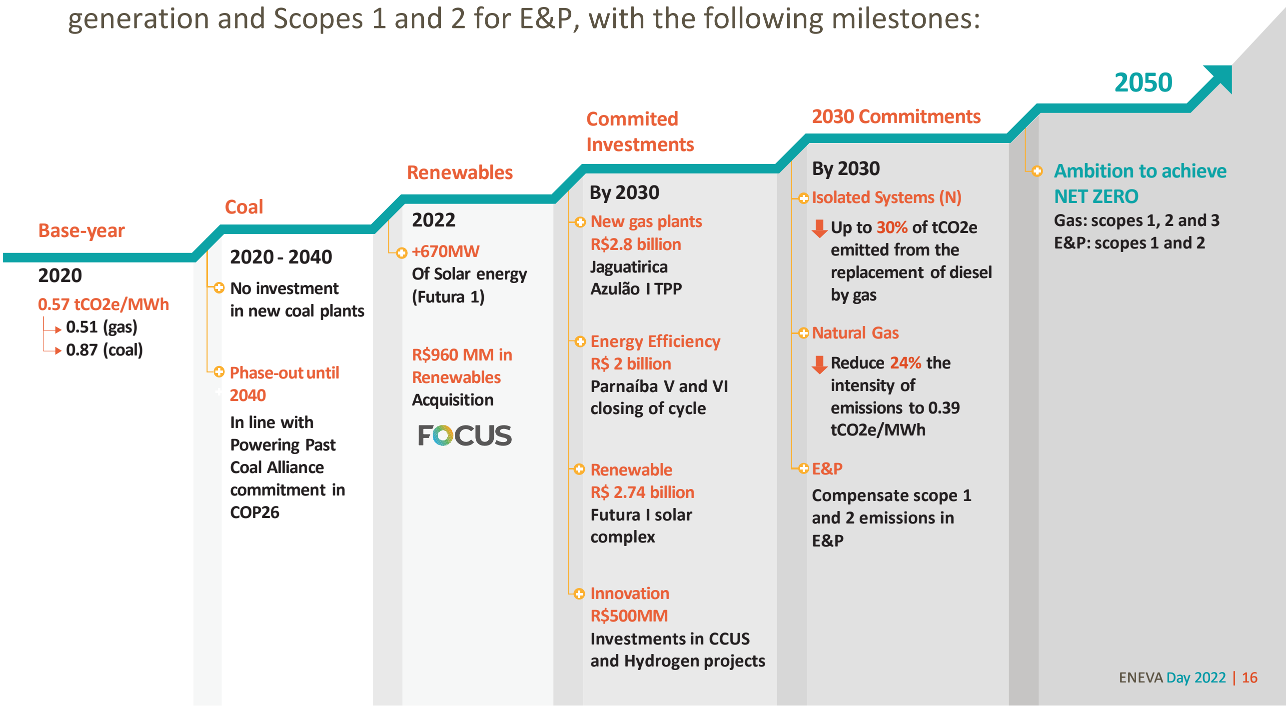
Components

To achieve a fair and inclusive transition, the Company's ESG approach will be focused in three main topics, all of them requiring efforts: 1. Reduce emissions; 2. Improve social rate in the municipalities where we operate; and 3. Conserve the Amazon Rainforest.

Reduce emissions

Brazil has one of the cleanest energy matrices in the world, 84% of it being from reneweable sources, mostly from hydroelectric and wind power plants. These sources are important for the system but are intermitent because of the volatile natural conditions. For instance, the water crisis in 2021 made the Electric System seek for other energy sources to ensure the supply.

As the safest and less polluent source available, natural gas has been the main source for the national energy transition and nowadays represents 9% of the Brazilian electric matrix, usually used whenever other sources are unavaiable. Aware of the Company's strategic position in the energy transition, for the next years Eneva will invest in a set of initiatives to help reduce the intensity of the CO2 emissions for the next years. These investments will be made to support projects for energy efficiency, with the phase-out of coal power plants until 2040, investments in technologies to capture and store carbon, and expansion of our portfolio of renewable-energy power plants. The Company aims to reach Net Zero until 2050 - Scopes 1, 2 and 3 for gas for power generation and Scopes 1 and 2 for E&P, with the following milestones:



Improve social rate in the municipalities where we operate

The Company has helped develop those communities surrounding its operations with actions to promote a better quality of life and creating jobs and generating income — all of this is part of Eneva's business model strategy. The longest operation of the Company is located close to the small cities of Maranhão in the Parnaíba Complex. Eneva's operation there ensuresan increase in the collection of natural gas producing municipalities and contributes to the development, increase in income and education of the population and increase in the participation of the industry in the GDP, as shown by the evolution data in the cities where Eneva is present.

Santo Antônio dos Lopes (IBGE data, from 2010 to 2019):

- The number of companies in the city increased from 82 to 162 (+97.5%);
- The average monthly salary went from 1.1 to 4 minimum wages;
- The number of people hired in the city more than doubled.

Since we started our activities, Eneva's social projects has involved about 70 thousand people, directly and indirectly. We have a goal to directly benefit 50 thousand people and indirectly benefit 100 thousand until 2030 through our social projects focused on generation of income and education. To do so, the Company will focus on the following areas in the areas it operates in:

- **Social responsibility:** Social projects aimed at families facing a vulnerable situation, focused on family agriculture, generation of income and education to reduce illiteracy rates;
- **Local labor:** Development of the local labor for more job opportunities and exercise of the citizenship;
- **Local suppliers:** Promoting initiatives to contribute to the development of the local economy.

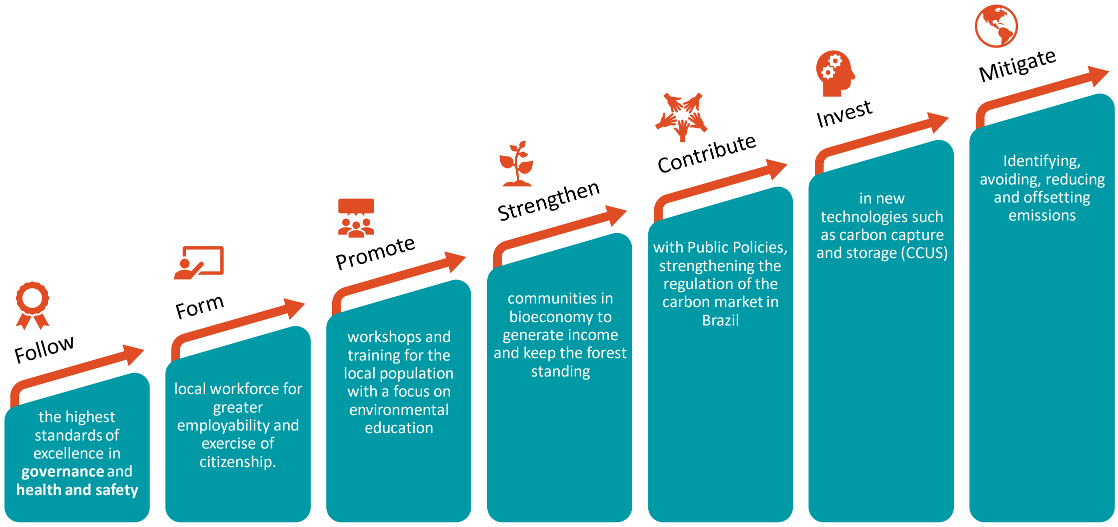
Preserve the Amazon Rainforest

Eneva has mainly acted in the states comprising the Legal Amazon. Allthough the operations are performed away from areas showing high levels of deforestation, the Company is aware it has a crucial role in promoting actions to ensure the conservation of the largest tropical forest of the world.

With the intent of conserving the forest through bioeconomical projects, agroforestry systems, creating opportunities for the sustainable local development, the Company will promote activities that value the products that come from the forest and that includes it in the market.

Through these activities, the Company intends to contribute to protect 500 thousand hectares of the Legal Amazon, multiplying by 1000 the current work it has done in the environmental area. All the activities developed for such matters are based on five pillars: supporting the agroforestry and bioeconomics; supporting the conservation unit; forest restoration, whenever necessary; territory monitoring to ensure the areas are protectes; and participation in the carbon market.

The commitments are based on the following actions:



Eneva's undergoing a process of continuous construction and improvement, setting the first measures to be taken. To ensure the constant transparency and improvement, the commiments may be updated and improved to be adapted to new contexts and new technologies and opportunities in the sector.

2021 ESG Highlights

- 1st Study of Climate Risks and Opportunities;
- 1st GEE emission inventory audited and published in the GHG Protocol Program (Gold seal);
- Adhesion to the CDP (Weather C and Water B);
- Inclusion of Eneva in the portfolio of B3's Efficient Carbon Index (ICO2);
- ESG in the decision-making process and long-term planning;
- Creation of a group for representatives of the ESG;
- Adhesion the Global Compact Network Brazil;
- Launch of ESG commitments.

ENVIRONMENTAL MANAGEMENT

Overview

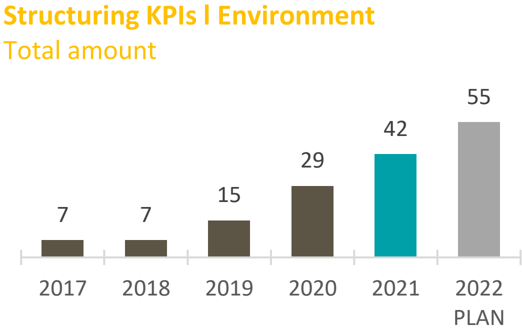
The commitment with the enviornmental preservation and minimization of impacts from the operations is essential for Eneva. The guidelines, aspects and operational impacts focused on environmental management are centered on the Health, Safety, Environmental and Social Responsibility Management System, crucial to the Company's management, operation and decision-making processes.

Management System

The environmental management and monitoring follow the HSE policy, guidelines, handbooks and procedures, all annually audited by independent consulting firms. Corporate standards have been maintained for the continuous improvement, so that the operations of management of regulated emissions and greenhouse gas, effluents, water resources and waste follow the same processes.

In 2021, new procedures of management of biodiversity, chemicals, environmental noise and liabilities were developed and published. From time to time the environmental performance is disclosed through meetings for critical analysis on all operations to provide internal communication. Other critical analysis tools were maintained, such as the Environmental Licensing Panel and the Dashboard for operational management of the Environmental KPIs throughout the units.

The environmental performance metrics were expanded according to the international methodologies: Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB). 13 new KPIs focused on the air quality maintenance, monitoring of effluents, sustainable disposal of waste and increasing forestation were implemented in 2021.



Environmental Licenses

Independent and multidisciplinary consulting firms have assessed the social and environmental impact of all the Company's assets, concerning biotic, physical and social factors. The assessment is required for the environmental license submitted to and approved by government authorities. The assessment allows for the participation of those involved and always aims to ensure as less impact as possible as well as to propose control and monitoring programs.

A control system for the terms and to ensure the legal requirements are complied allow the management of more than 100 envionmental licenses and permits, amounting to more than 1000 determining factors throughout the Company's operational units.

In 2021, all the licenses required for Eneva's assets were maintained and 99 more licenses and permits were issued to ensure the Company would keep expanding, strengthening it. During this period, the following pertaining licenses were issued for Eneva's group: (i) the renewal of all operational licenses for the Parnaíba Complex; (ii) 10 Preliminary Licenses for Drilling to open wells in Maranhão; (iii) 9 more licenses water wells; (iv) GVP installation license; (v) Preliminary Licenses for GVTE; (vi) Installation License for Parnaíba VI; (vii) Operational License for Parnaíba V; (viii) Renewal of Operational License for Pecém II UTE; (iv) Operational Licenses for Jaguatirica and Azulão; (x) drilling licenses for more 4 exploratory wells in Amazonas; and (xi) Preliminary License for Azulão I UTE.

The environmental protection controls and monitoring are already in place and strict internal standards of environmental quality have been adopted in all the units, monitoring and controlling:

- Atmospheric Emissions
- Liquid Effluents
- Surface and groundwater quality
- Solid waste
- Meteorological and Air Quality
- Soil Quality
- Terrestrial and Aquatic Fauna
- Noise
- Relationship with the Local Community
- Environmental Education
- Contracting and Support of Local labor
- Population Resettlement

All control and monitoring results are submitted to the competent environmental bodies and are available for public consultation on the documentation submitted for the licensing process.

Reflorestar Program

The Reflorestar Program started in 2021 with the intent of initially recovering an area of 60 hectares — about 85 soccer fields — close to the Mearim River Basin and State Park of Mirador, in the Itapecuru River Basin, in the state of Maranhão. The reforestation is very important to recover the biomes in the state and to preserve the hydrographic basins, essential to the local economy and the population supply.

If there is potential to agroforestr systems in some areas, they will be the priority in the program. It is a way of incetivizing the environmental preservation and social and economic development of the region. The first recovered area was a former landfill in the city of Lima Campos. As of 2022, this program will be expanded and included in the ESG Commitment for the Amazon Rainforest Conservation, specifically becoming part of the activities provided in the reforestation pillar.

SOCIAL RESPONSIBILITY

An item required for the development of social projects is the development of a lasting, transparent relationship that meets the expectations of all parties involved. For this reason, these parties must identify their expectations and how they relate to the topics.

Eneva's assumptions for its work involve:

- Maintaining a transparent and trusting relationship, showing business ethics and fighting corruption, promoting the engagement with the interested parties;
- Promoting the sustainable development in the regions the Company operates in along with the interested parties by adopting and spreading managerial and governance practices considering the integrated nature of social, environmental, economic and cultural issues;
- identifying and managing the positive and negative impacts towards environment and people and providing an efficient management of the use of natural resources, seeking to enforce the best practices in the market.

Social Projects

These are some of the social projects supported by Eneva in 2021:

Sustainable Education Project (PEA)

The overall purpose of the PEA is to guide professors and make AID students aware of enviornmental issues so they can continuously and effectively help improve the environmental quality and the quality of life in the region. Its main assumption is the promotion of sustainability, food safety and improvement of the pedagogical process through family agriculture.

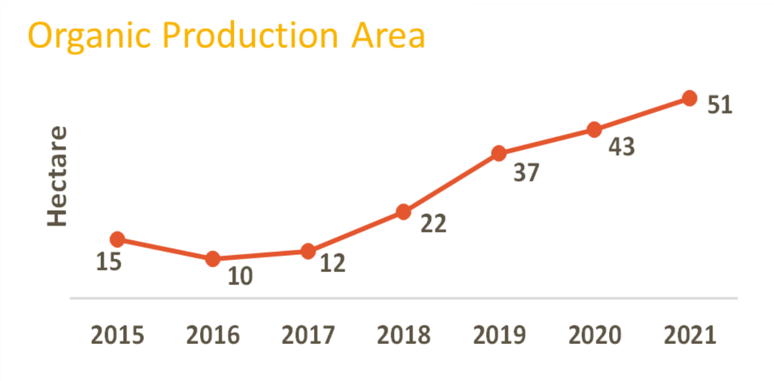
In 2021, the PEA was fully implemented in public schools from the cities and states (57 schools) located in the areas of Parnaíba Complex, Itaqui, Pecém, Azulão and Jaguatirica, with the following highlights:

- 92 organic gardens were created in the premises of public schools;
- 350 professionals from the area of education (from teachers to lunch servers) were involved;
- SESI provided theoretical and practical qualification to support the schools;

- More than 11 tons of vegetables, fruits and medicinal herbs were donated for school lunch and to the local families facing social vulnerability - food safety;
- Reapplication of the model for families selling the products to generate income - 100% organic.

HortCanaã Agricultural Project

The Vila Canaã Resettlement Project is undergoing a post-emancpation stage, having assumed all the commitments with the environmental authority as well as the Vila Canaã community, all of them delivered. The Company is still monitoring the project and has included new partners and public policies. In the presentation of the process and at the conclusion of the emancipation stage, all the main actions and commitments are described along with the history and progress of the Vila Canaã Resettlement Project.



Organic Cacao

The HortCanaã Agricultural Development Project has finished the first production of organic chocolate. The product was released in March 2021 to be traded in the state of Maranhão. It is the first chocolate made with organic cacao produced in Maranhão, achieving a better quality and highlighting the production from the social project. The local press liked the new product and there has been an expressive increase in the sales of chocolates and products made in HortCanaã.

Organically Produced Chocolate

The State University of Maranhão has monitored the plantation of 27 thousand hybrid seedlings of cacao made by the farmers and their families. The first harvest is expected for 2022 and the total area for cacao production measures 24 hectares.

Organic Chocolate Agricultural Development

Release of Organic Chocolate

The project is a joint partnership with the Executive Commission of the Plan for the Farming of Cocoa, a special agency in the Ministry of Agriculture, Livestock and Supply directly involved in the production and research for the best cacao plants in the Northern and Northeastern regions. Thanks to the partnership, the Project will be included in actions of research, genetic enhancement and specialized service.

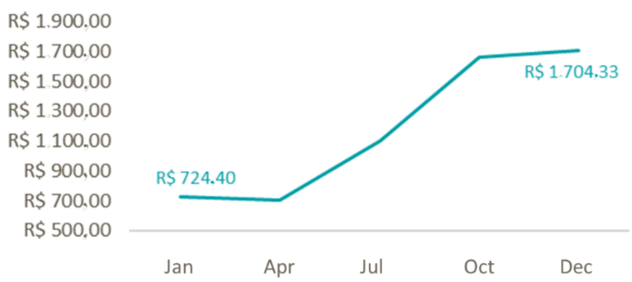
Embrapa Maranhão approved the HortCanaã Agricultural Development Project for the Horta Pedagógica (Pedagogical Garden) project, which purpose is to promote food, nutritional and medical safety for the vulnerable communities.

All the project gardens are comprised with only herbs for medicinal purposes and will support the course of Pharmacy at the Federal University of Maranhão. The gardens will also be used as open classrooms for basic disciplines and discussion of transversal themes. The students will have the opportunity to practice what they learned as well as enjoy the agricultural aspects involved.

Nova Demanda Agricultural Project (Santo Antônio dos Lopes)

The Fostering Family Agriculture project in the Nova Demanda Settlement was created in 2020 and so far has seen a material development thanks to the work of its Association of Farmers and Rural Producers in public policies, getting involved in the More Seeds Project. In 2021, the project was approved in two public bids from PROCAF (Family Agriculture Acquisition Program), providing a source of income and flow of products, as can be seen in the graph below.

Farmers´ average income



The APRAND (Association of Agroecological Rural Producers of Nova Demanda Settlement) currently has 30 associated families that received visits from the Technical Service from time to time. These visits from ENEVA have the purpose of helping those families learn how to better produce agroecological food. ENEVA has also support the fairs in the neighboring cities, promoting the sale of products.

Organic Fair

Irrigation system kits have been delivered to the associated families to help in their work, distributed according to their engagement with production.

Agroforestry Projects

The Agroforestry Project was released in April 2021 in the cities of Itapiranga and Silves, in Amazonas, to support social development actions and generate income to 450 families which rely on agriculture and livestock to support themselves.

The first step involved EMBRAPA's researchers visiting the production areas, preparing an action plan and identifying reforestation areas for agroforestry handling as well as recommending the seeds to be planted. The purpose of the project involves (i) collective use, (ii) improvement of quality and more products, and (iii) trading.

Meeting with local farmers

In 2021, a joint partnership with Western Amazon Embrapa (Manaus, Amazonas), Embrapa Rondônia (Porto Velho, Rondônia) and the Institute for Agricultural and Livestock Development and for the Sustainable Forestation in the State of Amazonas (IDAM) resulted in the online course of "Agroforestry Coffee Production System". ENEVA worked along with groups in Itapiranga and Silves providing them with access to the transmission of the course, transportation, local support, certificates and fostering the local production.

AMUQUEC Project

The Aptitude Certificates (DAPs) were updated by PRONAF in 2021 with the associated families. A new cycle of training started with the coconut breakers learning how to make soap using the babaçu coconut oil. The intent is to help them reach the consumer market. AMUQUEC shares the same purpose and has been approved in two PROCAF's public bids.

In the training cycle, the associated women from Capinzal do Norte/Maranhão were helped by the SESI team for 6 months and learned things like Financial Education, Waste, Creating a Menu, Organizing and Storing Products. COPEL helped them starting the sales and entering the market.

In 2021, the association was involved in an event promoted by the Government of Maranhão called "Babaçu Women - The Coconut Breakers of Maranhão", a celebration of the State Day of the Babaçu Coconut Breakers. The event discussed how to trade products, had cultural attractions and the participation of members from movements involved with sustainable extractivism.

AMUQUEC

Aprender Project

ENEVA started supporting the Aprender Project in 2019, aimed at providing education for young children. With the pandemic, in 2021 the project was recreated to hold virtual meetings from time to time that also involved the State Department of Maranhão, which submitted feedback and indicators from the AID (direct influence area) cities within the area of the Parnaíba Complex.

Last year the project had a huge development, reaching all the cities of the State of Maranhão. During the pandemic, many actions ended up being reformulated as many people did not have access to the Internet, especially the professionals and students living in the rural area.

The virtual meetings helped LABEDU, in charge of the project, present qualitative and quantitative data on the cities and give the floor to each educational agent to describe how the teachers were improving and the specific data about each city, with the project adapting itself according to different realities. Such approach results in the project having a massive presence in the State of Maranhão, and now the Aprender Project is part of the state educational policy.

Revolução do Saber Project

In 2021, ENEVA set a Youth and Adult Education (EJA) class for those involved in social projects and focused on promoting literacy. The students received logistical support from Eneva and the Municipal Department of Education, which provided the material and the professionals.

Revolução do Saber

This project is aimed at those associated with AMUQUEC and APRAND and encompasses educational activities based on games and audiovisual productions, making use of pedagogical themes to promote literacy throughout the region.

Elas Empreendedoras

The main purpose of this project is to help women living in the communities surrounding Eneva's areas in Maranhão, Amazonas and Ceará become entrepreneurs. Up to now, the project has had the involvement of 230 thousand women from these regions. By ensuring they take the leading role and strengthening women's potential, the project has helped farmers and coconut breakers from the states the Company is operating in. The project provides qualifications aimed at entrepreneurship, involves themes related to administration, finance and business. The project also discusses themes like empowerment, domestic violence, diversity etc.


Elas Empreendedoras

Other courses were also provided in a partnership with Sesi Cozinha Empreendedora to help turn their cooking knowledge into income. The courses and workshops involved different types of products — self-made organic jams, compotes, canning, antipasti, bread, cakes, juice, etc., following all the quality, safety and hygiene rules and procedures. A semi-industrial kitchen was supplied to help the project take off and support the next stages.

Semi Industrial Kitchen

Promoted projects

Supported with tax deduction, the Eneva-supported projects to have access to federal benefits involved the following areas: education, access to culture and local development. In 2021, the investments made using the Rouanet Law, the Sport Promotion Act, the Fund for Children's and Adolescents' Rights and the Fund for Older People's Rights amounted to R$ 2.08 million in projects undertaken in the states of Maranhão, Ceará, Amazonas and Roraima.

Arte de Incluir Project

Arte de Incluir

The project was developed in Ceará and involves music performances played by students with disabilities who took drama, singing and dancing classes for 3 months. The social initiative was funded by the Rouanet Law and was aimed at children and teenagers with Down syndrome who attended classes especially developed and adapted for them to create the show. The project promotes the access to different artistic approaches, such as music, dance, singing, painting, photography etc. and lasts for 10 months, reaching more than 100 children and teenagers from the region.

Workshops to Prepare Social Projects

Class formed in the Azulão area

The workshop to Prepare Projects in the states of Roraima and Amazonas had the involvement of community leaders and representatives from social institutions. The meetings provide those attending with skills to develop projects, clarifications on incentive law, material on how to create associations and cooperatives and finally develop drafts for any initiatives proposed by people living in the communities.

The workshop had 42 representatives/leaders involved with education, children and teenagers, organic waste, environmental education etc. They learned how to obtain public and private funds to start and proceed with their social projects.

The purpose of the workshops is to ensure the projects are qualified for fundraising from incentive laws, such as priority for the development in the region, increasing the possibility of direct investment in the areas Eneva operates in.

Covid-19 prevention and combat support

In Roraima:

Eneva supplied the Public Health System in Roraima with an oxygen generation system to help the Hospital Geral do Estado (State General Hospital) as well as donated 50 oxygen cylinders. The donation was made through the BNDES's Salvando Vidas campaign managed by Sitawi Finanças do Bem. The donations amounted to R$ 1.600 million as well as 2025 Covid-19 tests.

Maranhão:

In 2021, the Company donated 100 Covid-19 rapid tests, 2500 hygiene kits, 200 thousand masks, 5000 lab coats and 1500 basic food baskets. Along with the Costurando para o Bem project, the Company also donated R$ 273 thousand.

In São Luís, the Company donates 20 mattresses, 20 closets, 50 thousand masks, 100 food kits, 500 basic food baskets, 50 lab coats and 500 hygiene kits and six 20" and 16" steel pipes for drainage works in the city of Pedreiras, which has endured the floods on Mearim River. The Company also donated 725 COVID-19 tests to the Regional Hospital of Pedreira and 1500 basic food baskets to people living close to the Company's operations and in cities with very low HDI. The donations amounted to R$ 78 thousand and were supported by the Federation of Municipalities of the State of Maranhão.

Ceará:

ENEVA donated 59 COVID-19 tests and 160 basic food baskets to the Municipal Government of São Gonçalo do Amarante.

Amazonas:

Through the UNIÃO BR - United for Amazonas initiative spearheaded by Instituto Phi - Intelligent Philanthropy, ENEVA donated R$ 100 thousand to acquire five oxygen-generating mini plants in the small cities of Amazonas. This strategy had the goal of making sure the health system in small cities could properly treat the patients with moderate COVID-19 so that they would not be transferred to Manaus. These are some of the companies involved in the initiative: AMBEV, Coca-Cola, Leroy Merlin, Americanas, Lojas Renner, Electrolux, SulAmérica, Natura, Casas Bahia, Claro, Google, Paypal, XP, Carrefour, Heineken etc.

Itapiranga, Silves and Manaus:

The Company donated 95 thousand masks, 1900 hygiene kits, 12 pressure monitors and 6 thermal boxes, 7 oximeters, 8 infrared thermometers, 100 gallons of potable water, 657 COVID-19 tests, 10 stationary oxygen concentrators, amounting R$ 112 thousand. Along with the Costurando para o Bem project, the Company also donated R$ 150 thousand.

CORPORATE GOVERNANCE

ENEVA's decision-making process and business and relationship with clients, shareholders, employees, suppliers, service providers, governmental agencies and other interested parties are guided by the ethics.

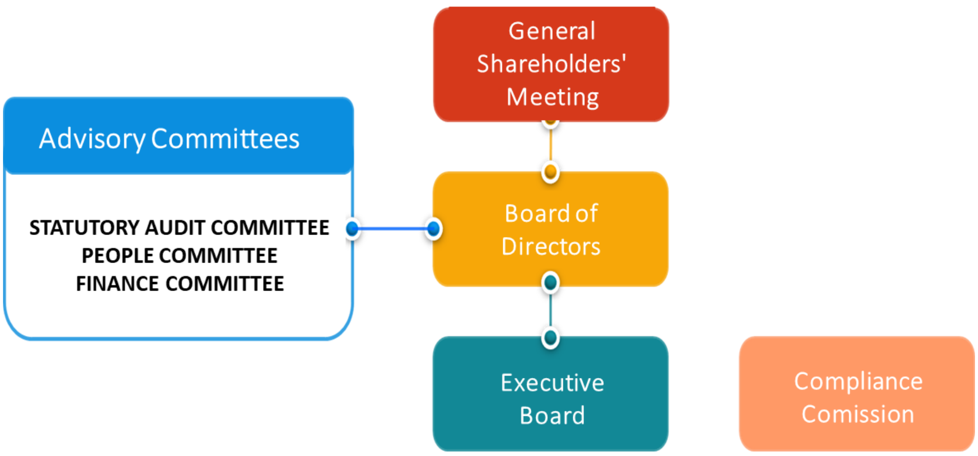
The Company acknowledges the importance of the good practices of Corporate Governance and has constantly engaged with improving them, actively holding meetings with investors, discussing with its stakeholders, encouraging its shareholders to take part in the General Meetings and implementing the most advanced techniques of sustainable development.

The Company also adopts the corporate governance practices provided by the Brazilian Code of Corporate Governance and the Novo Mercado rules.

Governance Structure

ENEVA's Corporate Governance structure is grounded on the good practices that regulate the corporate relations, support the internal controls and ensure compliance and transparency in the decision-making process. The following chart represents what we have constantly sought in order to improve the adopted practices and make sure all shareholders are treated equal.

The Company has the following Corporate Governance structure:



Board and Committees

Board of Directors

The Board of Directors is comprised by seven members elected on a General Meeting. They all are independent, with a one-year term and can be reelected. On December 31, 2021, the Board of Directors of the Company was comprised by:

JERSON KELMAN BOARD OF DIRECTORS´ CHAIRMAN	**HENRI PHILIPPE REICHSTUL** INDEPENDENT MEMBER OF THE BOARD	**MARCELO PEREIRA LOPES DE MEDEIROS** INDEPENDENT MEMBER OF THE BOARD	**GUILHERME BOTTURA** INDEPENDENT MEMBER OF THE BOARD
FELIPE GOTTLIEB INDEPENDENT MEMBER OF THE BOARD	**RENATO ANTONIO SECONDO MAZZOLA** INDEPENDENT MEMBER OF THE BOARD	**ELENA LANDAU** BOARD OF DIRECTORS´ VICE-CHAIRMAN	

The Board of Directors is in charge of guiding the Company's business, making decisions on strategic matters and monitoring the business management plans implemented by the Executive Board according to their duties provided by the By-laws, the internal regulations and the legislation in force.

Advisory Committees

To support the decision-making processes, the Board relies on specialized committees that on a permanent or temporary basis work along the Board. The Company is currently comprised by the following committees:

	Responsabilities
Statutory Audit Committee	Internal Audit, Internal Controls and Compliance, Ensuring transparency and integrity of public financial information.
Finance Committee	Guidance and assistance to financial operations to ensure efficiency of processes and decisions.
People Committee	Guidance and assistance in corporate aspects (compensation, benefits, setting annual goals, retention plans, professional development, succession, etc.).

Diretoria Executiva

In December 2021, the Company's Board of Executive Officers was comprised by eight members, to wit:

PEDRO ZINNER CHIEF EXECUTIVE OFFICER – STATUTORY DIRECTOR	**LINO CANÇADO** CHIEF OPERATIONS OFFICER – STATUTORY DIRECTOR	**MARCELO HABIBE** CHIEF FINANCIAL OFFICER – STATUTORY DIRECTOR	**MARCELO CRUZ** MARKETING, COMMERCIALIZATION AND NEW BUSINESS DEVELOPMENT OFFICER – STATUTORY DIRECTOR
THIAGO FREITAS LEGAL, GOVERNANCE, COMPLIANCE AND INTERNAL CONTROLS OFFICER	**DAMIAN POPOLO** INSTITUTIONAL AND REGULATORY OFFICER	**RENATO CINTRA** CORPORATE SERVICES OFFICER	**ANITA BAGGIO** DIRECTOR OF HR, PERFORMANCE, ESG, HEALTH AND SAFETY, COMMUNICTION & CULTURE

It is up to the Executive Board to plan and conduct the Company's transactions according to the limits set by the law and the Company's by-laws.

Policies and Regulations

The Company's Policies and Regulations set the guidelines and conducts to be complied with in order to avoid that corruption or non-conformity situations take place in the Company's business, ensuring everything is according to the ethical principles and the applicable legislation. The Audit Committee and the Board of Directors set and review the standards. The Company has adhered to the anticorruption legislation and best practices of integrity. In 2021, the Company released the Economic Defense Policy.

ENEVA's Corporate Policies and Regulations in 2021:

- Policy of Disclosure of Material Act or Fact, Secrecy Preservation and Trading
- Appointment Policy for members of the Board of Directors, Advisory Committees and Statutory Executive Board.
- Compensation Policy
- Transactions with Related Parties Policy
- Risk Management Policy
- Anticorruption Policy
- Competition Policy
- Human Rights Policy

- Internal Regulation of the Board of Directors
- Internal Regulation of the Financial Committee
- Internal Regulation of the Statutory Audit Committee
- Internal Regulation of the People Committee

Integrity Guidelines and Procedures:

- Guidelines for Conflict of Interests
- Third Party Relations Guidelines
- Guideline for Interaction with Public Power
- Gifts, Presents and Hospitality Guidelines
- Equality, Opportunity and Respect Guideline
- Consequence Management Guideline
- Internal Reporting Investigations Procedure

Reporting Channel

ENEVA has a safe, confidential, external and independent reporting channel. The Company's Code of Conduct and Brazilian law infraction complaints may be anonymously reported by the employees, service providers and everyone else through this channel.

The Company instructs its employees to report any behavior that may potentially conflict with the Code of Conduct. These instructions are constantly reinforced through on-site trainings, online courses, internal communication actions on Compliance, ethics, integrity and policy to all employees.

All complaints submitted to the Reporting Channel are treated and checked, assessed and discussed by the Compliance area and any others provided by the Consequence Management Guideline. Whenever applicable, disciplinary measures are enforced having in mind reasonability and proportionality .

The inquiries undertaken ensure the reporting party's identity is maintained confidential so that there is no risk of retaliation.

The inquiry is also a way of checking what can be improved based on the reports received so that the internal controls and other features of Compliance are continuously improved. Another use for the inquiry is to check the possible relevant improvements to the other areas of the Company, advising and supporting them.

Any frauds, improprieties and corruption acts verified during the internal inquiry will be reported to the competent authorities.

Most of all what the reporting channel aims is to prevent compliance failures. Whenever such goal is not attained, then the reporting channel works as tool to stop the criminal activity or remedy the noncompliance, promoting an incorruptible and ethical environment for employees and public. Alongside these goals, the reporting channel also identifies what can be improved to ensure the continuous improvement of the internal controls and the Compliance structure.

Compliance Activities

The Company developed its Integrity Program with the coordination of the Compliance area. The activities of said program are informed from time to time to the Board of Executive Officers, the Legal Counsel, the Governance, Compliance and Internal Control Boards and submitted for the Internal Audit Committee, which then reports it to the Board of Directors. The Program provides the proper mechanisms to promote an ethical conduct aligned to ENEVA's principles and guidelines.

The Company is very engaged in preventing any kind of corruption, fraud, bribery, favoritism, influence peddling, extortion and money laundering in its internal or with suppliers, partners or public officers.

Risk Management

ENEVA's risk management process follows the Company's ethical principles, values and culture and supports the development plan, the strategic planning and the business continuity. This process aims to reduce the level of uncertainty to achieve the goals and preserve value and business continuity while promoting the integrated management of all risks the Company is exposed to.

Following the best international practices of risk management, the Company has kept working identifying, assessing, dealing, monitoring, informing and reporting the risks.

Each risk is classified and made a priority or not based on the Company's Risk Matrix — this matrix represents a consolidated vision of the corporate risks and provides several levels of impact of a risk, which include financial, reputational, health and safety, surrounding communities and environmental issues.

All the Company's governance and leadership bodies are involved in the risk management process and have the duty of informing every employee about the guidelines to ensure everyone understands in advance how to prevent and mitigate a risk. In 2021 the Company started mapping the climate risks to prepare matrices for ENEVA's physical and transition risks once it better understood the climate change risks and their impact on the business. The identified risks were inserted in the risk management process and action plans and controls have been developed to mitigate them. In view of these challenges, ENEVA improved the climate change management.

In the same year, the Company's Board of Directors reviewed the budget for ENEVA's trading risks.

SECTORIAL COMPLEX

Introduction

2021 saw a resumption of the demand for electric energy after a significant decrease in 2020 because of the restrictions imposed by the COVID-19 pandemic. The demand grew 3.9% in 2021 in comparison to 2020 and it is expected it will grow 3.3% in average every year until 2026.

Related to the expansion of the installed capacity, 4% were added to the SIN's total capacity when we consider all the energy sources. The thermoelectric capacity also grew 4%, mostly thanks to the contributions of the wind (17%) and solar (33%) sources.

With the demand resumed and in view of the growth expectations for it, the auction schedule suspended in 2020 resumed as well in 2021. Auctions for New and Existing Energy and Capacity Reserve were held, too.

Another important factor in 2021 for the decrease in the demand was the severe water crisis during most of the year. During some months of 2021, the ENA reached its worst result in history, making the PLD reach the regulatory limit. At the same time, the hydroelectric reservoirs recorded worrying levels.

Several emergency actions were planned to try to mitigate the effects of low rainfall, such as maintaining the tariff flags at a higher price, short-term mechanism to increase the offer of thermoelectric energy, consumption awareness campaigns, flexibilization of the operational restrictions implemented in hydroelectric power plants and transmission lines, anticipation of the generation and transmission works etc.

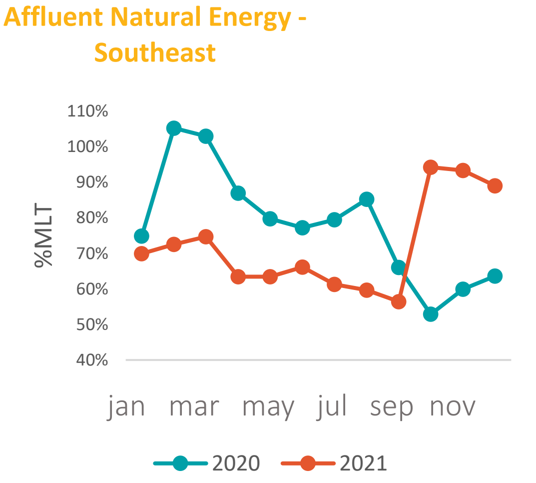
The water crisis impacted the thermoelectric plants as well, resulting in power dispatch without considering the merit order. Sometimes during the year, the ONS dispatched all the thermoelectric resources out of merit order to help maintain the levels in reservoirs as instructed by the Electric Sector Monitoring Committee (CMSE).

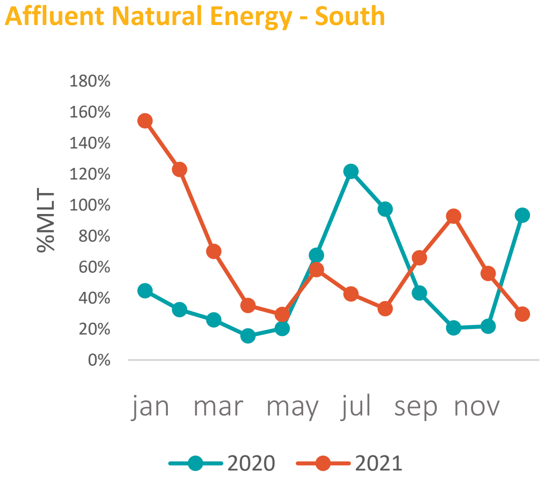
As of October 2021, the rainfall resumed with a pattern above the average, reducing the PLD and gradually recovering the hydroelectric reservoirs.

National Interconnected System (SIN) – Overview

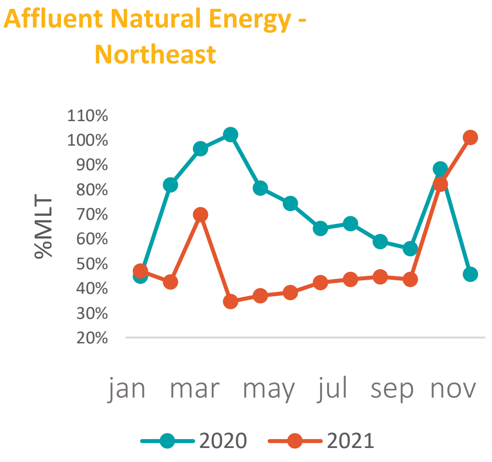
As mentioned earlier, 2021 saw a severe water crisis that had begun in the last quarter of 2020. SIN's ENA had the worst historical result between May and September. As of October, the situation improved.

The Southeastern submarket's ENA recorded the worst historical result for the same months (May to September) in 2021, in values about 50% to 70% of the historical average result. With the better conditions as of October, the ENA had results closer to the historical average. The Southern submarket also faced a water crisis most of the year, except for January, February and October. In the other months, ENA had been between 20% and 60% of the historical average.



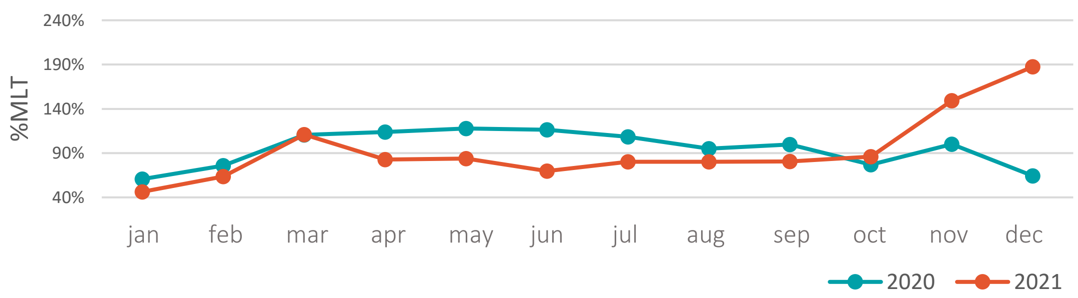


The Northeastern submarket had results about 30% to 50% of the historical average. As of November, the situation improved and in December the ENA surpassed the historical average.



The low rainfall also impacted the Northern submarket, with ENA presenting values lower than 50% in January 2021. However, as the SIN started recovering, this submarket's ENA also presented values higher than the historical average results recorded from November to December.

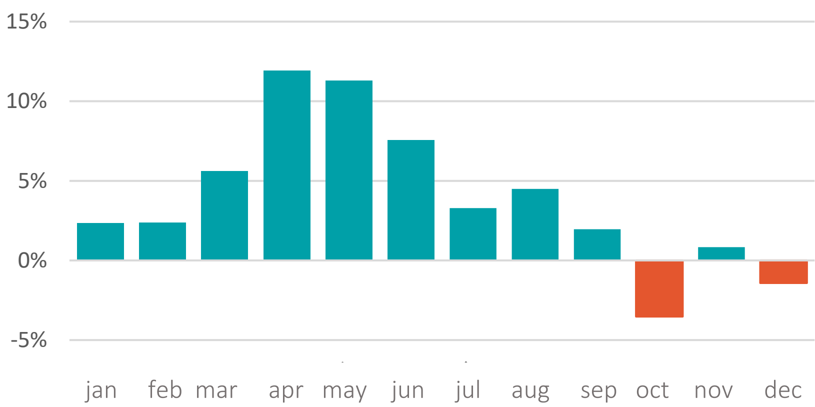
Affluent Natural Energy - North



Mostly during April and June of 2021, the power load grew 3.9% in comparison to 2020 mainly due to the resumption of demand for electric energy after the restrictions imposed by the COVID-19 pandemic.

From October to December of 202, the power load was lower or close to the result verified in the same period for 2020, mostly because of the lowest temperatures for those months and the end of the water crisis. From 2022 to 2025, consumption in the national interconnected system is expected to grow at an average rate of 3.3% per year. 5

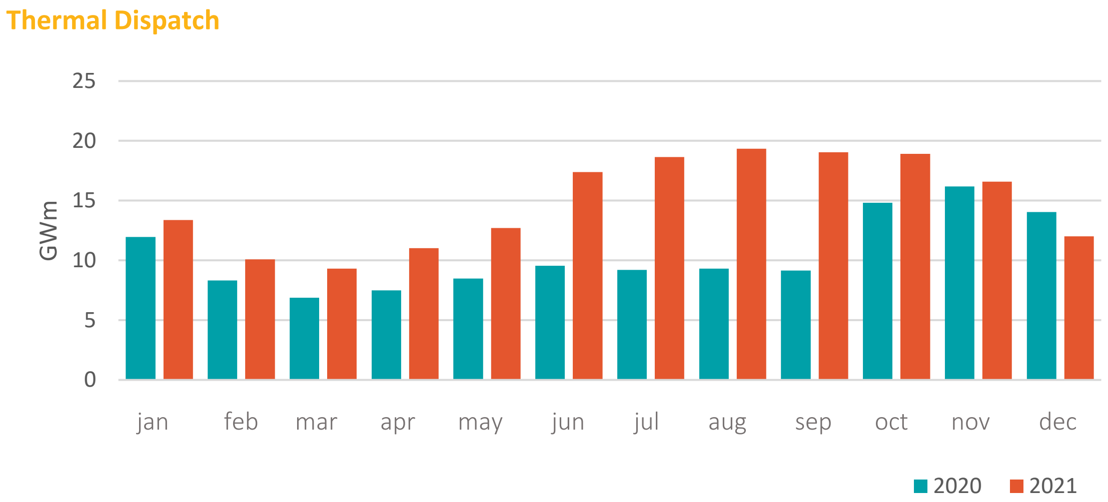
SIN Energy Load Variation 2020 vs 2021



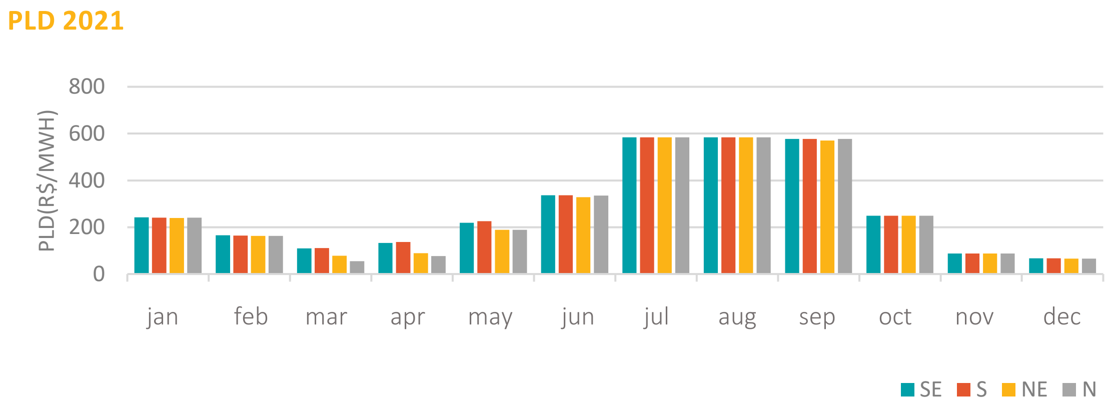
In comparison to 2020, the dispatch from the thermoelectric plants was higher most of the year of 2021 mostly because of the low rainfall and

[5] https://www.epe.gov.br/sites-pt/publicacoes-dados-abertos/publicacoes/PublicacoesArquivos/publicacao-305/topico-603/Boletim%20T%C3%A9cnico%20Previs%C3%B5es%20de%20carga%20para%20o%20PLAN%202022-2026_Final.pdf

the resumption of the power load. The thermal dispatch was closer or lower than in 2020



The values of the PLDs were lower in the first months of 2021. However, the water crisis made the levels of the hydroelectric reservoirs fall, increasing the risk of power outage. In view of this situation, in June the PLDs increased and reached the regulatory limit between July and September. With the situation improving as of October, the PLD had a sharp decrease — have in mind it was still closer to the regulatory limit in December.



The auctions, interrupted in 2020, were resumed in 2021. The second Auction of Isolated Systems was held in April with the purpose of providing energy to the states of Acre, Amazonas, Pará, Rondônia and Roraima, although only partially. Projects based on diesel, biodiesel and natural gas were offered. The average price for the energy in the auction was R$ 1,078.79 per MWh — the rated power at the moment was 127.75 MW.

The 23rd Auction of Existing Energy (A-4) and the 24th one (A-5) were held in June 2021. Both of these auctions were held with the purpose of providing the purchase of electric energy from general developments that use national thermoelectric, natural gas or coal sources. 162.5 MWm were contracted from the A-4 at the average price of R$ 151.15 per MWh, while R$ 172.39 per MWh were contracted from A-5.

The 33rd Auction of New Energy (A-3) and the 34th one (A-4) were held in July 2021 with the purpose of contracting new developments that use hydroelectric, wind, photovoltaic and biomass sources for energy generation. 151 MWm were contracted from the A-3 at the average price of R$ 165.11 per MWh, while R$ 174 per MWh were contracted from A-4.

The 35th Auction of New Energy (A-5) was held in September 2021 with the purpose of contracting new developments that use hydroelectric, wind, photovoltaic, biomass, natural gas, national coal and urban solid waste sources for energy generation.

And finally, the 1st Auction of Capacity Reserve was held in December 2021 with the main purpose of contracting electric power from new or existing electric power generation developments that use thermoelectric sources. These new auctions have contributed to upgrade the electric sector as they provide a better allocation of costs concerning the SIN (National Interconnected System) power availability. The plants winning the bid will have their fixed revenue paid by all the SIN's consumers to the proportion of their respective consumption, which is different from what happens with the CCEARs (Energy Commercialization in Regulated Environment) — for the CCEARs, the compensation is only paid by the regulated consumer while the systemic benefit is enjoyed by all. An available power of 4,632.88 MW was finally contracted at an average price of R$ 824,553.83 per MW per year. ENEVA won this auction through its two developments: Parnaíba IV, an existing 56 MW plant located in the Parnaíba Complex (Maranhão), and Azulão, a new 295 MW plant replicating the R2W model in Azulão Field (Amazonas).

National E&P Industry

Overview

In 2021, the national Exploration & Production industry for oil and natural gas produced a total of 1.637 billion barrels of oil equivalent (boe)[6]. In the same year, the natural gas production registered 134 million m³ per day — an astonishing result. In comparison to 2020, such growth can be seen as a result of the successful Covid-19 vaccination campaign, with more people being vaccinated at a faster pace, resulting in the restrictive measures concerning mobility and trade operation becoming more flexible, "heating up" the economic activity in Brazil again. Said growth was also a result from the water crisis that massively impacted the Brazilian territory, especially during the second semester, demanding more from the thermal power plants. 3

[3] NATIONAL PETROLEUM, NATURAL GAS AND BIOFUELS AGENCY. Superintendence of Development and Production. In: Boletim da Produção de Petróleo e Gás Natural. Rio de Janeiro, 31 jan. 2022. Available on: https://www.gov.br/anp/pt-br/centrais-de-conteudo/publicacoes/boletins-anp/bmp/2021/2021_12_boletim.pdf. Access on: 21 feb. 2022.

Among the relevant events for the exploration sector during 2021, we must highlight the 17th Bidding Cycle for Permanent Offer from ANP held in October 2021. The bid had nine companies involved, resulting in five blocks sold in auction located in the Santos basin, comprising a total area of 3,425.50 km². The total offered bonus for the blocks amounted to R$ 37,140,000.52 and the minimum investment for the exploration stage is estimated in R$ 136,345,000.00. Besides this event, eleven qualified companies were involved in the Second Bidding Round for Onerous Assignment Exceeding Volumes, resulting in 31.68% excess of oil from Atapu and 37.53% from Sépia, as well as a bonus of R$ 11,140,000,000.00. 4

With the appreciation of the dollar and the increase of the international prices of oil, Brazil also had an astonishing collection and distribution of royalties as well as a special participation from the E&P industry, having collected a total of R$ 37 billion. 5

Offer: Proven reserves and production of oil and natural gas in Brazil

The most recent data available from 2020 show the existence of 11.89 million barrels of oil in proven reserves (1P) in Brazil8, a 6.7% reduction in relation to the last year. Related to the natural gas, in 2020, the proven reserves amounted to 337,238 m³8, a 7.9% reduction in relation to 2019. This volume makes Brazil the third country with the highest number of reserves in South and Central Americas, closer to the second country, Argentina, and only behind Venezuela, which has 17.8 times more proven reserves than Brazil. 8

In 2021, the total accumulated production of oil and natural gas in Brazil, as mentioned earlier, reached 1.367 billion boe, mostly from the offshore environment and especially in the pre-salt layer fields, representing 72.4% of all the hydrocarbons produced in the country. The post-salt field was responsible for 21.5% of the Brazilian production, while the land fields amounted to 6.1%.

In 2021, the five main oil producing fields were from the pre-salt layer: Tupi (901 Mbbl/d), Búzios (550 Mbbl/d), Sapinhoá (195 Mbbl/d), Jubarte (158 Mbbl/d) and Roncador (130 Mbbl/d)7.

[4] NATIONAL PETROLEUM, NATURAL GAS AND BIOFUELS AGENCY. In: Resultados - 2º Ciclo da Oferta Permanente. [S. l.] 7 dec. 2021. Available on: https://www.gov.br/anp/pt-br/rodadas-anp/rodadas-andamento/17a-rodada-licitacoes-blocos/resultados. Access on: 22 feb. 2022.

[5] NATIONAL PETROLEUM, NATURAL GAS AND BIOFUELS AGENCY. Superintendence of Development and Production. Encarte de consolidação da produção 2020. In: Boletim da Produção de Petróleo e Gás Natural. Rio de Janeiro, 31 jan. 2021. Available on: https://www.gov.br/anp/pt-br/centrais-de-conteudo/publicacoes/boletins-anp/bmp/2020/2020-012-boletim.pdf. Access on: 17 feb. 2021.

Oil Production (m³) in Brazil - 2021			
	Sea	Land	Total
Alagoas	3,098	104,165	107,263
Amazonas	0.00	847,026	847,026
Bahia	19,416	1,282,944	1,302,360
Ceará	0	39,243	39,243
Espírito Santo	11,747,688	475,194	12,222,882
Maranhão	0.00	4,746	4,746
Rio de Janeiro	135,880,451	0.00	135,880,451
Rio Grande do Norte	54,076	1,889,925	1,944,001
São Paulo	15,775,724	0.00	15,775,724
Sergipe	12,896	448,628	461,524
BRAZIL	**163,493,350**	**5,091,871**	**168,585,221**

Related to the natural gas, in 2021, production increased 5% in comparison to 2020, a growth lower than the verified in 2018 and 2019 — 9.46%.

Natural Gas Production (mil m³) in Brazil - 2021			
	Sea	Land	TOTAL
Alagoas	49,827	152,042	201,870
Amazonas	0	4,957,093	4,957,093
Bahia	1,175,026	807,874	1,982,900
Ceará	0	314	314
Espírito Santo	1,971,199	26,125	1,997,324
Maranhão	0	2,141,124	2,141,124
Rio de Janeiro	31,223,338	0	31,223,338
Rio Grande do Norte	58,379	186,501	244,880
São Paulo	6,057,236	0	6,057,236
Sergipe	1,700	16,549	18,249
BRAZIL	**40,536,705**	**8,287,622**	**48,824,327**

The Gas Market: Changes and Perspectives

In 2021, the natural gas market went through significant changes, mostly concerning Petrobras and its ongoing divestiture to fulfill the commitments set in the Cessation

Commitment Agreement (TCC) signed with Cade, such as the non-discriminatory access to essential infrastructures found in Petrobras' Regasification Terminal located in Bahia.6

As for the New Gas Market, the Law No. 14.134 ("New Gas Law") was enacted in April 2021. This law provides for activities related to natural gas transportation, flow, handling, processing, underground storage, storage, liquefaction, regasification and trading. As a result, we must highlight the validation of the capacities released by Petrobras with Transportadores Associados de Gas S.A. (TAG) and Nova Transportadora de Gas S.A. (NTS)10 as well as the approval of the tariffs to be enforced in extraordinary agreements, which made the access to the transportation system easier to the Industry agents. Along with this rule, in the states of Amazonas, Ceará, Piauí and Rondônia, new state laws were published to prioritize the promotion of competition, the harmonization and improvement of the regulation and the market liberalization.

ANP understands that these results will lead to 2022 holding new calls for proposals to keep opening this new market, making it easier to expand the use of natural gas in the Brazilian energy matrix10.

[6] NATIONAL PETROLEUM, NATURAL GAS AND BIOFUELS AGENCY. Gás natural: medidas implementadas pela ANP para a abertura do mercado. 04 jan. 2022. Available on: https://www.gov.br/anp/pt-br/canais_atendimento/imprensa/noticias-comunicados/gas-natural-medidas-implementadas-pela-anp-para-a-abertura-do-mercado Acesso em: 22 fev. 2022.

OPERATING PERFORMANCE

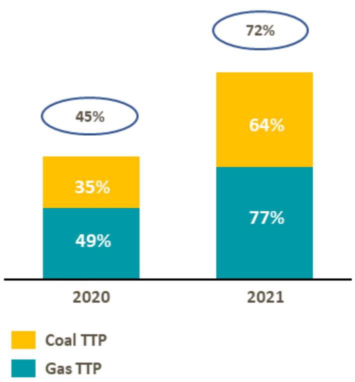
The year of 2021 experienced a recovery on the national consumption of electric energy in relation to 2020 thanks to the gradual resumption of the economic activity after the negative effects resulting from the restrictive measures implemented in 2020 because of COVID-19 pandemic. In 2021, the GDP grew 4.6% in relation to the last year, comparing the 3.9% decrease from 2019 to 2020. [7]

The highly unfavorable hydrological scenario in Brazil in 2021 because of the long period of low rainfall also impaired the development of the Natural Water Energy (ENA) and reduced the Stored Energy (EARM) volume to critical levels. Until September 2021, the EARM level in the Southeastern/Mid-Western subsystem was 16.8%, compared to the 32.9% from the same period in 2020. Have in mind this subsystem represents more than half of the storable water volume in Brazil. At the end of 2021, the EARM volume improved a bit, reaching 25.7%, which still is a low level.[8]

As a result, during most of the year all ENEVA plants were dispatched by the ONS (National System Operator). During some months, the dispatch occurred without considering merit to ensure the energy production for the system. It means that the Difference Settlement Price (PLD) did not set the merit for the dispatch — the low levels in the reservoirs were essential to make the thermal plants continuously operating.

As of half December, in view of the improvement in the hydrological scenario, filling the main Brazilian reservoirs, ENEVA plants were turned off by the ONS. As a result, ENEVA plants had an average dispatch of 72% in 2021, compared to the 45% in 2020. The following graph informs the average dispatch from the natural gas and coal plants for the two compared periods.

Annual Dispatch
%

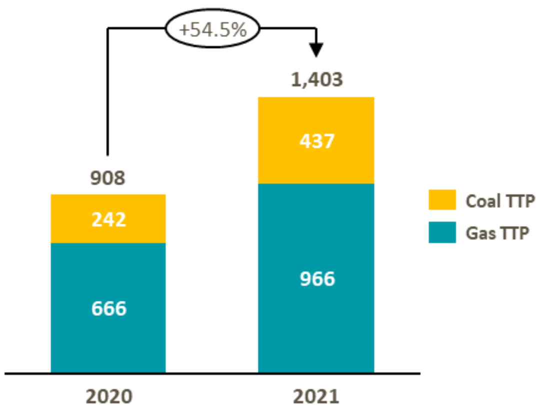


With the high level of dispatch, the gross average generation of energy went up to 54.5% in 2021 compared to 2020, when the gas generation plants had increased in 45% and the coal ones in 80.7% for the comparison periods.

[7] Source: IBGE, available on: https://agenciadenoticias.ibge.gov.br/agencia-sala-de-imprensa/2013-agencia-de-noticias/releases/33067-pib-cresce-4-6-em-2021-e-fecha-o-ano-em-r-8-7-trilhoes - Access on 8 mar. 2022.

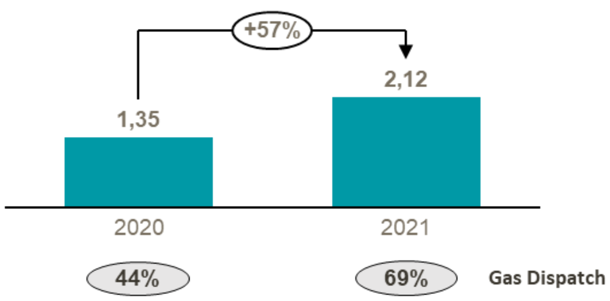
[8] Source: Data available on the WHO website: http://www.ons.org.br/Paginas/resultados-da-operacao/historico-da-operacao/energia_armazenada.aspx - Access on 23 feb. 2022.

Average Generation of Energy – YTD
(MWmed)



As a response to the higher dispatch from the Parnaíba Complex plants, the Company produced 2.12 bcm of gas in 2021, a 57% increase in comparison to the volume produced in 2020. The dispatch from the Gas Treatment Unit in 2021 was 69.1%, compared to 43.9% last year.

Production of Gas– Cumulative (YTD)

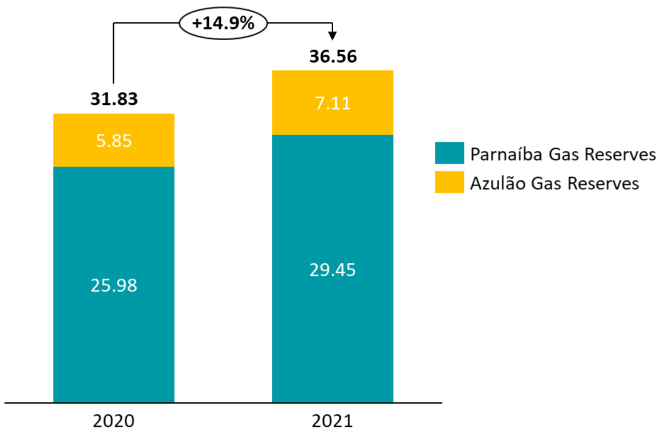


On August 2, 2021, the Company disclosed a certification report on the reserves and contingent resources found in the Amazonas and Solimões Basins prepared by Gaffney, Cline & Associates (GCA) on June 30, 2021. The report informed the incorporation of 0.47 bcm to the 2P reserves located in Azulão Field, in the Amazonas Basin. In this basin, contingent resources of gas were certified, amounting to 5.84 bcm, as well as the oil, resulting in 4.23 million barrels, in both cases P50. In Juruá, in the Solimões Basin, 20.85 bcm of gas (P50) were certified.

On January 27, 2022, the Company disclosed a new certification report on the reserves and contingent resources, also prepared by CGA on December 31, 2021. The report informed the incorporation of 3.48 bcm to the 2P reserves located in Parnaíba Field, already discounting the accumulated gas consumption for the year in the amount of 2.12 bcm, resulting in the total of 29.45 bcm from the 2P reserves in 2021. In the Amazonas Basin, the incorporation of 0.81 bcm resulted in 7.11 bcm of 2P reserves certified in 2021.

The report for December 31, 2021, also disclosed the following total amounts of contingent resources (P50): i) 3.43 bcm of gas and 0.31 million barrels of oil in the Amazonas Basin; ii) 20.85 bcm of gas in the Solimões Basin; and iii) 2.13 bcm of gas and 0.88 million barrels of oil in the Parnaíba Basin.

Reserves (bcm)



Considering the consolidated figures and discounting the consumption of natural gas in 2021, the incorporation of the Company's 2P reserves was 4.29 bcm between 2020 and 2021. ENEVA ended 2021 with a total of 36.56 bcm in the 2P gas reserves, with the total IRR been 321%. For Parnaíba Basin, the Reserve Replacement Index (IRR) was 264% for the year.

The chart below contains the main operating data of the Company's plants and the Upstream segment for 2020 and 2021:

	Operational Data	2021	2020
Itaqui	Availability (%)	71%	97%
	Dispatch (%)	62%	37%
	Net Generation (GWh)	1.573	1.007
	Gross Generation (GWh)	1.768	1.115
	Generation for Regulated Market (%)	100%	99%
	Generation for Free Market (%)	0%	1%
Pecém II	Availability (%)	98%	98%
	Dispatch (%)	66%	34%
	Net Generation (GWh)	1.826	919
	Gross Generation (GWh)	2.046	1.013
	Generation for Regulated Market (%)	*100%*	*99%*
	Generation for Free Market (%)	*0%*	*1%*
Parnaíba I	Availability (%)	95%	91%
	Dispatch (%)	73%	39%
	Net Generation (GWh)	4.021	2.087
	Gross Generation (GWh)	4.165	2.166
	Generation for Regulated Market (%)	*77%*	*75%*
	Generation for Free Market (%)	*23%*	*25%*
Parnaíba II	Availability (%)	73%	95%
	Dispatch (%)	85%	73%
	Net Generation (GWh)	2.791	2.962
	Gross Generation (GWh)	2.944	3.136
	Generation for Regulated Market (%)	*95%*	*97%*
	Generation for Free Market (%)	*5%*	*3%*
Parnaíba III	Availability (%)	97%	97%
	Dispatch (%)	68%	25%
	Net Generation (GWh)	1.000	365
	Gross Generation (GWh)	1.035	377
	Generation for Regulated Market (%)	*81%*	*65%*
	Generation for Free Market (%)	*19%*	*35%*
Parnaíba IV	Availability (%)	82%	97%
	Dispatch (%)	69%	37%
	Net Generation (GWh)	302	159
	Gross Generation (GWh)	316	171
	Generation for Regulated Market (%)	*0%*	*0%*
	Generation for Free Market (%)	*100%*	*100%*
Upstream	**Parnaíba Basin**		
	GTU Dispatch (%)	69%	44%
	Production (Bi m^3)	2,12	1,35
	Remaining Reserves (Bi m^3)	29,5	26,0

Because of the COVID-19 pandemic, the initial construction schedule for the projects Azulão-Jaguatirica and Parnaíba V had to be changed, leading to delays in supply of materials and exported parts, reduction of the workforce and shutdown of the construction works for a time. It is expected that both projects start their commercial operation respectively in 1st 2nd semester of 2022.

For Azulão-Jaguatirica, on July 27, 2021, ANEEL approved the changes in the schedule to implement the Jaguatirica II thermoelectric plant and postponed the initial term of the Electric Energy and Isolated Systems Power Trading Agreement to January 2022 or the effective date the plant starts its commercial operation, whatever occurs first. However, the supply term for the Agreement remained unchanged, with the postponement of its initial term (sic) from June 27, 2036, to January 26, 2037. It is also important to highlight that Jaguatirica II UTE started providing energy to the isolated system on February 15, 2022, with the commercial operation of the first gas turbine with an installed capacity of 48,653 MW. On March 11, 2022, after the commercial operation of the second gas turbine was approved, the plant started having a total available capacity of 97,306 MW.

The Jaguatirica II UTE as a total installed capacity of 140,834 MW and operates with natural gas extracted from Azulão field, in the state of Amazonas, being the first development from the Isolated Systems Auction No. 01/2019 to come into commercial operation and it will become the largest plant of the state of Roraima.

ECONOMIC-FINANCIAL HIGHLIGHTS

ENEVA S/A presents the corresponding Financial Statements, in accordance with the International Financial Reporting Standards – IFRS. These statements were reviewed and approved by the Board of Directors and by the Executive Board on March 21, 2022.

Consolidated Income Statement	(R$ million)		
	2021	2020	%
Net Operating Revenues	**5,124.4**	3,243.3	58.0%
Operating Costs	(3,181.7)	(1,745.4)	82.3%
Depreciation and amortization	(544.5)	(419.2)	30.6%
Operating Expenses	(544.8)	(448.5)	21.5%
Dry Wells and provisions for doubtful accounts	(55.6)	(17.9)	210.3%
Depreciation and amortization	(61.3)	(62.9)	-2.5%
Other revenue/expenses	194.6	76.1	155.6%
Equity Income	(0.7)	(8.8)	-91.7%
EBITDA (as of ICVM 527/12)	2,200.7	1,598.9	37.6%
EBITDA excluding dry wells [1]	2,256.3	1,616.9	39.5%
Net Financial Result	(186.5)	(299.7)	-37.8%
EBT	1,405.3	817.1	0,72
Current taxes	(105.9)	(33.9)	212.7%
Deferred taxes	(126.1)	223.3	N/A
Minority Interest	(0.0)	(1.1)	-99.3%
Net Income	1,173.3	1,007.6	16.4%

[1] EBITDA calculated according to the ICVM 527/12 guidelines and its Explanatory Note, adjusted to exclude the impact of dry wells and constitution or reversal of provisions for doubtful accounts.

Revenue

The consolidated net revenue grew 58% (R$ 1,881.1 million) when comparing the years 2021 and 2020, mostly due to increase in the contractual variable gross revenue (CCEAR) of R$ 1,750.6 million. The higher variable revenue resulted from: (i) the high US dollar exchange rate, besides the higher prices of Henry Hub and CIF-ARA in the periods, the indexers to calculate the unit variable cost of the fuel for the Parnaíba I plant and the Company's plants using coal; (ii) high average dispatch from the plants during 2021 (72%) in comparison to the average dispatch in 2020 (45%).

The consolidated net revenue also grew with the increased of the gross fixed revenue in the amount of R$ 355 million resulting from the annual contractual adjustment in view of the inflation in the plants operating under an agreement in the regulated market.

It is important to inform that most of the Company’s revenue come from electric energy trading agreements in the regulated environment, executed during energy auctions held by Aneel (National Electric Energy Agency). These agreements set the price, volume and terms and have provisions to mitigate any risks in case of default. These agreements ensure a fixed revenue regardless of the dispatch in case of energy availability agreements.

Costs

In 2021, the operating costs reached R$ 3,181.7 million, an 82.3% growth in comparison to 2020. This result can be explained by the following factors:

(i) higher cost purchasing coal in view of the higher dispatch from the plants during the year and higher price of CIF-ARA coal;

(ii) purchase of energy by Parnaíba II UTE to offset the non-generated energy in the system. The amount paid had the PLD as reference. The plant had to do so because of corrective maintenance works undertaken in June and July 2021, which made the company generate less than it had committed in the agreement;

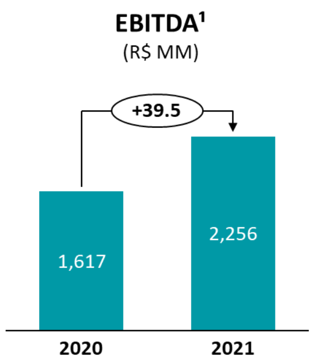
(iii) higher costs with government participations because of the increase in the gas production during the year and in the average reference price of gas set by ANP for the Company's fields and that entered into force as of February 2021.9

Expenses

Excluding depreciation and amortization, the operating expense grew 25.4% in 2021 in comparison to the last year, amounting to R$ 483.4 million in 2021. Such a growth mainly resulted from higher expenses with the Long-Term Incentive (ILP) plans, new staff hired to support the Company's growth strategy and the dry wells.

EBITDA

Excluding dry wells, the adjusted consolidated EBITDA between 2021 and 2020 increased 39.5%, amounting to R$ 2,256.3 million in 2021, the higher annual EBITDA in the Company's history. Such a result was mainly due to an expressive growth of the variable revenue received for the sale of energy in the regulated market as the CIF-ARA and Henry-Hub fuel indexers materially increased — these indexers impact the coal plants and the Parnaíba I UTE plant, which operates with gas. With such a higher dispatch in 2021, the variable revenue grew more than the



1 - EBITDA calculates according to the ICVM 527/12 and its Explanatory Notes, adjusted to exclude the impact of dry wells and constitution of reversal of provisions for doubtful accounts.

9 - The referece prices to calculate government participations are monthly disclosed by ANP and are available on https://www.gov.br/anp/pt-br/assuntos/royalties-e-outras-participacoes/preco-de-referencia-dogas-natural.

proportion to the variable costs of the operation, leading to an increase in variable margins.

The EBITDA increase from 2020 to 2021 was also a result of the widening of the fixed margins of the plants and the impairment reversal undertaken in Itaqui during the 4th quarter of 2021, in the amount of R$ 150.1 million. This is a positive result from the test of recoverability of fixed and intangible assets, improving the plant's operating performance and showing better prospects for dispatch and pricing.

These results more than offset the costs incurred by Parnaíba II UTE as they provided a surplus for the operating stoppages to provide corrective maintenance and for the higher general and administrative expenses, as explained above.

Consolidated Financial Results

Net Financial Result			(R$ million)
	2021	2020	%
Financial Revenues	**132.8**	**67.5**	**96.6%**
Income from financial investments	81.2	56.5	43.6%
Fines and interest earned	42	2.8	N/A
Interest on debentures	-	-	N/A
Other	9.6	8.2	17.4%
Financial Expenses	**(262.4)**	**(366.8)**	**-28.5%**
Fines interest	(2.5)	(3.9)	-36.8%
Debt charges[1]	(12.9)	(165.6)	-92.2%
Interest on provisions for abandonment	(24.9)	(7.6)	227.5%
Fees and emoluments	(4.0)	(4.7)	-15.2%
IOF/IOC	(5.3)	(2.9)	87.3%
Debentures Cost	(174.6)	(149.5)	16.7%
Other	(38.2)	(32.5)	17.4%
FX Exchange and monetary variation	(59.6)	3.5	N/A
Losses/gains on derivatives	2.7	(3.9)	N/A
Net Financial Income (Expense)	**(186.5)**	**(299.7)**	**-37.8%**

1 - Includes amortization on transaction costs.

In 2021, the Company recorded a negative net income of R$ 186.5 million — in 2020, it was R$ 299.7 million and negative as well. This improvement can be explained by the following factors:

(i) Increase in revenue from investments reflecting the how the average CDI grew during the year, from 2.8% in 2020 to 4.4% in 2021;

(ii) Higher revenue from fines and interests received, mostly from the receipt of payment of fines and interests after a successful lawsuit concerning Pecém II in the 3Q21; and

(iii) Reduction in expenses with debt charges thanks to the capitalization of charges related to funds for the projects that were not operational until the end of 2021 (Parnaíba V and Azulão-Jaguatirica). We must highlight the Accounting Rule CPC 20 allows the reclassification of interests, monetary correction and charges for construction in progress during the implementation of the projects. Replacing the most onerous debts for debentures in better conditions also helped the situation.

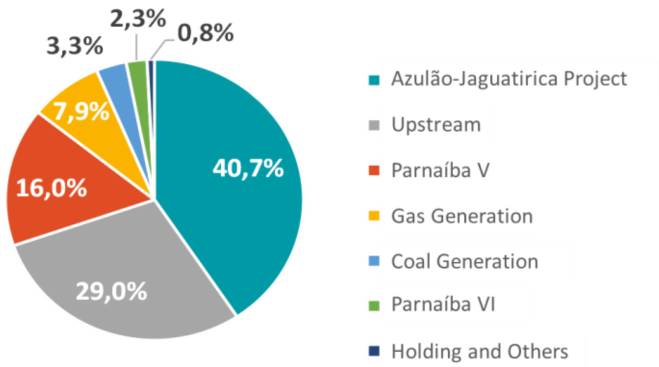
Investments

Capex	(R$ million)	
	2020	2021
Coal Generation	**37.9**	**57.5**
Pecém II	2.5	20.0
Itaqui	35.4	37.5
Gas Generation	**135.2**	**138.7**
Parnaíba I [1]	81.1	59.4
Parnaíba II 2	41.8	73.4
Parnaíba III 2	11.6	3.8
Parnaíba IV 2	0.6	2.1
Parnaíba V	**705.3**	**279.8**
Parnaíba VI [3]	**-**	**39.5**
Azulão-Jaguatirica	**1209.3**	**710.5**
Upstream	**174.8**	**507.7**
Dry wells	19.3	56.3
Holding and Others	**9.8**	**13.9**
Total	**2,272.4**	**1,747.5**

1 - Parnaíba I CAPEX is presented separately from that of Parnaíba V and Eneva Comercializadora (trading segment). Fo
in 1Q20, SPE Parnaíba I was incorporated into SPE PGC in January/20 .
2 - CAPEX for each one of Parnaíba II, III and IV is presented separately. SPE Parnaíba III and IV were incorporated into S
restructuring announced in 4Q18.
3 - Includes Eneva trading segment's CAPEX.

In 2021, the Company invested R$ 1,747.5 million, out of which 40.7% were used to implement the Azulão-Jaguatirica integrated project, which commercial operation with two gas turbines started in the 1Q22; 16% of said amount was invested to build Parnaíba V UTE, which shall be completed in the second semester of 2022.

The Upstream segment represented 29% of the Company's total investments during 2021, mostly used to develop the Gavião Preto field, to the ongoing exploration campaign on Amazonas and Parnaíba basins and to pay the bonus for the assets acquired during the 2nd Permanent Offer Cycle.

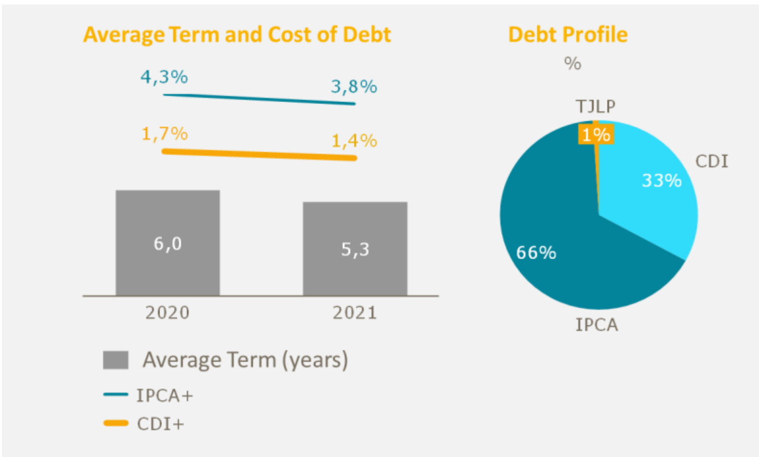


Investments were made in the natural gas plants, especially to ensure the fulfillment of the long-term goals provided in the agreements with GE and related to the preventive maintenance of the Hot Gas Path (HGP) turbines.

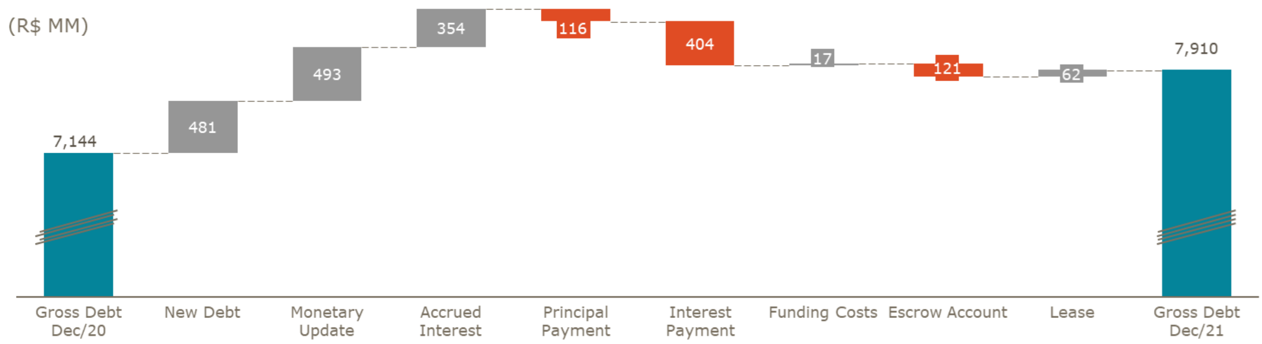
For the coal plants, the investments made in 2021 concern maintenance activities. The Itaqui UTE had a major overhaul in the first semester of the year and the Pecém II UTE had a minor one in the second semester.

Indebtedness

On December 31, 2021, the consolidated gross debt (net of the deposit balance related to the financing agreements and transaction costs, including capital lease) amounted to R$ 7,910 million, compared to the R$ 7,144 million debt recorded at the end of December 2020. At the end of 2021, the average maturity term for a consolidated debt was about 5.3 years, the average spread for IPCA-indexed debts being 3.8% and for the other Company's debts, 1.4% over the CDI.



Gross Debt Evolution

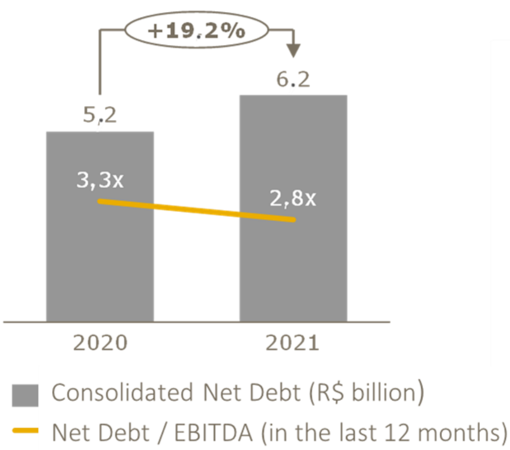


In 2021, the Company made disbursements concerning the agreements executed with Banco do Nordeste (BNB) to implement the Parnaíba V UTE and along with BASA to fund the Azulão-Jaguatirica integrated project. Until the end of the year, the Company had already spent the total amount of R$ 753 million out of the R$ 843 million provided for in the BNB's agreement, besides R$ 1 billion with BASA (total amount provided in the agreement).

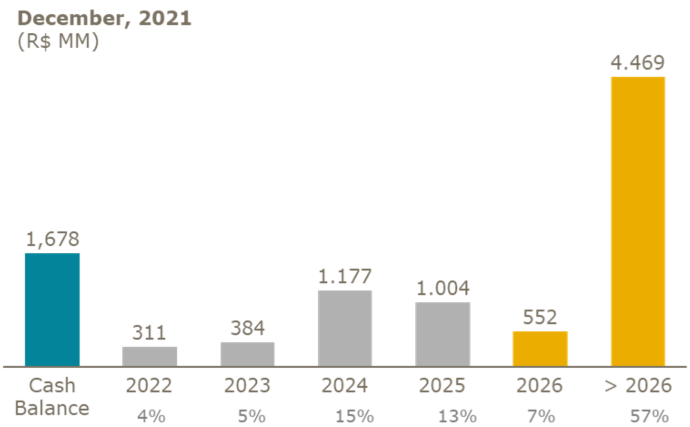
At the end of December 2021, the Company's consolidated cash balance (cash, cash equivalents and securities) was R$ 1,678 billion, without including the deposit balances related to the Company's financing agreements, which amount to R$ 198 million.

The consolidated net debt at the end of the period was R$ 6,232 million, equivalent to a net debt/EBITDA ratio of 2.8 times for the latest 12 months.

Consolidated Net Debt and Leverage



Schedule of Consolidated Debt Maturity (Principal)

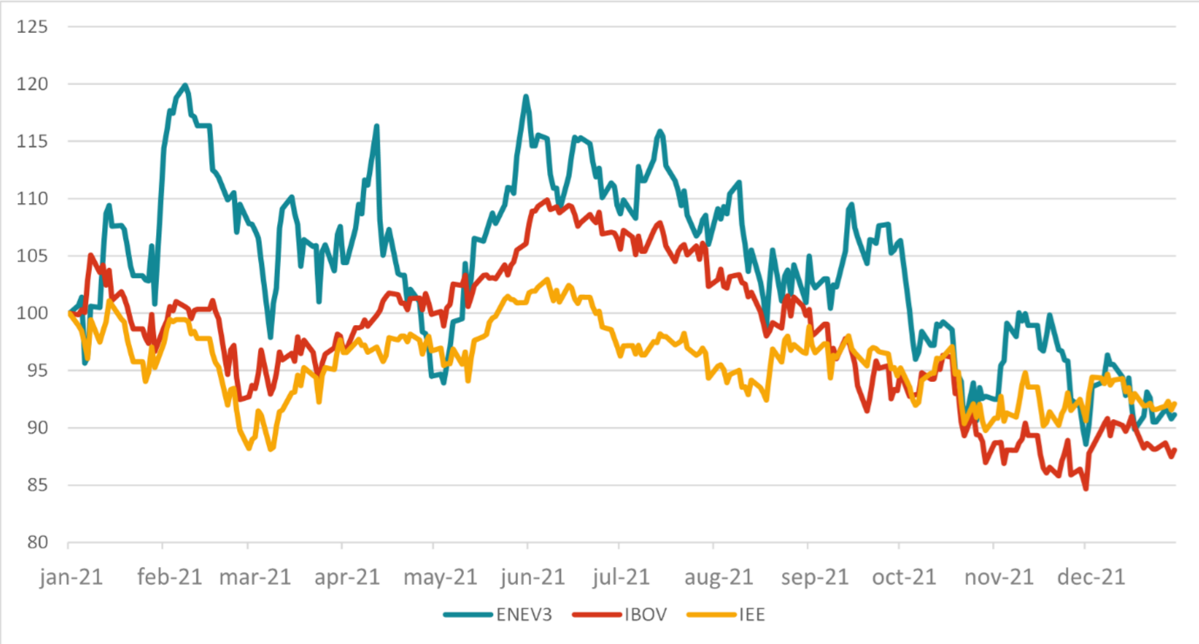


Share and Capital Market Performance

The Company's shares are traded in the Brazilian stock exchange (B3) under the ENEV3 code (100% common shares). On the last day of the trading in 2021, the share ended up at a price of R$ 14.15, an 8.9% devaluation in relation to the last trading day of 2020 (R$ 15.53), while IBOV and IEE faced respectively a devaluation of 11.9% and 7.9%.

The ENEV3 share became part of the ICO2 index in 2021 while keeping being traded in IBOVESPA and IBRX100.

Shares Performance (100 Base)



ENEVA's capital stock amounted to 1,266,339,183 common shares at the end of 2021, with 99.29% of them outstanding after the following capital increases made within the capital limits authorized and approved by the Board of Directors:

(i) on February 03, 2021, with 1,750,176 common shares issued as a result of the exercise of options granted to a certain manager according to the First Plan of Share Call or Subscription Option of the Company; 10

(ii) on April 14, 2021, with 160,088 common shares issued as a result of the exercise of options granted to a certain manager according to the Third Plan of Share Call or Subscription Option of the Company;

10 - The number of shares was adjusted to express the share split undertaken by the Company on March 12, 2021 and approved by the Board of Directors during meeting held on March 11, 2021, splitting 1 share into 4, with the consequent division of the price of each share into 4.

(iii) on May 20, 2021, with 784,115 common shares issued as a result of the exercise of options granted to a certain manager according to the Second Plan of Share Call or Subscription Option of the Company;

(iv) on November 30, 2021, with 300,964 common shares issued as a result of the exercise of options granted to a certain manager according to the Third Plan of Share Call or Subscription Option of the Company.

ENEV3	2020	2021	Var.
# Shares - end of period [1]	1,266,399,183	1,266,399,183	2,995,343
Share price (Closing) - end of period (R$) [1]	15.53	14.15	-8.9%
Traded shares (MM) - daily avg. [1]	7.6	6.4	-16.4%
Turnover (R$ MM) - daily avg.	78.3	94.0	20%
Market cap - end of period (R$ MM) [2]	19,613	17,919	-8.6%
Enterprise value - end of period (R$ MM) [3]	24,861	24,068	-3.2%

[1] Number of shares at the end of the period, share price (closing) at the end of the period and the number of

[2] Market Cap considers 100% of Eneva's free float, including shares held by the Company's Directors and Executive Officers.

[3] Enterprise Value is equivalent to the sum of Eneva's Market Cap and Net Debt at the end of each period.

INNOVATION AND R&D

We have actively contributed to promote innovation initiatives throughout the whole company's value chain. There are many trends shaping the gas and energy sectors, with discussions on cleaner and more efficient solutions. Aligned to the Company's strategy, the Innovation area operates developing new solutions for the sector with a varied portfolio based on 4 priority themes, some of them with a higher level of impact for long-term strategies.

In 2021, we invested R$ 5.3 million in automation projects for exploration and transaction processes, developing artificial intelligence and machine learning solutions, drones for inspections and monitoring, besides the automation of reports and routines. The projects for solutions on trading gas and energy amounted to R$ 2.9 million, focused on obtaining more intelligence for trading transactions, making the processes easier and providing for new opportunities.

Aligned to our ESG strategy and the trends of the sector, Eneva invested R$ 4.2 million in projects to reduce the emission of carbon and capture it. Besides the construction of a pilot plant to capture CO2 using a solid adsorbent, we have developed a solution for electric mobility. The Company is also seeking for new projects and investment opportunities on storage and hydrogen. The first project related to it, sought during 2021, is to be launched in 2022 with the construction of a pilot plant to produce hydrogen.

We have fostered Research, Development & Innovation (R, D & I) projects through the National Petroleum, Natural Gas, and Biofuels Agency (ANP) and the National Electric Energy Agency (ANEEL). In 2021, investments in projects totaled R$ 12.5 million, besides the direct investments to the Brazilian Fund for Scientific and Technological Development (FNDCT) (R$ 1.4 million), to the Ministry of Mines and Energy (MME) (R$ 0.7 million) and to the Energy Development Account (CDE) (R$ 0.4 million).

We seek to have a high-quality human capital to generate value to the company in different ways, working with international partners, such as Stanford University, MIT and Darcy Partners, and national and international startups. This initiative allows us to follow the main trends in the energy market, identifying opportunities to develop growth platforms for the companies. Besides the new projects developed, we invested R$ 515 thousand on Sunne startup, which provides solutions to share the energy credits from our distributed generation plants.

CRIE and Innovation Week

We launched the CRIE – Eneva’s Collection and Recognition of Ideas, focused on stimulating the intrapreneurship and generation of value for the Company with the employees providing their own contributions based on their daily business life.

The first edition of this initiative resulted in more than 60 innovative ideas. In 2021, the Company promoted the process to attract and develop new projects. We have also held the first edition of the Innovation Week, focused on our internal public, with 5 days of lectures presented by innovative players from several sectors, showing their projects and initiatives. Three winners of CRIE were awarded.

INDEPENDENT AUDITORS

The total compensation paid to KPMG Auditores Independentes for the services rendered to ENEVA S.A. and its subsidiaries in 2021 was R$ 2 billion, with R$ 1.4 million for auditing the financial statements and R$ 559 thousand for auditing services related to the issue of debentures.

The contracting policy adopted by the Company follows the principles that preserve the auditor’s independence, in accordance with the prevailing standards, which establish, mainly, that the auditor should not audit its own work, neither exercise management functions to its client or promote its interests.

FINANCIAL STATEMENTS

Eneva S.A.

December 31, 2021

Independent auditors’ report on the financial statements

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Financial Statements

Notes to the financial statements

Balance Sheet

CLICKABLE NOTES

On December 31, 2021 and 2020
(All amounts in thousands of reais)

		Parent Company		Consolidated	
	Note	2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	602,142	275,334	992,290	1,384,933
Marketable securities	8	367,161	144,570	685,447	511,317
Trade receivables	9	1,718	1,413	718,835	700,964
Fair value of the energy trade contracts	5.1 (vi)	-	-	9,336	-
Inventories	10	50,101	45,277	520,033	179,015
Prepaid expenses		10,053	7,042	42,955	29,411
Income tax and social contribution recoverable	11	77,090	22,039	134,021	73,022
Other taxes recoverable	11	13,575	6,949	30,629	19,846
Dividends and interest on capital receivable	21	39,999	62,192	-	-
Related-parties loans	21	216,046	186,692	-	-
Related-party transactions	21	158,021	140,802	-	-
Advances to suppliers		3,196	2,171	48,248	23,070
Others		2,507	2,229	7,707	8,824
		1,541,609	896,710	3,189,501	2,930,402
Non-current assets					
Long-term receivables					
Fair value of the energy trade contracts	5.1 (vi)	-	-	81,909	-
Related-party transactions	21	136,522	139,355	51	51
Related-parties loans	21	1,469,047	1,486,755	-	-
Income tax and social contribution recoverable	11	531	531	6,251	6,233
Other taxes recoverable	11	133,312	109,996	143,951	110,243
Deferred income tax and social contribution	11	480,797	503,142	767,633	865,059
Others		2,008	1,976	4,425	11,255
		2,222,217	2,241,755	1,004,220	992,841
Investments	12	6,495,729	6,287,200	9,532	9,633
Property, plant and equipment	13	3,033,986	2,413,979	12,727,223	10,946,675
Intangible assets	14	910,979	898,610	1,314,079	1,338,545
		12,662,911	11,841,544	15,055,054	13,287,694
		14,204,520	12,738,254	18,244,555	16,218,096

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

Balance Sheet
Continuing

CLICKABLE NOTES

On December 31, 2021 and 2020
(All amounts in thousands of reais)

	Note	Parent Company 2021	Parent Company 2020	Consolidated 2021	Consolidated 2020
Liabilities					
Current assets					
Trade payables	15	152,861	44,523	604,909	492,456
Fair value of the energy trade contracts	5.1 (vi)	-	-	7,676	-
Borrowings and financings	17	15,595	15,613	77,795	19,193
Debentures	17	28,231	11,886	284,846	118,520
Lease	13 (b)	35,224	25,720	53,742	34,729
Income tax and social contribution payable	16	73,264	4,394	98,653	36,998
Other taxes payable	16	39,077	41,612	54,443	67,086
Derivative financial instruments	18	-	-	3,211	2,391
Social and labor obligations		23,986	34,643	39,746	49,070
Profit sharing		60,709	51,255	88,796	78,947
Trade payables - electric power sector		-	-	14,110	12,455
Research and development - electric power sector	25 (f)	-	-	49,984	82,603
Provision - reimbursement cost	25 (g)	-	-	54,963	64,445
Other payables		11	4,074	3,664	7,046
		428,958	233,720	1,436,538	1,065,939
Non-current assets					
Trade payables	15	54	2,338	29,831	44,382
Fair value of the energy contracts	5.1 (vi)	-	-	46,146	-
Borrowings and financings	17	49,222	64,605	1,709,342	1,311,099
Debentures	17	4,581,722	4,273,366	5,675,467	5,593,853
Lease	13 (b)	43,540	42,614	108,807	66,239
Related-party transactions	21	8,212	105,629	169	168
Provision for uncovered liability	12.5	4,307	4,298	-	-
Provision for contingencies	19	4,994	6,871	91,885	92,603
Provision for decommissioning costs	20	83,457	70,650	83,075	75,109
Deferred income tax and social contribution	11	-	-	61,408	32,692
Other payables		-	-	5,264	5,272
		4,775,508	4,570,371	7,811,394	7,221,417
Total liabilities		5,204,466	4,804,091	9,247,932	8,287,356
Shareholders' equity	22				
Share capital		8,894,086	8,848,409	8,894,086	8,848,409
Treasury shares		(84,642)	-	(84,642)	-
Capital reserve		20,208	25,418	20,208	25,418
Tax incentives reserve		610,573	253,071	610,573	253,071
Other comprehensive income		18,405	10,775	18,405	10,775
Accumulated losses		(458,576)	(1,203,510)	(458,576)	(1,203,510)
Shareholders' equity attributable to controlling shareholders		9,000,054	7,934,163	9,000,054	7,934,163
Interest of non-controlling stockholders		-	-	(3,431)	(3,423)
Total shareholders' equity		9,000,054	7,934,163	8,996,623	7,930,740
		14,204,520	12,738,254	18,244,555	16,218,096

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

CLICKABLE NOTES

Statements of Operations

Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Note	Parent Company 2021	Parent Company 2020	Consolidated 2021	Consolidated 2020
Sales and services income	25	1,449,877	780,855	5,124,441	3,243,309
Cost of sales and services	26	(476,600)	(251,163)	(3,181,706)	(1,745,379)
Gross profit		973,277	529,692	1,942,735	1,497,930
Operating costs/income					
General and administrative	26	(445,770)	(360,757)	(544,768)	(448,537)
Other operating income (expenses)	26	14,918	29,695	194,595	76,144
Equity in the result of investees	12	665,557	554,852	(723)	(8,763)
Result before finance income (costs) and taxes		1,207,982	753,482	1,591,839	1,116,774
Finance income/costs					
Finance income	27	217,645	150,691	151,885	192,058
Financial costs	27	(157,696)	(148,822)	(338,405)	(491,712)
Result before income taxes		1,267,931	755,351	1,405,319	817,120
Income tax and social contribution on income					
Current	11	(72,286)	(434)	(105,886)	(33,858)
Deferred	11	(22,345)	252,689	(126,141)	223,274
Profit for the year		1,173,300	1,007,606	1,173,292	1,006,536
Attributed to the owners of the parent company		1,173,300	1,007,606	1,173,300	1,007,606
Attributed to the non-controlling shareholders		-	-	(8)	(1,070)
Earnings per shares attributable to the owners of the parent during the year (expressed in R$ per share)					
Basic earnings per share	23	-	-	0.92750	3.19081
Diluted earnings per share	23	-	-	0.92025	3.17618

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

Statements of Comprehensive Income

Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Profit for the year	1,173,300	1,007,606	1,173,292	1,006,536
Other comprehensive income				
Items that will be reclassified later to the result				
Cumulative translation adjustments	8,450	(3,329)	8,450	(3,329)
Carrying value adjustments	-	6,954	-	6,954
Total items that will be reclassified later to the result	8,450	3,625	8,450	3,625
Items that will not be reclassified to the result				
Losses with derivatives	(820)	(2,391)	(820)	(2,391)
Total comprehensive income for the year	1,180,930	1,008,840	1,180,922	1,007,770
Comprehensive income attributed to minority interest	-	-	(8)	(1,070)
Comprehensive income attributed to Eneva's shareholders	1,180,930	1,008,840	1,180,930	1,008,840

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

Statements of changes in equity

Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Paid-in share capital	Treasury shares	Capital Reserve (Stock Options Awarded)	Tax incentives reserve	Other comprehensive income	Accumulated Losses	Total Controllers' Equity	Non-controlling interests	Total Consolidated Shareholders' Equity
At January 1, 2020	8,834,907	-	15,640	110,725	9,541	(2,068,379)	6,902,434	(2,353)	6,900,081
Capital increase	13,502	-	(13,502)	-	-	-	-	-	-
Tax incentive SUDENE	-	-	-	78,973	-	(79,364)	(391)	-	(391)
Tax incentive ICMS	-	-	-	63,373	-	(63,373)	-	-	-
Transactions with shareholders:									
Profit for the year	-	-	-	-	-	1,007,606	1,007,606	(1,070)	1,006,536
Fair value of asset instruments	-	-	23,280	-	-	-	23,280	-	23,280
Other comprehensive income:									
Foreign currency translation adjustments for the period	-	-	-	-	(3,329)	-	(3,329)	-	(3,329)
Carrying value adjustment: assets held for sale	-	-	-	-	6,954	-	6,954	-	6,954
Losses with derivatives	-	-	-	-	(2,391)	-	(2,391)	-	(2,391)
At December 31, 2020	8,848,409	-	25,418	253,071	10,775	(1,203,510)	7,934,163	(3,423)	7,930,740
Capital increase	45,677	-	(45,677)	-	-	-	-	-	-
Repurchase of shares Program	-	(155,506)	1,248	-	-	-	(154,258)	-	(154,258)
Transactions with share-based payments	-	70,864		-	-	(70,864)	-	-	-
Tax incentive SUDENE	-	-	-	112,112	-	(112,112)	-	-	-
Tax incentive ICMS	-	-	-	245,390	-	(245,390)	-	-	-
Transactions with shareholders:									
Profit for the year	-	-	-	-	-	1,173,300	1,173,300	(8)	1,173,292
Fair value of asset instruments	-	-	39,219	-	-	-	39,219	-	39,219
Other comprehensive income:									
Foreign currency translation adjustments for the year	-	-	-	-	8,450	-	8,450	-	8,450
Losses with derivatives	-	-	-	-	(820)	-	(820)	-	(820)
At December 31, 2021	8,894,086	(84,642)	20,208	610,573	18,405	(458,576)	9,000,054	(3,431)	8,996,623

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

Statements of Cash Flows

Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Cash flows from operating activities				
Result before income taxes	1,267,931	755,351	1,405,319	817,120
Adjustments to reconcile the profit to the cash flows from operating activities:				
Depreciation and amortization	212,873	153,968	608,837	482,150
Write-off of properties, plants and equipment and intangible assets	-	-	483	23,708
Result in equity-accounted investments of the investment and of the unsecured liability	(665,557)	(554,852)	723	8,763
Write-off of dry wells and subcommercial areas	56,289	19,308	56,289	19,308
Reversal of contingencies	(1,728)	(17,302)	(171)	(25,692)
Reversal of impairment of Itaqui	-	-	(150,105)	(52,777)
Financial result, net	(75,094)	(15,319)	200,188	217,594
Fair value of the energy trade contracts	-	-	(30,867)	-
Amortization of funding cost	2,771	9,528	7,969	27,961
	797,485	350,682	2,098,665	1,518,135
Increase / Decrease in operating assets and liabilities:				
Sundry advances	(1,025)	4,078	(25,178)	76,132
Prepaid expenses	(3,051)	(2,439)	(6,273)	(27,632)
Trade receivables	(305)	737	6,440	(28,453)
Taxes recoverable	(84,586)	465	(98,848)	65,276
Judicial deposits	-	(332)	-	(354)
Inventory	(4,824)	(14,970)	(341,018)	(76,804)
Taxes and contributions	50,651	(3,359)	38,122	(37,489)
Trade payables	(112,161)	(224,942)	(330,823)	(266,421)
Provisions and labor charges	(1,203)	17,647	525	26,746
Loans	156,617	(1,061,204)	-	819
Related-party transactions	(111,803)	54,585	1	4,587
Pre-payments received CCC	-	-	-	20,216
Dividends receivable	6,339	-	-	-
Other assets and liabilities	55,899	22,670	(13,825)	16,584
	(49,452)	(1,207,064)	(770,877)	(226,793)
Income tax and social contribution paid	(56,602)	(9,197)	(94,996)	(45,389)
Dividends received	318,452	-	-	-
Net cash and cash equivalents provided by (used in) the operating activities	1,009,883	(865,579)	1,232,792	1,245,953
Cash flow from investing activities				
Acquisition of properties, plants and equipment and intangible assets	(289,781)	(305,240)	(1,135,825)	(2,087,981)
Capital transfer to investee	(20,361)	(837,515)	-	(2,100)
Advance for future capital increase	96,308	(57,471)	-	-
Receipt for the sale of interest in subsidiaries	-	18,782	-	18,782
Marketable securities	(194,447)	(16,156)	(109,857)	(194,967)
Net cash and cash equivalents used in the investing activities	(408,281)	(1,197,600)	(1,245,682)	(2,266,266)
Cash flow from financing activities				
Payment of lease liability	(44,646)	(24,657)	(65,221)	(57,734)
Repurchase of own shares	-	-	(154,258)	-
Funding	-	2,097,968	480,872	3,371,097
Amortizations of principal - financings	(15,447)	(511,869)	(116,075)	(2,024,276)
Interest paid	(214,701)	(159,286)	(403,573)	(354,305)
Funding costs	-	(70,118)	-	(92,249)
Secured deposits	-	-	(121,498)	45,130
Cash and cash equivalents provided by (used in) the financing activities	(274,794)	1,332,038	(379,753)	887,663
Increase / Decrease in cash and cash equivalents	326,808	(731,141)	(392,643)	(132,650)
Statement of the variation in cash and cash equivalents				
At the beginning of the year	275,334	1,006,475	1,384,933	1,517,583
At the end of the year	602,142	275,334	992,290	1,384,933
Increase / Decrease in cash and cash equivalents	326,808	(731,141)	(392,643)	(132,650)

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

Statements of Added Value

Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Revenue	**1,691,319**	**906,466**	**5,779,893**	**3,649,119**
Sales of goods, products and services	1,690,990	888,327	5,636,882	3,545,106
Other revenue	329	18,139	143,011	104,013
Consumables acquired from third parties (including ICMS and IPI)	**(230,463)**	**(234,225)**	**(2,218,966)**	**(1,222,831)**
Materials, electricity, outsourced services and others	(229,467)	(230,959)	(1,166,092)	(943,194)
Generation inputs	-	-	(1,201,827)	(328,421)
Impairment and recovery of assets	(996)	(3,266)	148,953	48,784
Gross value added	**1,460,856**	**672,241**	**3,560,927**	**2,426,288**
Depreciation and amortization	(212,873)	(153,968)	(608,837)	(482,150)
Net value added generated by the entity	**1,247,983**	**518,273**	**2,952,090**	**1,944,138**
Transferred value added	**923,322**	**745,509**	**151,162**	**183,295**
Equity in the result of investees	665,557	554,852	(723)	(8,763)
Finance income	161,123	109,654	148,492	186,864
Interest on loan operations and debentures	56,508	40,354	651	-
Shared services	40,120	39,966	-	-
Others	14	683	2,742	5,194
Total value added to be distributed	**2,171,305**	**1,263,782**	**3,103,252**	**2,127,433**
Distribution of value added	**2,171,305**	**1,263,782**	**3,103,252**	**2,127,433**
Personnel	**208,087**	**152,783**	**381,701**	**304,776**
Direct remuneration	139,442	87,621	269,195	202,162
Benefits	60,795	59,901	97,212	91,963
FGTS and contributions	7,850	5,261	15,294	10,651
Taxes and contributions	**637,273**	**(46,896)**	**1,207,838**	**311,640**
Federal	334,528	(139,143)	899,642	184,680
State	86,461	25,688	42,299	28,679
Municipal	740	845	783	1,177
Fees and contributions	215,544	65,714	265,114	97,104
Remuneration of third-parties' capital	**152,645**	**150,289**	**340,421**	**504,481**
Interest on borrowings and debentures	88,303	85,058	179,552	287,206
Other finance costs	42,327	41,226	66,885	74,942
Exchange and monetary variation	17,381	17,544	76,034	121,056
Rent	7,449	6,285	24,649	19,323
Others	(2,815)	176	(6,699)	1,954
Remuneration of own capital	**1,173,300**	**1,007,606**	**1,173,292**	**1,006,536**
Profit for the year	1,173,300	1,007,606	1,173,300	1,007,606
Loss for the year attributed to minority interest	-	-	(8)	(1,070)

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

Notes
to the Financial Statements

(All amounts in thousands of reais unless otherwise stated)

1. Operations*

CONTENTS

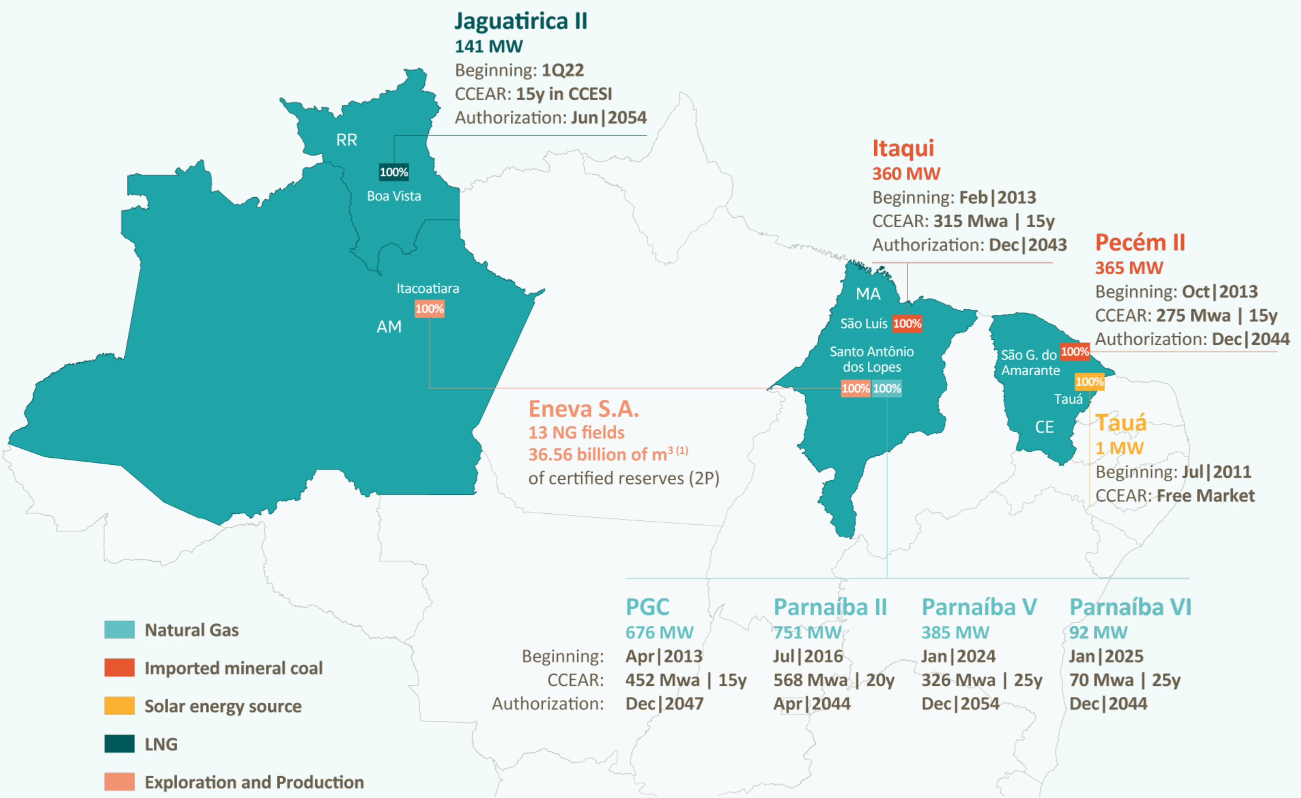
Eneva S.A. ("Company" or "Eneva") is a publicly traded company registered in B3 S.A. – Brasil, Bolsa, Balcão, under the code ("ENEV3"), headquartered in the Municipality and State of Rio de Janeiro, which operates in the generation and trade of electric power and in the exploration and production (E&P)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

Eneva counts on a thermal power station of 3.1 GW of installed capacity (70% operating), being 2.3 GW natural gas (76%) and 725 MW mineral coal (24%). It is the second largest company in thermal capacity in the country, responsible for 9% of the national installed thermal capacity.

Eneva has a total exploratory area of over 64 thousand km² located in the Parnaíba Basin, in the state of Maranhão, in the Amazonas and Solimões Basin, in the state of Amazonas, and in the Paraná Basin, located between the states of Goiás and Mato Grosso do Sul.

Currently, the Company has eleven fields able to produce, ten of which declared commercial in the Parnaíba Basin and one acquired in the assignment process of Amazonas Basin. The Company is also the concessionaire of the Juruá marginal accumulation area, in the Solimões Basin. Of these, six are in production, five of which are entirely destined to supply the natural gas thermoelectric plants located in the state of Maranhão ("Parnaíba Complex"), thus assuming a production commitment of 8.4 million m³/day; and one in Amazonas to supply the Jaguatirica II thermoelectric plant in Roraima.

Ventures



(*) Operational information regarding installed capacity, contracted capacity, production and area are not audited by independent auditor.

1.1 Significant events in the year:

COVID-19 pandemic- Context, initiatives and impacts

Since the first manifestations of public authorities about the proliferation of COVID-19, we have closely monitored and immediately adhered to all recommended protocols, focusing both on the safety of our own and third-party teams, as well as the communities surrounding our operations. Furthermore, aware of our role in the locations we perform, we donated hygiene, health and personal protection materials. 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.

We have also kept monitoring the main accounting and financial impacts, mainly those related to the following issues:

(a) Revenue and evaluation of credit losses

The Company, so far, 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) and in the energy trade segment.

Accordingly, the Company has not identified any change in the risk matrix, which would impact the revenue recognition, as well as the probability of realization of these receivables, as established in IFRS15/CPC 47 - Revenue from Contract with Customers and IFRS9/CPC 48 - Financial Instruments.

(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, and there was no evidence of impairment of property, plant and equipment and intangible assets (considering the useful life of each plant) and for the recoverability of deferred tax assets. The assumptions used to assess these non-financial assets (property, plant and equipment and intangible assets) and of recoverability of deferred income tax and social contribution are in Note 13 - “Property, plant and equipment”.

(c) Projects in construction

It is expected that Parnaíba V, project in construction, with total installed capacity of 385MW, begins its operations in the first half of 2022.

On September 27, 2021, we opened the Gas Treatment Unit (UTG) Azulão, which is part of the integrated project Azulão-Jaguatirica and is located in the Municipality of Silves, in the interior of the State of Amazon. The gas produced in Azulão is liquefied and transported in trucks with cryogenic tanks to Boa Vista (RR), where it supplies the Jaguatirica II thermoelectric plant, with an installed capacity of 141MW and which will generate enough energy to supply about 70% of the state of Roraima. . In the first quarter of 2022, Jaguatirica II thermoelectric plant was authorized by ANEEL to begin the commercial operations of part of its generating units, according to Note 30 – “Events after the reporting period”.

Operating, Financial ans Corporate

During 2021, given the statement that the country is going through the worst hydrological crisis since 1930 by the National System Operator (ONS), an increase in thermal generation was observed. In 2021, the dispatch curve was of 72% (45% in 2020) of the capacity of the plants. This increase in the dispatch gave rise to positive impacts in the operating result, mainly related to the variable revenue in the regulated environment (“ACR”).

On December, the Company was victorious in the commercialization of the power product in the Capacity Reserve Bid, of 2021, of the National Electric Energy Agency - ANEEL, with the following projects:

UTE Parnaíba IV - It entered into an agreement of sale of 39 MW power, for 15 years, as from July 1, 2026, ensuring, during the supply period, fixed annual revenue of R$ 32,083 thousand, annually adjusted according to IPCA variation. According to the Power Capacity Reserve Agreement - CRCAP, the fixed revenue will be paid by the Electric Energy Commercialization Chamber - CCEE, which will promote the charge and collection of the Power Charge for Capacity Reserve.

UTE Azulão - It entered into an agreement of sale of 295 MW power, for 15 years, as from July 1, 2026, ensuring, during the supply period, fixed annual revenue of R$ 216,870 thousand, annually adjusted according to IPCA variation.

It is expected that the construction of UTE Azulão will last 36 (thirty-six) months, with the beginning of the implantation expected to be in the second half of 2022. The estimated total investment for all the project is of R$ 1.3 billion, being approximately 33% in foreign currency. This project is located within the performance area of the Superintendence for the Development of the Amazon - SUDAM and it is eligible for the Special Incentive Regime for Infrastructure Development - REIDI.

Given the capacity characteristics of the bid, in which we only trade power, the plants will also be able to trade power in the free or regulated contract environment or to operate as merchant, being entitled to receive additional revenue.

(a) Exploration and Production (E&P) of natural gas

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.

On June 29, 2021, the concession contracts for the assets acquired by the Company were signed in the second cycle of the Permanent Offer of the National Agency of Oil, Natural Gas and Biofuels (ANP), held on December 4, 2020, in which they were acquired:

(i) In the Amazonas Basin, in the state of Amazonas, 100% of interest in three land blocks AM-T-62, AM-T-84 and AM-T-85, having offered a total Minimum Exploratory Program (“PEM”) of 11,414 Work Units (“UT”), to be carried out during 8 years, in the total area sold off of 7,224 km². The amount paid as signature bonus for these blocks was of R$ 16.3 million.

(ii) In Solimões Basin, 100% interest in the Juruá area (“Juruá”), situated 725 km southwest of Manaus (Amazonas) and 110 km west of the Urucu gas and oil fields. The amount paid as signature bonus offered for Juruá was of R$ 25.7 million.

(iii) In the Paraná basin, 70% of interest in the PAR-T-196, PAR-T-215, PAR-T-86 and PART-99 blocks, in consortium with Enauta Energia S.A., which will be operated by Eneva. These exploratory blocks are located in the states of Mato Grosso do Sul and Goiás, with area of around 11,544 km². The offered PEM for 100% of the blocks was of 7,548 UTs, to be carried out in up to 6 years, and the amount paid as signature bonus offered was of R$ 2.1 million.

(b) Funding of the capital projects

Parnaíba Geração e Comercialização – release of R$ 112 million of installments of the financings with BNB, mainly to meet the commitments of the investments in course.

Azulão Geração de Energia – release of R$ 48 million with BASA, reinforcing the Company’s cash to face the investments in progress and the opening of fixed credit to Azulão Geração de Energia S.A., using funds of the Fund for Development of Amazônia – FDA, entered into on December 15, 2021, in the amount of R$ 286 million.

Parnaíba VI – opening of fixed credit to Parnaíba II Geração de Energia S.A., using funds of the Fund for Development of the Northeast Region – FDNE, entered into on December 22, 2021in the amount of R$ 274 million.

Business Combination

On December 15, 2021, the Company entered into a business combination agreement with Focus Energia Holding Participações S.A. (“Focus”), through which terms and conditions were established for the incorporation of Focus by Eneva and the private subscription, by the Company, of non-convertible debentures issued by Focus. The main terms and conditions are presented in Note 30 - “Events after the reporting period”.

Troféu Transparência

In August, for the first time, Eneva was, among two thousand companies, one of the winners of “Troféu Transparência – Prêmio ANEFAC – FIPECAFI”. The award is granted by ANEFAC (National Association of Finance, Administration and Accounting Executives) with the objective of recognizing the best accounting practices, evaluating the transparency, objectivity and relevance of the information provided to the market.

This a very important award because it recognizes the Company’s commitment with the best governance practices in the disclosure of the Financial Statements.

2. Licenses and authorizations

CONTENTS

The Company seeks excellent performance based on responsible management of the impacts that its activity can generate on society, on the environment and on the communities surrounding its operations. Through a system of control of deadlines and compliance with legal requirements, more than 100 environmental licenses and authorizations are managed, totaling more than 1,000 conditions distributed in operational units.

In 2021, the Company kept all the licenses needed for the assets, 99 licenses were issued in order to ensure the strengthening and expansion of its activities. During this period, we highlight (i) the renewal of all operating licenses for the Parnaíba Complex, (ii) 10 Prior Drilling Licenses that allowed the development of the well campaign in the state of Maranhão, (iii) 9 more licensed water wells, (iv) installation license, (vi) Installation license for Parnaíba VI, (vii) Operating License for Parnaíba V, (viii) Renewal of the Operating License for UTE Pecém II, (ix) Operating Licenses for Jaguatirica II and Azulão, (x) licenses to drill 4 more exploratory wells in the state of Amazonas and (xii) Prior License for UTE Azulão.

3. Presentation of the financial statements

CONTENTS

The financial statements were prepared according to the accounting policies adopted in Brazil including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and they evidence all the material information of the financial statements which is consistent with that used by management.

The significant accounting policies used in preparing these financial statements are presented in Note 4 - “Summary of the significant accounting practices and policies”.

The financial statements were prepared considering the historical cost as value basis, except when otherwise indicated. The main accounting practices used in preparing the financial statements ate presented in the respective notes.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 - “Critical accounting estimates and judgments”.

The issue of these financial statements was authorized by the Executive Board on March 14, 2022 and by the Board of Directors on March 21, 2022.

Operational continuity

Management assessed the ability of the Company and its subsidiaries to continue operating normally and concluded that it has the resources to continue its business in the future. Thus, these financial statements were prepared based on the continuity assumption.

Parent company and consolidated financial statements

The parent company's financial statements were prepared in accordance with practices adopted in Brazil (BR GAAP and CPC) and the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil.

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 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.

Besides, the costs related to the repurchase of own shares, which aim the acquisition of shares issued by Eneva S.A. Through the subsidiary Parnaíba II Geração de Energia S.A., to meet the obligations of long-term share-based compensation incentive plans. The repurchase of shares by Parnaíba II was carried out due to the lack of revenue reserves and capital in Eneva S.A., according to requirement of Law No. 6,404, article 30.

In the parent company financial statements, these costs are recorded as investments and in the consolidated financial statements, these costs are presented as shareholders’ equity under treasury shares.

Statement of value added

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 financial statements.

The objective of this statements is to present information related to the wealth generated by the Company and how this wealth was distributed.

Changes in accounting practices and disclosures

The Company adopted the amendments to “CPC 06 (R2) – Leases” and “CPC 48 – Financial Instruments”, about definition of the term “Reform of the Reference Interest Rate - Stage 2”, as from January 1, 2021, with no material impacts. A series of new standards also became effective as from January 1, 2021, but they had no material effect in the Company’s financial statements.

Furthermore, as from 1/1/2022, the following pronouncements, which the Company has not adopted yet, will be in force:

Review and impacted Standards	Correlation with IASB	Accounting impacts
Review of the Technical Pronouncement No. 19		
CPC Technical Pronouncement No. 15 (R1) – Business combination, CPC 25 – Provisions, contingent liabilities and contingent assets, CPC 27 – Property, Plant and Equipment, CPC 29 – Biological asset and agricultural product, CPC 37 (R1) – Initial adoption of the international accounting standards and CPC 48 – Financial Instruments.	Annual Improvements to IFRS Standards 2018- 2020; Property, Plant and Equipment: Proceeds before Intended Use; Onerous contracts – Costs of Fulfilling a contract; e Reference to the Conceptual Framework	No material impacts.
Amendments to IAS 16 (CPC 27) – Property, Plant and Equipment — Resources before the intended use		
The amendments prohibit deducting from the cost of an item of property, plant and equipment any resources arising from the sale of items produced before the asset is available for use, i.e., resources to bring the asset to the location and condition necessary for it to be able to operate in the manner intended by Management. Consequently, the entity recognizes these proceeds from the sale and corresponding costs in profit or loss.	IAS 16	Test revenues will be recorded in the Company's results from the date of application of the standard, and the effects are not material.

4. Summary of the significant accounting practices and policies

CONTENTS

4.1 Consolidation

The Company consolidates all the entities it controls, i.e., when it is exposed or it has rights to variable returns of its investment and it is able to conduct the material activities of the investee.

The consolidated financial statements include the financial statements of the parent company and the companies the Company has the (direct or indirect) control, as shown in Note 12 "Investments".

The following accounting policies are applied in the preparation of the consolidated financial statements:

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. They are deconsolidated from the date that control ceases.

The acquired identifiable assets and liabilities, including the contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree according to the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Non-controlling interests are determined on each acquisition. Acquisition-related costs are expensed as incurred.

Transactions, balances and unrealized gains on transactions between related parties are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with non-controlling interests

The investments held by other investors in Eneva's subsidiaries are classified as "non-controlling interest".

For purchases from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(c) Joint arrangements

Joint arrangements are all entities over which the Company shares control with one or more parties. These investments are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures are accounted for in the financial statements in order to represent the Company's contractual rights and obligations. Therefore, the assets, liabilities, revenues and expenses related to its interests in joint operations are individually accounted for in its financial statements.

Investments in joint ventures are accounted for using the equity method and are initially recognized at cost.

The Company's share of the profit or loss of its joint ventures is recognized in the statement of operations and its share in changes in equity is recognized in the Company's equity. When the Company's share of losses equals or exceeds the carrying amount of the investment, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the jointly-controlled investee.

Unrealized gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company 's interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

4.2 Foreign currency translation

(a) Functional and presentation currency

The items included in each of the company's entities' financial information are measured based on the currency of the main economy in which each company operates ("functional currency"). The parent company and consolidated financial statements are presented in reais (R$), which is the Company's and its subsidiaries' functional and reporting currency, except for Parnaíba BV, as mentioned in item (c).

(b) Transactions and balances

Foreign-currency transactions are translated into the functional currency at the exchange rates prevailing on the transaction or valuation dates, on which the items are reassessed. Foreign exchange gains and losses resulting from the settlement of these transactions and the translation at the exchange rates at the end of the financial year for monetary assets and liabilities denominated in foreign currency are recognized in the statement of operations, except when qualified as hedge accounting and are recognized in equity as cash flow hedges.

Foreign exchange gains and losses that relate to commercial operations, borrowings and cash and cash equivalents are presented in the statement of income within "Finance income or costs".

(c) Company with different functional currency

The results and financial position of the subsidiary Parnaíba B.V., whose functional currency is different from the reporting currency are translated into the reporting currency as follows:

(i) The assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) The revenue and expenses of each statement of operations are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

(iii) All resulting exchange differences are recognized in other comprehensive income: and accumulated as a separate component of equity, in the account "Carrying value adjustments". When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of income as part of the gain or loss on sale.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognized in equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of income as part of the gain or loss on sale.

4.3 Profit sharing

The Company recognizes a liability and an expense for employees and offices profit sharing based on established corporate goals linked to the Company's development and growth plan. The profit sharing is comprised of evaluation of goals of all the collaborators and members of the executive board.

4.4 Provisions

They are recognized when there is a present, legal or non-formalized obligation, resulting from a past event, in which it is probable that an outflow of funds will be made for its settlement, and that this obligation can be reasonably estimated. The update of the provision over time is recognized as a finance expense.

The other material accounting practices of the Company and its subsidiaries are presented in the notes related to items to which they refer.

5. Critical accounting estimates and judgments

CONTENTS

In preparing these financial statements, Management used judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The real results may differ from these estimates.

The estimates and assumptions are continuously reviewed. The reviews and estimates re prospectively reviewed.

5.1 Estimates

5.1.1 Uncertainties about assumptions and estimates

(i) **Note 18 – "Financial instruments and risk management"** - financial assets and liabilities through derivatives and expectation about the commodities market.

(ii) **Note 14 – "Intangible assets"** - Natural gas reserves are calculated based on economic, geological and engineering information, such as well profiles and pressure data, among others. Reserve volumes are used to calculate depreciation/depletion/amortization rates in the units produced method and in the impairment tests. The determination of the estimate of the volume of reserves requires significant judgment and is subject to reviews, at least annually, carried out based on the reevaluation of pre-existing data and/or new information available related to the production and geology of the reservoirs, as well as changes in prices and costs. used. The reviews may also result from significant changes in the Company's development strategy or production capacity.

(iii) **Note 13.2 – "Impairment assessment"** - The Company conducts impairment tests on assets, in accordance with the accounting policies described in specific notes. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations.

(iv) **Note 11 – "Deferred taxes recoverable"** - Deferred income tax and social contribution - Deferred tax assets and liabilities are recognized in relation to the temporary differences between the carrying amounts of assets and liabilities and those adopted for tax purposes and on tax losses to the extent that it is probable that taxable profits will be available, against which they will be used. 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.

(v) **Note 20 – "Provision for decommissioning obligation"** - Impact of natural gas reserves on cost estimates with area decommissioning obligations - the estimated time of realization of the costs with area decommissioning obligations is based on the depletion period of proven reserves according to the criteria established by ANP/SPE. Revisions to reserve estimates that imply changes in the depletion period may affect the provision for dismantling areas. The accounting recognition of these obligations must be carried out based on the present value, using a discount rate. Long periods up to the date of decommissioning and variations in the discount rate, however small they may be, can cause large variations in the amount recognized.

(vi) **Fair value of the energy contracts** - Result of mark-to-market (MtM) of energy purchase and sale contracts for future delivery of the trading portfolio of the Energy Trader is calculated as the sum of the differences between the contracted value and the current market value of each open position, brought to present value at the corresponding discount rate. The market value of each open position is calculated by multiplying the amount of energy by the market price corresponding to the associated submarket, source and maturity (deadline for supply). The market price curves used for mark-to-market reflect the exit value of energy positions and are based on independent market price references and on the company's internal view.

5.2 Judgments

Information on judgments made in the application of accounting policies that have significant effects on the amounts recognized in the financial statements are included in the following notes:

(i) **Note 19 – "Provision for contingencies"** - Recognition of provisions for tax, civil, labor, administrative and regulatory risks, through the analysis of loss probability that includes evaluation of the available evidences, the available jurisprudence, the latest decisions in the courts and its relevance in the legal framework, as well as the evaluation of external lawyers.

6. Segment reporting [1]

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A business segment is an identifiable component of the Company, which is intended to provide an individual product or service or a group of related products or services, and which is subject to risks and benefits that are distinguishable from other business segments.

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 2nd half of 2024.

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-Jaguatirica project, with installed capacity of 141 MW, being implanted in the Municipality of Boa Vista, in the State of Roraima. In the first quarter of 2022, Jaguatirica II thermoelectric plant was authorized by ANEEL to begin the commercial operations of part of its generating units, according to Note 30 – "Events after the reporting period".

ii. Upstream

In this segment, the Company operated 11 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 9 million m³ of natural gas per day, being 8.4 million m³ to the supply of Parnaíba Complex, and 0.6 million m³ for the supply of UTE Jaguatirica II, 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 Itaqui 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 trade

In this segment, the trade of energy contracts occurs in the Free Contract Environment ("Ambiente de Contratação Livre - ACL"), mantatorily 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 and the statements of operations, per segment, on December 31, 2021 and 2020, are as follows:

(1) The information regarding the installed capacity, mentioned in items "i" and "iii", of the exploratory blocks and fields, mentioned in item "ii" are not audited by the financial statements' independent auditors.

Equity accounts - 12/31/2021:

	Natural Gas Generation										
	Gas-fired thermal plants	Upstream	Eliminations	Subtotal consolidated	Coal-fired thermal plants	Eliminations	Subtotal consolidated	Energy trade	Holding company and others	Eliminations	Total consolidated
Total assets	**6,971,058**	**8,038,651**	**(350,015)**	**14,659,694**	**5,012,849**	**-**	**5,012,849**	**184,003**	**326,409**	**(1,938,400)**	**18,244,555**
Current assets	**872,628**	**1,543,500**	**(158,022)**	**2,258,106**	**1,081,749**	**-**	**1,081,749**	**67,693**	**70,428**	**(288,475)**	**3,189,501**
Cash and equivalents	257,176	604,152	-	861,328	100,389	-	100,389	6,485	24,088	-	992,290
Trade receivables	366,584	1,718	-	368,302	310,855	-	310,855	39,397	281	-	718,835
Inventory	36,668	50,101	-	86,769	433,253	-	433,253	-	11	-	520,033
Other assets	212,200	887,529	(158,022)	941,707	237,252	-	237,252	21,811	46,048	(288,475)	958,343
Non-current assets	**6,098,430**	**6,495,151**	**(191,993)**	**12,401,588**	**3,931,100**	**-**	**3,931,100**	**116,310**	**255,981**	**(1,649,925)**	**15,055,054**
Deferred income tax and social contribution	16,171	480,791	-	496,962	237,965	-	237,965	32,663	43	-	767,633
PPE and intangible assets	6,060,489	3,548,841	-	9,609,330	3,683,654	-	3,683,654	153	126,539	621,626	14,041,302
Other assets	21,770	2,465,519	(191,993)	2,295,296	9,481	-	9,481	83,494	129,399	(2,271,551)	246,119
Total liabilities	**6,971,058**	**8,038,651**	**(350,015)**	**14,659,694**	**5,012,849**	**-**	**5,012,849**	**184,003**	**326,409**	**(1,938,400)**	**18,244,555**
Current assets	**931,494**	**474,412**	**(240,508)**	**1,165,398**	**663,410**	**106**	**663,516**	**35,649**	**7,988**	**(436,013)**	**1,436,538**
Borrowings	62,200	15,595	-	77,795	-	-	-	-	-	-	77,795
Debentures	256,615	28,231	-	284,846	-	-	-	-	-	-	284,846
Other liabilities	612,679	430,586	(240,508)	802,757	663,410	106	663,516	35,649	7,988	(436,013)	1,073,897
Non-current assets	**2,923,139**	**4,724,640**	**(109,507)**	**7,538,272**	**1,552,885**	**(106)**	**1,552,779**	**62,202**	**160,530**	**(1,502,389)**	**7,811,394**
Borrowings	1,660,119	49,223	-	1,709,342	-	-	-	-	-	-	1,709,342
Debentures	1,093,746	4,581,721	-	5,675,467	-	-	-	-	-	-	5,675,467
Other liabilities	169,274	93,696	(109,507)	153,463	1,552,885	(106)	1,552,779	62,202	160,530	(1,502,389)	426,585
Non-controlling stockholders	-	-	-	-	-	-	-	-	(3,431)	-	(3,431)
Shareholders' equity	**3,116,425**	**2,839,599**	**-**	**5,956,024**	**2,796,554**	**-**	**2,796,554**	**86,152**	**161,322**	**2**	**9,000,054**

Equity accounts - 12/31/2020:

	Natural Gas Generation										
	Gas-fired thermal plants	Upstream	Eliminations	Subtotal consolidated	Coal-fired thermal plants	Eliminations	Subtotal consolidated	Energy trade	Holding company 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

2021

	Natural Gas Generation										
	Gas-fired thermal plants	Upstream	Eliminations	Subtotal consolidated	Coal-fired thermal plants	Eliminations	Subtotal consolidated	Energy trade	Holding company and others	Eliminations	Total consolidated
Statement of income											
Net operating revenue	2,699,123	1,449,877	(1,378,076)	2,770,924	2,061,453	-	2,061,453	550,194	700	(258,830)	5,124,441
Cost of goods and/or sold services	(2,278,288)	(476,600)	1,378,076	(1,376,812)	(1,557,191)	-	(1,557,191)	(504,780)	(1,753)	258,830	(3,181,706)
Operating costs	(42,840)	(354,131)	-	(396,971)	(24,879)	-	(24,879)	(10,301)	(6,387)	(13,692)	(452,230)
Other operating results	20,678	14,896	-	35,574	159,243	-	159,243	-	(443)	221	194,595
Costs with exploration and dry well	-	(92,538)	-	(92,538)	-	-	-	-	-	-	(92,538)
Equity in the result of investees	-	665,715	(218,058)	447,657	170,560	(170,560)	-	-	43,331	(491,711)	(723)
Finance income	44,410	217,711	-	262,121	53,167	-	53,167	1,199	2,972	(167,574)	151,885
Finance costs	(144,685)	(157,696)	-	(302,381)	(203,865)	-	(203,865)	(121)	(248)	168,210	(338,405)
Provision for current and deferred taxes	(53,007)	(94,630)	-	(147,637)	(72,030)	-	(72,030)	(12,257)	(103)	-	(232,027)
Profit (Loss) for the year	**245,391**	**1,172,604**	**(218,058)**	**1,199,937**	**586,458**	**(170,560)**	**415,898**	**23,934**	**38,069**	**(504,546)**	**1,173,292**
Attributed to the owners of the parent company	245,391	1,172,604	(218,058)	1,199,937	586,458	(170,560)	415,898	23,934	38,069	(504,538)	1,173,300
Attributed to the non-controlling shareholders	-	-	-	-	-	-	-	-	-	(8)	(8)

2020

	Natural Gas Generation										
	Gas-fired thermal plants	Upstream	Eliminations	Subtotal consolidated	Coal-fired thermal plants	Eliminations	Subtotal consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
Statement of income											
Net operating revenue	1,819,668	791,720	(728,265)	1,883,123	1,173,926	-	1,173,926	489,655	282	(303,677)	3,243,309
Cost of goods and/or services sold	(1,268,805)	(251,163)	723,805	(796,163)	(803,449)	-	(803,449)	(447,808)	(1,636)	303,677	(1,745,379)
Operating costs	(26,004)	(241,822)	-	(267,826)	(24,206)	-	(24,206)	(7,300)	(6,365)	(13,692)	(319,389)
Other operating results	(20,944)	37,550	-	16,606	60,940	-	60,940	11	(1,999)	586	76,144
Costs with exploration and dry well	-	(129,148)	-	(129,148)	-	-	-	-	-	-	(129,148)
Equity in the result of investees	-	555,965	(252,567)	303,398	47,275	(47,400)	(125)	-	130,705	(442,741)	(8,763)
Finance income	17,529	70,641	(3,106)	85,064	144,516	-	144,516	1,475	1,580	(40,577)	192,058
Finance costs	(112,278)	(71,737)	7,566	(176,449)	(351,904)	-	(351,904)	(3,656)	(280)	40,577	(491,712)
Provision for current and deferred taxes	(73,017)	252,256	-	179,239	(2,750)	-	(2,750)	13,248	(321)	-	189,416
Profit(loss) for the year	**336,149**	**1,014,262**	**(252,567)**	**1,097,844**	**244,348**	**(47,400)**	**196,948**	**45,625**	**121,966**	**(455,847)**	**1,006,536**
Attributed to the owners of the parent company	336,149	1,014,262	(252,567)	1,097,844	244,348	(47,400)	196,948	45,625	121,966	(454,777)	1,007,606
Attributed to the non-controlling shareholders	-	-	-	-	-	-	-	-	-	(1,070)	(1,070)

Gross revenue between segments and customers

	2021			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	3,011,650	233,989	2,777,661	2,023,781	76,129	1,947,652
Upstream	1,690,990	1,675,001	15,989	888,327	884,175	4,152
Coal	2,309,381	-	2,309,381	1,322,023	-	1,322,023
Energy trader	603,127	51,223	551,904	539,565	258,501	281,064
Holding and others	787	-	787	312	-	312
	7,615,935	1,960,213	5,655,722	4,774,008	1,218,805	3,555,203

* *Eliminated revenue for the purpose of presentation of consolidated financial statements.*

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

	CCEAR		MCP *	Lease		Gas and Condensed	2021
	Fixed Availability	Variable	Variable	Fixed	Variable	Variable	Total
Gas-fired thermal plants (a)	1,356,466	1,070,538	584,646	-	-	-	3,011,650
Upstream (a)	-	-	-	291,773	594,407	804,810	1,690,990
Coal	884,089	1,364,640	60,652	-	-	-	2,309,381
Energy trader (b)	-	-	603,127	-	-	-	603,127
Holding and others	-	-	787	-	-	-	787
Total	2,240,555	2,435,178	1,249,212	291,773	594,407	804,810	7,615,935

	CCEAR		MCP *	Lease		Gas and Condensed	2020
	Fixed Availability	Variable	Variable	Fixed	Variable	Variable	Total
Gas-fired thermal plants	1,282,358	348,030	393,393	-	-	-	2,023,781
Upstream	-	-	-	291,773	120,242	476,312	888,327
Coal	837,817	315,869	168,337	-	-	-	1,322,023
Energy trader	-	-	539,565	-	-	-	539,565
Holding and others	-	-	312	-	-	-	312
Total	2,120,175	663,899	1,101,607	291,773	120,242	476,312	4,774,008

* *MCP = Short Term Market (free contract environment)*

a. *The increase in revenue on December 31, 2021, compared to the same period of 2020, is related to the following: (i) updating of fixed revenue by the IPCA, which always occurs in the 2nd half of each year, (ii) higher energy dispatch and price resulting from the water crisis in the country and (iii) increase in variable lease due to the readjustment of the reference price of natural gas by the ANP.*

b. *The volume of energy traded in the trading operations with non-related companies increased due to market opportunities. Thus, we have less transactions with related-parties, therefore, lower eliminated revenue.*

7. Cash and cash equivalents

CONTENTS

Accounting practice

These include cash in hand, deposits held at call with banks and other highly liquid investments, with immaterial risk of change in value, being stated at the balance date that at fair value.

		Parent Company		Consolidated	
		2021	2020	2021	2020
Cash and banks		6,149	3,419	15,446	43,382
Investment funds	(a)	7,437	13,760	187,280	82,977
CDBs	(b)	588,556	258,155	789,564	1,258,574
		602,142	275,334	992,290	1,384,933

a. *It is the exclusive investments fund in quotas of FI Renda Fixa Crédito Privado Eneva managed by Banco Itaú. On December 31, 2021, the balance is just comprised of repurchase agreements underlied by Federal government securities registered at CETIP or SELIC. These operations have daily repurchase guarantee at a rate previously established by financial institutions.*

b. *These represent amounts invested in CDBs 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 in the subsidiary is substantially related to the received dividends.*

The main changes in cash in the year ended December 31, 2021 were substantially based on the generation of operating cash of R$ 1,232,792. The main outflows were intended for the construction of Parnaíba V and of the Azulão-Jaguatirica project, in the amount of R$ 1,135,825, as well as the transfer of financial resources to Focus, related to the payment for the private debentures, see notes 8 - “Marketable securities” and 30 - “Events after the reporting period”.

8. Marketable securities

CONTENTS

		Parent Company		Consolidated	
		2021	2020	2021	2020
Investment fund	(a)	13,161	72,911	331,447	439,658
CDB		-	71,659	-	71,659
Private debenture	(b)	354,000	-	354,000	-
		367,161	144,570	685,447	511,317

a. *The maturities of investment funds classified as marketable securities are between 2022 and 2027, with daily liquidity. These include various assets aimed at better profitability, such as fixed income securities, government bonds, among others, according to the Company’s and its subsidiaries’ investment policy. Furthermore, the investment funds are investments in quotas (FIC), managed by Banco Itaú, which allocate their resources in quotas of many open funds subject to change in value. The Company and its subsidiaries do not manage nor directly control exposure, rights, variable returns arising from their involvement and ability to use their power to affect the value of returns on these investments, nor they have relevant interest (maximum limit of 10% of Shareholders' Equity of the fund) in accordance with CPC 36 (R3) / IFRS 10 – Consolidated Financial Statements;*

b. *This refers to private debentures issued by Focus Energia Holding Participações SA, maturing in December 2022, and subject to remuneration in accordance with the accumulated variation of 100% of the average daily rates of DI – One-day Interbank Deposit, plus a surcharge corresponding to 8% per year, pro rata temporis for business days until the date of actual payment, subject to a grace period of 6 months. The private debenture is part of the business combination operation, as shown in Note 30 - Events after the reporting period, item “Business combination”.*

9. Trade receivables

CONTENTS

Accounting practice

The Company's trade receivables correspond to the billed amounts for the sale of electricity in the normal course of its activities. They are recognized initially at fair value and subsequently measured at amortized cost, adjusted at present value less the expected credit loss (PCE).

	Consolidated	
	2021	2020
Energy trading agreements in the regulated environment (CCEAR):		
Azulão Geração de Energia S.A.	194	-
Parnaíba II Geração de Energia S.A.	124,199	118,719
Parnaíba Geração e Comercialização de Energia S.A.	175,911	153,620
Pecém II Geração de Energia S.A.	155,985	99,191
Itaqui Geração de Energia S.A.	148,944	104,921
	605,233	476,451
Energy trading agreements in the free environment (ACL):		
Parnaíba II Geração de Energia S.A.	7,524	57,067
Eneva Comercializadora de Energia Ltda.	1,692	1,026
Pecém II Geração de Energia S.A.	5,788	29,413
Parnaíba Geração e Comercialização S.A.	58,741	85,692
Itaqui Geração de Energia S.A.	153	14,804
Tauá Geração de Energia Ltda.	9	-
	73,907	188,002
Bilateral energy trading agreements:		
Eneva Comercializadora de Energia Ltda.	48,068	45,410
Tauá Geração de Energia Ltda.	272	51
	48,340	45,461
Condensed gas trading contracts		
Eneva S.A.	1,718	1,413
	1,718	1,413
Expected Credit Loss		
Provision for expected credit loss	(10,363)	(10,363)
	718,835	700,964

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.

Due to the context described above, we understand that there is no risk of loss in the accounts receivable from the Company, mainly due to the market environment in which we operate.

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 in previous years.

The breakdown by type of receivable is described in Note 25 - “Sales and services income”.

10. Inventories

CONTENTS

Accounting practice

The Company's inventories essentially comprise material or inputs to be consumed or transformed in the energy generation process and gas exploration. They are stated at the lower of cost and net realizable value. The measure of the inventories also includes any decrease at the net realizable value of these assets. The method to assess the inventories of inputs (mainly coal) is the weighted moving average method.

	Parent Company		Consolidated	
	2021	2020	2021	2020
Material, supplies and others (a)	27,284	21,125	57,901	39,559
Coal (b)	-	-	372,471	65,530
Electronic and mechanical parts (c)	18,399	19,904	78,178	65,489
Lubricant and chemicals	4,418	4,248	11,483	8,437
	50,101	45,277	520,033	179,015

a. *Balance related to consumable material necessary for the working of UTEs and UTG, such as diesel oil, condensate, lime and hydrogen gas In the parent company, the balance of R$ 27,284 is comprised of condensed and hydrogen gas.*

b. *The variation was mainly due to increases in the exchange rate and the CIF ARA index (average price of coal in the global market), the latter due to the increase in global demand for fuel for electricity generation. With the increase in the dispatch curve of the plants, the consumption of stock was intensified and purchases had to be made throughout 2021. The current inventory position reflects the higher acquisition costs of the input, as shown in Note 18.1 - Market risk.*

c. *This comprises electronic and mechanical parts for use and replace in the maintenance operations carried out in the plants and UTG.*

11. Deferred taxes recoverable

CONTENTS

Accounting practice

The current and deferred income tax and social contribution is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date of the investees that generate taxable income. Management periodically evaluates positions taken by the Company in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The current income tax and social contribution are presented net, separated by taxpaying entity, in liabilities when there are amounts payable, or in assets when the amounts prepaid exceed the total amount due on the reporting date.

The deferred taxes on income are offset whenever there is a legally feasible right on the same taxable entity. The deferred tax assets arising from tax losses and temporary differences are not recognized when it is not probable that future taxable income is available against which they might be used.

The expenses with IRPJ and CSLL for the period are recognized in the statement of operations, except for transactions recognized directly as equity.

Taxes recoverable

The balance of the account Income Tax (IRPJ) and Social Contributions (CSLL) recoverable is as follows:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Income tax - IRPJ	50,743	18,805	77,658	48,318
Social contribution - CSLL	26,878	3,765	62,614	30,937
	77,621	22,570	140,272	79,255
Current assets	77,090	22,039	134,021	73,022
Non-current assets	531	531	6,251	6,233

The other taxes recoverable are as follows:

	Parent Company		Consolidated	
	2021	2020	2021	2020
PIS (a)	25,385	20,244	29,308	21,301
COFINS (a)	118,364	94,155	134,692	98,785
Others	3,138	2,546	10,580	10,003
	146,887	116,945	174,580	130,089
Current assets	13,575	6,949	30,629	19,846
Non-current assets	133,312	109,996	143,951	110,243

a. *The Parent Company's balances refer to PIS/COFINS credits on expenses with PPE in the E&P segment, whose compensation occurs in proportion to the depreciation/amortization charges. In the Consolidated, the PIS and Cofins credits on inputs acquisition of property and equipment of the UTEs are included.*

Deferred taxes

Deferred taxes by company and nature are as follows:

						Consolidated 2021
	Deferred asset				Deferred liability	Net
	Tax losses/Negative basis	Temporary differences	Total	Assets at fair value	Temporary differences	
Eneva	476,444	58,335	534,779	79,082	(133,064)	480,797
Itaqui	181,419	28,116	209,535	-	(31,137)	178,398
PGC	4,070	30,143	34,213	-	(82,403)	(48,190)
Parnaíba II	52,609	1,871	54,480	-	(48,320)	6,160
Energy trader	41,181	4,206	45,387	-	(12,724)	32,663
Eneva Participações	-	36	36	-	-	36
Pecém II Geração	77,178	11,805	88,983	-	(29,415)	59,568
Azulão	-	10,011	10,011	-	-	10,011
Others	-	9	9	-	(13,227)	(13,218)
	832,901	144,532	(b) 977.433	79,082	(350,290)	(a) 706.225
Net deferred asset						767,633
Net deferred liability						(61,408)

						Consolidated 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)	(a) 832.367
Net deferred asset						865,059
Net deferred liability						(32,692)

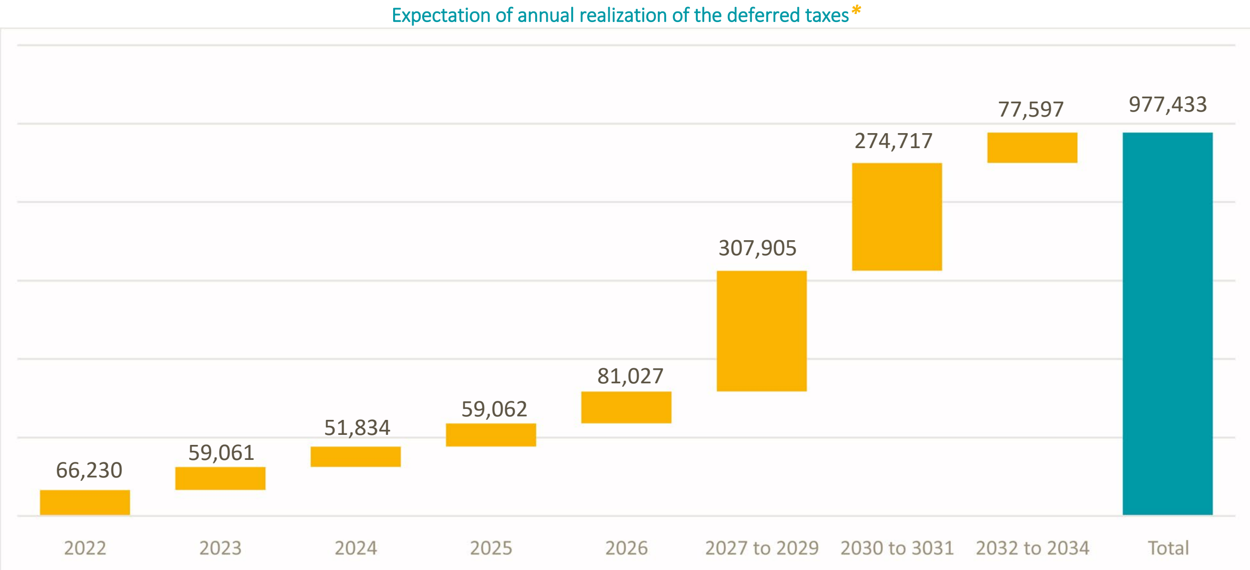
(a) Breakdown of the deferred taxes by nature (assets and liabilities)

	2021	2020
Tax losses/Negative basis	**832,901**	**928,283**
Assets at fair value	**79,082**	**79,082**
Temporary differences		
Asset provisions	87,382	83,142
Pre-operating expenses - RTT *	57,150	58,912
Accelerated depreciation	(191,276)	(159,027)
Gain for advantageous purchase	(90,951)	(98,262)
Assets' added value	(24,845)	(27,040)
Fair value adjustment	(30,493)	(30,493)
Liability provisions	(12,725)	(2,230)
Total temporary differences	**(205,758)**	**(174,998)**
Deferred asset	**1,056,515**	**1,149,419**
Deferred liability	**(350,290)**	**(317,052)**
Net deferred	**706,225**	**832,367**

** Constituted on balance of pre-operating expenditures that, due to the Transition Tax System, now are controlled in Lalur Part B and, consequently, have been excluded for the purposes of determination of taxable income since the beginning of the operations, in monthly and fixed quotas, in the maximum term of 10 years.*

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

Expectation of annual realization of the deferred taxes*



**** 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 12 and 13 years.***

On December 31, 2021 and 2020, 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	
		2021	2020	2021	2020
Result for the year before IRPJ/CSLL		1,267,931	755,351	1,405,319	817,120
Nominal rate - %		34%	34%	34%	34%
IRPJ/CSLL at nominal rate		(431,097)	(256,819)	(477,808)	(277,821)
Equity in the result of investees		230,998	193,683	(246)	(2,879)
Subsidy for investment – ICMS	(a)	83,432	21,547	83,432	21,547
Other permanent differences	(b)	(11,151)	39,943	(15,186)	33,346
Not constituted tax asset	(c)	6,118	26,140	9,990	77,164
Reversal of impairment		-	-	51,036	17,944
Benefit reduction SUDENE and PAT	(d)	27,069	11,866	116,755	60,851
Constitution of deferred		-	215,895	-	259,264
Current and deferred income tax and social contribution	(e)	(94,631)	252,255	(232,027)	189,416
Expense of current income tax and social contribution		(72,286)	(434)	(105,886)	(33,858)
Deferred income tax and social contribution		(22,345)	252,689	(126,141)	223,274
Total		(94,631)	252,255	(232,027)	189,416
Effective rate		7.46%	II (33.40%)	16.51%	II (23.18%)

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. *These refer to permanent additions/exclusions of the calculation of income tax and social contribution, such as Stock options and respective charges.*

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

d. *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.*

e. *The variation of the current expense in the year was substantially generated by the increase of the dispatch due to water crisis, which impacted the taxable income, with consequent increase of income tax and social contribution. Regarding the deferred, in 2020, there was a complement of constitution of deferred tax assets on tax losses and negative basis on social contribution. In 2021, the aforementioned deferred asset is being realized due to the offset of tax losses.*

12. Investments

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12.1 Breakdown of the balances

	Parent Company		Consolidated	
	2021	2020	2021	2020
Equity interests	6,433,877	6,267,315	9,532	9,633
Advance for future capital increase	61,852	19,885	-	-
	6,495,729	6,287,200	9,532	9,633

The Company's equity interests include the (direct and indirect) subsidiaries, joint-ventures and the associated companies. On December 31, 2021 and 2020, the balances of the main accounts groups of the investees are as follows:

	2021						
	Equity Interest	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Result
Subsidiaries (direct and indirect)							
Gas thermal plants							
Azulão Geração de Energia S.A.	99.90%	3,321	2,101,275	156,015	982,165	966,416	(16,846)
Parnaíba Geração e Comercialização de Energia S.A. (i)	100.00%	457,244	2,474,845	365,280	1,413,618	1,153,191	179,412
Parnaíba II Geração de Energia S.A.	100.00%	394,333	1,690,006	315,643	688,485	1,080,211	82,828
Nossa Senhora de Fátima	100.00%	3	16,816	-	4,483	12,336	2
Upstream							
Parnaíba B.V.	100.00%	1,893	-	471	-	1,422	(834)
Coal -fired thermal plants							
Itaqui Geração de Energia S.A.	100.00%	512,196	2,323,113	376,947	693,536	1,764,826	245,276
Pecém II Geração de Energia S.A.	100.00%	564,787	1,669,395	190,012	855,949	1,188,221	170,560
Pecém II Participações S.A.	100.00%	1,796	1,188,221	20	3,401	1,186,596	170,622
Energy trade							
Eneva Comercializadora de Energia Ltda. (i)	100.00%	106,146	36,758	40,697	16,056	86,151	23,934
Others							
Amapari Energia S.A.	51.00%	61,774	1,207	2,447	65,947	(5,413)	(16)
Eneva Norte S.A.	100.00%	1	-	-	-	1	-
Eneva Participações S.A.	100.00%	5,002	197,981	4,958	34,050	163,975	40,632
Jandaíra Ventos S.A.	99.90%	-	-	-	-	-	(86)
Jandaíra II Ventos S.A.	99.90%	-	-	-	-	-	(65)
SPE´s Ventos (i)	100.00%	2	1,873	25	418	1,432	(15)
Seival Geração de Energia Ltda. (i)	100.00%	3,010	-	11	23,793	(20,794)	55
Sul Geração de Energia Ltda. (i)	100.00%	13	13,105	-	1,013	12,105	(15)
Termopantanal Ltda.	50.00%	10	7,464	1	9,731	(2,258)	-
Termopantanal Participações Ltda.	66.67%	10	400	1	2,726	(2,317)	-
Tauá Geração de Energia Ltda. (i)	66.67%	605	17,137	542	2,606	14,594	(1,786)
Sparta 300 Participações	100.00%						
Joint ventures							
MABE Construção e Administração de Projetos Ltda.	50.00%	1,933	4,238	3,038	2,351	782	(1,491)
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50.00%	6,399	2,900	1,486	300	7,513	514
Porto do Pecém Transportadora de Minérios S.A.	50.00%	12,379	3,161	4,029	742	10,769	797

							2020
	Corporate Interest	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Shareholders' equity**	**Result**
Subsidiaries (direct and indirect)							
Gas-fired thermal plants							
Azulão Geração de Energia S.A.	99.90%	558,254	1,359,067	46,132	851,547	1,019,642	(3,733)
Parnaíba Geração e Comercialização de Energia S.A.	60.72%	347,665	2,176,222	414,302	1,127,255	982,330	179,431
Parnaíba II Geração de Energia S.A.	90.00%	626,058	1,628,755	330,656	796,997	1,127,160	160,385
Upstream							
Parnaíba B.V.	100.00%	98,045	-	279	-	97,766	6,656
Coal -fired thermal plants							
Itaqui Geração de Energia S.A.	100.00%	367,159	2,266,967	259,605	734,971	1,639,550	149,342
Pecém II Geração de Energia S.A.	100.00%	348,258	1,752,002	215,343	825,843	1,059,074	47,400
Pecém II Participações S.A.	100.00%	1,828	1,059,074	74	3,442	1,057,386	47,606
Energy trading							
Eneva Comercializadora de Energia Ltda.	100.00%	112,499	45,715	40,240	5,758	112,216	45,626
Others							
Amapari Energia S.A.	51.00%	61,313	1,188	2,215	65,683	(5,397)	(2,183)
Eneva Participações S.A.	100.00%	9,292	722,868	5,698	35,098	691,364	125,967
Jandaíra Ventos S.A.	99.90%	-	-	-	-	-	(70)
Jandaíra II Ventos S.A.	99.90%	-	-	-	-	-	(54)
SPE´s Ventos *(a)*	100.00%	3	1,905	24	462	1,422	(489)
Seival Geração de Energia Ltda.	100.00%	3,104	-	96	23,857	(20,849)	412
Sul Geração de Energia Ltda.	50.00%	-	13,120	14	1,014	12,092	69
Termopantanal Ltda.	66.67%	10	7,464	1	9,731	(2,258)	-
Termopantanal Participações Ltda.	66.67%	10	400	1	2,726	(2,317)	-
Tauá Geração de Energia Ltda *(a)*	100.00%	71	17,478	769	6,061	10,719	(1,686)
Joint ventures							
Centrais Termelétricas São Marcos S.A.	50.00%	20	-	-	-	20	(590)
MABE Construção e Administração de Projetos Ltda.	50.00%	6,455	3,224	4,617	2,789	2,273	(23,072)
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50.00%	6,512	2,312	1,725	100	6,999	605
Porto do Pecém Transportadora de Minérios S.A.	50.00%	12,366	4,321	4,148	2,565	9,974	7

12.2 Changes in investment - equity value

Investments	In 2020	Transfer of Unsecured Liability	Capital payment	Advance for future capital increase	Equivalence	Amortization	PGC Interest	Hedge Accounting	Dividends	Acquisition/ Write-off of investment	Treasury shares	Carrying value adjustment/Capital reserves	In 2021
Azulão Geração de Energia S.A.	1,018,623	-	(97,250)	60,906	(16,829)	-	-	-	-	-	-	-	965,450
Parnaíba Geração e Comercialização de Energia	667,750	399,187	-	-	167,249	-	83,944	1,199	(10,913)	-	-		1,308,416
Parnaíba II Geração de Energia S.A.	1,014,444	132,165	2,000	-	73,388	-	-	(3,182)	(149,496)	-	(83,394)	10,892	996,817
Parnaíba B.V.	98,553	-	490	-	(834)	-	-	-	(103,120)	-	-	8,450	3,539
Itaqui Geração de Energia S.A.	1,639,550	-	-	-	245,276	-	-	-	(120,000)	-	-	-	1,764,826
Pecém II Participações S.A.	1,057,385	-	(19,008)	(216)	170,622	-	-	-	(22,187)	-	-	-	1,186,596
Eneva Participações S.A.	755,749	(531,352)	333,592	(376,986)	40,632	-	-	1,164	-	-	-	5,563	228,362
Nossa Senhora de Fátima	-	-	-	-	2	-	-	-	-	12,334	-	-	12,336
Porto do Pecém Transportadora de Minérios S.A.	4,987	-		-	398	-	-	-	(1)	-	-	-	5,384
Pecém Oper. e Manutenção de Ger. Elétrica S.A.	3,500	-		-	257	-	-	-	-	-	-	-	3,757
Centrais Termelétrica São Marco S.A.	9	-	-	-	-	-	-	-	-	(9)	-	-	-
MABE Construção e Administração de Projeto	1,136	-		-	(745)	-	-	-	-	-	-	-	391
Others	6,141	(150)	609	(445)	(7)	-	-	-	-	-	-	-	6,148
	6,267,827	(150)	220,433	(316,741)	679,409	-	83,944	(819)	(405,717)	12,325	(83,394)	24,905	6,482,022
Gains and losses on assets													
Parnaíba Geração e Comercialização de Energia	10,014	-	-	-	-	(465)	-	-	-	-	-	-	9,549
Pecém II Participações S.A.	(153,064)	-	-	-	-	(6,456)	-	-	-	-	-	-	(159,520)
	(143,050)	-	-	-	-	(6,921)	-	-	-	-	-	-	(149,971)
Fair value													
Nossa Senhora de Fátima	-	-	-	-	-	-	-	-	-	8,027	-	-	8,027
	-	-	-	-	-	-	-	-	-	8,027	-	-	8,027
Right of use													
Parnaíba II Geração de Energia S.A.	33,861	-	-	-	-	(4,455)	-	-	-	-	-	-	29,406
Itaqui Geração de Energia S.A.	11,594	-	-	-	-	(511)	-	-	-	-	-	-	11,083
Eneva Participações S.A.	116,968	-	-	-	-	(1,806)	-	-	-	-	-	-	115,162
	162,423	-	-	-	-	(6,772)	-	-	-	-	-	-	155,651
Total investments	6,287,200	(150)	220,433	(316,741)	679,409	(13,693)	83,944	(819)	(405,717)	20,352	(83,394)	24,905	6,495,729

12.3 Breakdown of equity in the results of investees

	Parent Company	
	2021	**2020**
Result in equity-accounted investments on investments	679,409	569,657
Result in equity-accounted investments on unsecured liabilities	(159)	(1,113)
Amortization of assets at fair value	(13,693)	(13,692)
	665,557	**554,852**

12.4 Breakdown of non-controlling interest

The non-controlling stockholders' interest in equity and in the result of the investees is as follows:

		2021		2020	
Investments	**Interest**	**Shareholders' equity**	**Result**	**Shareholders' equity**	**Result**
Amapari Energia S.A.	49.00%	(2,658)	(8)	(2,650)	(1,070)
Termopantanal Participações	33.34%	(773)	-	(773)	-
Total		**(3,431)**	**(8)**	**(3,423)**	**(1,070)**

12.5 Unsecured liability

On December 31, 2021 and 2020, Eneva has subsidiaries with unsecured liabilities (negative equity).

Changes in balance for the year are as follows:

Company	In 2020	Transfer for investment	Result of Unsecured liability	In 2021
Subsidiaries (direct and indirect)				
Others				
Amapari Energia S.A.	(2,752)	-	(8)	(2,760)
Jandaíra Ventos S.A.	-	85	(86)	(1)
Jandaira II Ventos S.A.	-	65	(65)	-
Termopantanal Participações Ltda.	(1,546)	-	-	(1,546)
Total unsecured liabilities	(4,298)	150	(159)	(4,307)

Expansion projects:

On September 23, 2021, the Company entered into an exclusivity and preference agreement with Grupo Vale Azul Participações Ltda. ("GVA") and Tepor – Terminal Portuário de Macaé Ltda., aiming at creating a subsidiary between Eneva and GVA, in order to develop, manage and explore the Tepor project. The transaction is conditioned to technical studies and assessment of the financial viability of the project by Eneva, which will decide, at its own discretion, on the signature of the definite agreements. If the transaction is carried out, Eneva will be the controller, holding 65% of the total shares, and GVA will hold 35%.

13. Property, plant and equipment

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13.1 Breakdown of the balances

Consolidated 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	Total
Depreciation range	-	From 25 to 50 years	From 5 to 40 years	6 years	7 years	16 years	By production	-	-	From 1 to 28 years	
Cost											
At 12/31/2020	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)	-	6,661	64,801	2,850	-	1,191	6,762	-	1,292,521	-	1,374,786
Additions IFRS16 (b)	-	-	-	-	-	-	-	-	-	135,338	135,338
Write-offs	-	-	(3)	(478)	-	-	-	176,564	(47,268)	(65,975)	62,840
Dry well	-	-	-	-	-	-	-	-	(56,289)	-	(56,289)
Supplier prepayment	-	-	-	-	-	-	-	-	202,374	-	202,374
Provision for abandonment	-	-	(1,588)	-	-	-	-	-	-	-	(1,588)
PIS/COFINS credit	-	-	-	-	-	-	-	-	(40,314)	-	(40,314)
Transfers	-	-	9,962	-	-	-	156,092	-	(166,054)	-	-
Costs with qualified borrowings	-	-	-	-	-	-	-	-	667,233	-	667,233
At 12/31/2021	15,245	3,225,269	4,592,033	21,211	2,450	41,876	2,722,097	(60,466)	5,899,012	225,055	16,683,782
Depreciation (c)											
At 12/31/2020	-	(768,657)	(1,293,028)	(11,192)	(2,630)	(16,803)	(1,257,165)	26,240	-	(69,492)	(3,392,727)
Additions	-	(112,984)	(246,056)	(1,804)	(277)	(2,022)	(166,716)	-	-	-	(529,859)
Additions IFRS16	-	-	-	-	-	-	-	-	-	(52,802)	(52,802)
Write-offs	-	-	-	-	-	-	-	(26,458)	-	45,287	18,829
At 12/31/2021	-	(881,641)	(1,539,084)	(12,996)	(2,907)	(18,825)	(1,423,881)	(218)	-	(77,007)	(3,956,559)
Carrying amount											
At 12/31/2020	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 12/31/2021	15,245	2,343,628	3,052,949	8,215	(457)	23,051	1,298,216	(60,684)	5,899,012	148,048	12,727,223

a. *Changes are substantially represented by the equipment received to continue the construction of the Azulão-Jaguatirica project and Parnaíba V.*

b. *This is substantially 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 effectiveness that is 5 years and has a fixed monthly installment of approximately R$ 1 million.*

c. *Property, plant and equipment are depreciated using the straight-line method in the statement of operations based on the estimated economic useful life of each component, from the beginning of its operation, except for E&P fixed assets, which are depreciated from the declaration of commerciality and the start of production, by the unit-produced method.*

Consolidated 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	Total
Depreciation range	-	From 25 to 50 years	From 5 to 40 years	6 years	7 years	16 years	By production	-	-	From 1 to 28 years	
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

Accounting practice

Items of property, plant and equipment are measured at the historic cost of acquisition or construction, less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of assets built by the Company itself includes:

(i) The cost of materials and direct labor;

(ii) Any other costs to bring the asset to its location and condition necessary so it can be operated as intended by Management;

(iii) The dismantling costs, and the restoration of the site where these assets are located; and

(iv) Costs of loans and debentures that are capitalized as part of property, plant and equipment if these costs were directly related to the construction of a qualifying asset. Capitalization occurs until the qualified asset is ready for its intended use.

The gains and losses deriving from the sale of property, plant and equipment (determined by comparing the funds obtained through the sale against the book value of the property, plant and equipment), are recorded net amongst other revenue/expense figures in the statement of operations.

Subsequent costs

Subsequent costs are capitalized to the extent that it is probable that future benefits associated with these costs are accrued by the Company. Recurring repairs and maintenance are charged to the statement of operations.

Certification of reserves

On January 27, 2022, the independent consultancy Gaffney, Cline & Associates, Inc (GCA) issued a new audit executive report of the natural gas reserves of the eleven fields declared as commercial in Parque dos Gaviões, in the Parnaíba, Amazonas and Solimões Basins. The new certification of these assets took into account the planned expansion of natural gas thermal generation capacity in Brazil, and the acceptance of contingent gas resources for the purpose of proving fuel in the process of qualifying new projects in energy bids.

According to the criteria of the Petroleum Resources Management System (PMRS), GCA certified the natural gas reserves as follows:

Natural gas reserves of the nine fields of the Parnaíba Basin and one field of the Amazon Basin			
Reserves categories	**Gas Reserves Parnaíba Basin (100% WI) (Bm³)**	**Gas Reserves Amazonas Basin (100% WI) (Bm³)**	**Eneva's Total Gas Reserves (100% WI) (Bm³)**
Proved developed (1P)	10.11	3.76	13.87
Proved not developed (1P)	16.22	2.00	18.22
Total (1P)	26.33	5.76	32.09
Proved developed (2P)	11.23	3.76	14.99
Proved not developed (2P)	18.22	3.35	21.57
Total (2P)	29.45	7.11	36.56
Total (3P)	34.50	11.80	46.30

Proven reserves: these are reserves that can be produced with a high level of guarantee.

Unproven reserves: these are based on geological and engineering data similar to those used to calculate proven reserves. However, due to technical, contractual or regulatory uncertainties, they are not included in the proven reserves.

Developed reserves: those reserves that are able to be recovered, whose necessary investments in infrastructure for production have already been carried out.

Not developed: those in which the entire development plan needs to be implemented.

The production guarantee levels are as follows:

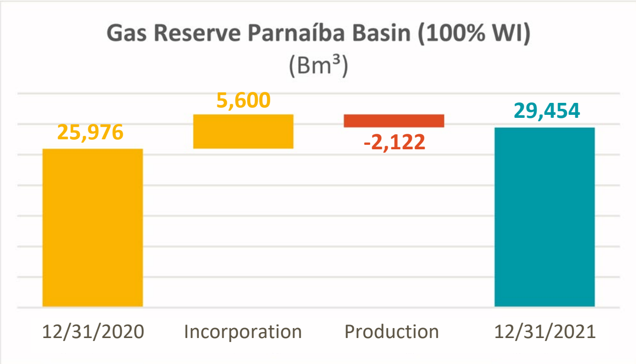
1P – High production guarantee level;

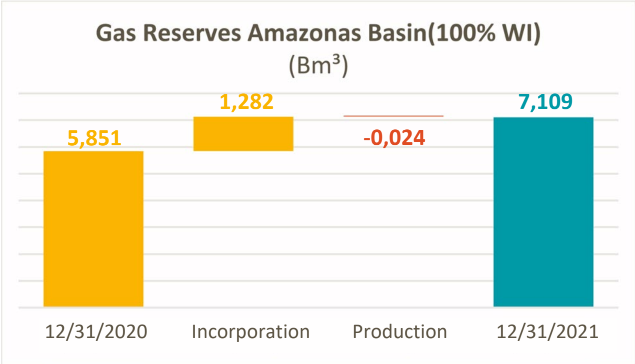
2P – Probable production reserves, attributable to 50% in the guarantee level;

3P – Probable production reserves, attributable to 10% in the guarantee level.

The evolution of ENEVA's certified reserves between 2020 and 2021 is as follows:

Evolution of the Certified Reserves (2P) in 2021





Parnaíba Basin

Gavião Belo Field (+5.600 Bm3) - field discovered by the exploratory wells 1-ENV-15-MA and 3-ENV-17D-MA in 2020, with declaration of commerciality in February 2021 and development plan delivered in August 2021. In 2021, the delimitation/development well 7-GVBL-1D-MA was drilled, and in 2022 other 5 wells foreseen in the development plan will be drilled.

Amazonas Basin

Azulão Field (+1.282 Bm3) - the field had already had 3 producing wells (7-AZU-2D-AM, 7-AZU-3-AM, 7- AZU-4D-AM) and in 2021 the 7-AZU-5D-AM well was drilled for delimitation/development, which proved the field's extension and resulted in incorporation of reserves.

Considering that the total production in 2021 was of 2.146 Bm3, we incorporated 6.882 Bm3 of total reserves 2P in 2021, resulting in a Total Reserve Replacement Index (company) of 321%.

In the Parnaíba Basin, the Reserve Replacement Index (IRR) was of 264%. Considering the annual average production of the 5 last years in the Parnaíba Basin, of 1.578 Bm3, the ratio between the reserves volume and the produced volume (R/P) is of 18.7 years.

13.2 Impairment assessment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGUs)). The Company considers that each thermal generation plant (gas and coal) and the natural gas production unit constitute the Cash Generating Units.

The Company and its subsidiaries are required annually to carry out impairment tests on intangible assets with indefinite useful lives ('Goodwill'). An assessment is also required as to the existence of any indication of loss due to impairment or reversal of losses recognized in previous years for other non-financial assets.

Property, plant and equipment of the subsidiary Itaqui and intangible assets with indefinite useful life generated in the business combination carried out in 2015 and which, after the corporate restructuring that took place in 2018, is recorded as investment in the subsidiary Parnaíba II were tested for impairment considering the value in use model based on present value of cash flow, per cash generating unit. For the other CGUs, no indications were identified that required the impairment test.

It should be noted that the Itaqui has been constantly improving its operational performance, as a result of investments in process improvement and preventive maintenance. Additionally, the normalization of the dispatch curve, after a period of water crisis that occurred at the beginning of the operation, also contributed to the stabilization of this asset. The Capacity Bid, which took place in December 2021, also brought a price signal that allowed a more adequate valuation of the operating profile of plants with higher CVU, as Itaqui. As a consequence of the impairment tests, R$ 150,105 was reversed, related to the impairment constituted in previous years regarding Itaqui. Thus, on December 31, 2021, the subsidiary has no more recorded impairment.

The conclusion on the test carried out on the goodwill is presented in Note 14 - "Intangible assets".

The key assumptions of the recoverable value tests are described below, being uniform among the tested assets and having been approved by the Management.

Approach

Operating cash flows were projected, expressed in nominal terms (considering the inflation effects of the economy) and presented in local currency, Reais (R$).

Term

The projection starts in 2022 and extends until 2051 for Itaqui and 2045 for Parnaíba II..

In energy generation assets, the useful life is defined by the operational capacity and economic viability of the plants. The Plants have Power Purchase Agreement in the Regulated Environment (CCEAR) with term between 15 and 20 years, ending in 2026 (Itaqui) and 2036 (Parnaíba II).

For the complementary period that goes up to the end of the projection period (2045), the assumption was the continuity of operations under the capacity system, based on the parameters defined in the capacity bid in 2021 to forecast the operational flows.

Sales price

The reference used for the 1st monetization cycle (period in which companies have CCEAR) is the current contractual conditions, indexed by inflation (IPCA).

The price assumption assumed for the 2nd cycle of asset monetization, i.e., the period between the end of the Company's current CCEARs, and the end of the projected period, was based on the result of the capacity bid that took place in December 2021.

Maintenance CAPEX and overhaul

Maintenance investments were projected according to the budget cycle, indexed by the inflation (IPCA). These are expenditures with straight behavior along the years, except for overhaul expenditures that occur in in cycles predetermined by the turbine manufacturer.

Discount rate

The Company applies the Weighted Average Cost of Capital (CPMC) approach in nominal terms for Itaqui, and the cost of equity capital (Ke) for Parnaíba II, considering inflationary effects, as follows:

	Itaqui (CMPC)	Parnaíba II
Nominal CMPC and Ke (after tax)	7.87%	9.92%
Nominal CMPC and Ke (before tax)	8.90%	10.78%

The rates presented above were adjusted during the projection, considering the evolution of the specific indebtedness structure of the Cash Generating Unit (CGU) and the evolution of the tax rates and of the inflation assumptions.

14. Intangible assets

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Accounting practice

Intangible assets are measured at total acquisition cost less the amortization expenses and accumulated losses due to impairment, according to the following detailing:

							Consolidated
		12/31/2021			12/31/2020		
	Amortization Range	Cost	Amortization*	Net amount	Cost	Amortization	Net amount
Computer licenses and software	5 years	35,770	(31,449)	**4,321**	34,554	(28,890)	**5,664**
E&P Intangible assets	Produced unit	519,392	(42,832)	**476,560**	475,862	(33,161)	**442,701**
Right of use	From 15 to 33 years	86,235	(39,920)	**46,315**	86,235	(37,145)	**49,090**
Awards and CCEARs	15 years	183,449	(102,992)	**80,457**	183,449	(90,768)	**92,681**
Right of use in the acquisition of investments	From 1 to 30 years	720,196	(153,827)	**566,369**	754,571	(126,313)	**628,258**
Goodwill and fair value of undefined useful life assets	-	81,522	-	**81,522**	73,497	-	**73,497**
Intangible assets in development	-	58,535	-	**58,535**	46,654	-	**46,654**

**The amortization is calculated on the assets value, recognizing in the result on a straight-line basis in relation to the estimated useful lives of the assets as from the date when these assets are available for use, excepting for the E&P assets for exploration of natural gas that are amortized based on the produced units. These methods are the best to reflect the consumption standard of future economic benefits incorporated into the different assets.*

Changes in intangible assets

Consolidated

	Computer licenses and software	E&P Intangible assets	Right of use	Awards and CCEARs	Right of use in the acquisition of investments	Goodwill and fair value of undefined useful life assets	Intangible assets in course	Total
At December 31, 2019	7,362	448,909	54,406	104,905	655,792	73,497	36,935	1,347,431
Additions	1,381	3,503	-	-	-	-	9,719	14,603
Write-offs	-	-	(4,376)	-	-	-	-	(4,376)
Transfers	-	-	19	-	(19)	-	-	-
Amortization	(3,079)	(9,711)	(959)	(12,224)	(27,515)	-	-	(53,488)
At December 31, 2020	5,664	442,701	49,090	92,681	628,258	73,497	46,654	1,304,170
Additions	1,216	43,530	-	-	-	8,025	11,881	64,652
Write-offs	-	-	-	-	(34,375)	-	-	(34,375)
Amortization	(2,559)	(9,671)	(2,775)	(12,224)	(27,514)	-	-	(54,743)
At December 31, 2021	4,321	476,560	46,315	80,457	566,369	81,522	58,535	1,314,079

Right of Use

The right of use is due to the amount paid to obtain the concession of the area, by the concessionaire that won the bidding for exploratory fields, better known as signature bonus.

Awards and CCEARs

Awards and CCEARs refer to the authorization to explore power trade agreements in the regulated environment.

Right of Use in the Acquisition of Investments

This refers to the allocation of defined useful life goodwill generated in the business combinations that took place in 2015 arisen from Awards and CCEARs.

Goodwill and Fair Value of Undefined Useful Life Assets

The balance corresponding the goodwill arises from the business combinations carried out by the Company in 2015. This refers to the excess of the portion paid by Eneva (acquirer) due to the expectation of generating future profits by the acquired companies. It is worthy noting that after the corporate restructuring carried out by the Group in recent years, the goodwill is recorded on the investment in the subsidiary Parnaíba II. Furthermore, in 2021, the Company acquired 100% interest in Nossa Senhora de Fátima, generating fair value of R$ 8,025 thousand in the acquisition.

The recoverable amount of goodwill is assessed annually, regardless of the existence of impairment indicators, as determined by CPC 01 (R1) - Impairment of assets. The key assumptions of the impairment tests are described in Note 13.2 - Impairment assessment". Based on the tests, impairment was not identified for 2021.

15. Trade payables

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Accounting practice

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

	2021	2020
Energy generation (a)	155,771	157,653
Construction of new plants (b)	178,551	187,775
Gas exploration and production	94,802	51,999
Maintenance of plants (c)	94,993	59,489
Energy trading	49,237	36,138
Others	61,386	43,784
	634,740	536,838
Current assets	604,909	492,456
Non-current assets	29,831	44,382

a. *The balance is substantially composed of obligations to suppliers of inputs for the energy generation.*

b. *These correspond to the investments connected to the construction of the Azulão-Jaguatirica project and to the thermal power plant Parnaíba V.*

c. *The balance comprises suppliers and service providers related to the natural gas exploration and production activity. The increase is mainly due to the higher level of gas dispatch to meet the demand of the plants, as well as obligations with the suppliers of construction of the fields under development.*

d. *The balance is substantially linked to the scheduled shutdowns of the plants, which aim to maintain machines and increase their useful life.*

16. Taxes and contributions payable

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	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Corporate Income Tax - IRPJ	47,274	717	40,071	5,769
Social contribution on Net Income - CSLL	25,990	3,677	58,582	31,229
	73,264	4,394	98,653	36,998

The group's companies are taxed on the Taxable Profit system, monthly prepaying Income Tax and Social Contribution on Income, according to effective legislation.

Balances of the other taxes and contributions payable are as follows:

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Value-added Tax on Sales and Services (ICMS)	3,034	3,722	10,275	10,639
PIS, COFINS and IOF	10,877	16,971	16,421	32,443
Import taxes	856	561	987	752
Royalties	11,967	12,672	11,967	12,672
Others	12,343	7,686	14,793	10,580
	39,077	41,612	54,443	67,086

* *Mainly comprised by the items Production share payable to landowners and federal taxes withheld from third parties.*

17. Borrowings, financings and debentures

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Consolidated

						2021				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%	7.74%	3/15/2025	-	37,516	133	37,649	-	49,058	159	49,217
Eneva	FINEP	R$	TJLP+1.00%	5.74%	12/15/2028	(235)	27,328	75	27,168	(307)	31,232	76	31,001
PGC	BNB	R$	IPCA + 1.9388%	12.43%	7/15/2036	(7,260)	753,482	98,605	844,827	(7,925)	422,569	13,576	428,220
Azulão	BASA SubCredit A and B	R$	IPCA + 1.6190%	12.11%	6/16/2036	(8,266)	600,000	3,509	595,243	(8,489)	490,617	2,687	484,815
Azulão	BASA SubCredit C	R$	IPCA + 1.3247%	11.82%	6/16/2036	(5,525)	400,000	2,274	396,749	(5,664)	359,323	1,914	355,573
						(21,286)	1,818,326	104,596	1,901,636	(22,385)	1,352,799	18,412	1,348,826
Secured deposits						-	(114,499)	-	(114,499)	-	(18,534)	-	(18,534)
						(21,286)	1,703,827	104,596	1,787,137	(22,385)	1,334,265	18,412	1,330,292
Current assets						(1,783)	73,587	5,991	77,795	(1,089)	15,447	4,835	19,193
Non-current assets						(19,503)	1,630,240	98,605	1,709,342	(21,296)	1,318,818	13,577	1,311,099
Debentures													
PGC	1st issue - 1st series	R$	IPCA + 7.2227%	17.72%	11/15/2025	(3,685)	300,903	2,761	299,979	(5,246)	305,685	2,719	303,158
PGC	1st issue - 2nd series	R$	CDI + 2,50%	6.38%	11/15/2025	(5,581)	370,822	5,140	370,381	(8,424)	435,290	2,412	429,278
Parnaíba II	3rd issue - 1st series	R$	CDI + 0,60%	4.50%	10/2/2022	(131)	100,000	1,940	101,809	(305)	100,000	602	100,297
Parnaíba II	3rd issue - 2nd series	R$	CDI + 1,01%	4.91%	10/2/2024	(754)	290,000	5,920	295,166	(1,088)	290,000	2,034	290,946
Parnaíba II	3rd issue - 3rd series	R$	CDI + 1,40%	5.30%	10/2/2026	(1,220)	360,000	7,692	366,472	(1,507)	360,000	2,863	361,356
Eneva	2nd issue - 1st series	R$	CDI + 0,95%	4.85%	5/15/2024	(3,846)	750,000	8,880	755,034	(5,461)	750,000	2,698	747,237
Eneva	2nd issue - 2nd series	R$	CDI + 1,45%	5.35%	5/15/2027	(5,216)	750,000	9,371	754,155	(6,300)	750,000	3,170	746,870
Eneva	2nd issue - 3rd series	R$	IPCA + 5.05%	15.54%	5/15/2029	(3,910)	584,908	3,782	584,780	(4,494)	529,817	3,321	528,644
Eneva	3rd issue - 1st series	R$	IPCA + 4.2259%	14.72%	12/15/2027	(11,915)	751,537	1,483	741,105	(14,152)	680,750	1,231	667,829
Eneva	5th issue - 1st series	R$	IPCA + 5.50%	15.99%	6/15/2030	(21,436)	745,019	1,902	725,485	(24,437)	674,846	1,579	651,988
Eneva	6th issue - 1st series	R$	IPCA + 4.127%	13.61%	9/15/2030	(15,206)	424,217	5,068	414,079	(16,456)	384,260	3,967	371,771
Eneva	6th issue - 2nd series	R$	IPCA + 4.5034%	14.99%	9/15/2035	(24,199)	651,038	8,476	635,315	(25,437)	589,716	6,634	570,913
						(97,099)	6,078,444	62,415	6,043,760	(113,307)	5,850,364	33,230	5,770,287
Secured deposits						-	(83,447)	-	(83,447)	-	(57,914)	-	(57,914)
						(97,099)	5,994,997	62,415	5,960,313	(113,307)	5,792,450	33,230	5,712,373
Current assets						(15,220)	237,651	62,415	284,846	(15,947)	101,237	33,230	118,520
Non-current assets						(81,879)	5,757,346	-	5,675,467	(97,360)	5,691,213	-	5,593,853

* *Calculation of effective rates takes into account accumulated indexes in the last 12 months:*
Oct-21 - CDI of 3.38%, IPCA of 10.67% and TJLP of 4.67%.
Nov-21 - CDI of 3.84%, IPCA of 10.74% and TJLP of 4.74%.
Dec-21 - CDI of 4.46%, IPCA of 9.94% and TJLP of 5.32%.

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
In 2020	80,218	1,330,292	4,285,252	5,712,373
(+) New fundings	-	480,872	-	-
(+) Interest incurred	4,969	36,976	226,066	317,315
(+/-) Monetary variation	-	164,751	297,333	328,710
(-) Payment of principal	(15,447)	(15,447)	-	(100,628)
(-) Payment of interest	(4,995)	(115,441)	(209,706)	(288,132)
(+/-) Funding cost	72	1,099	11,008	16,208
(+/-) Secured deposits	-	(95,965)	-	(25,533)
In 2021	64,817	1,787,137	4,609,953	5,960,313

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
In 2019	92,073	1,399,414	2,637,317	4,157,128
(+) New fundings	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)
In 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 December 31, 2021 have the following payment schedule:

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
Maturity year				
2023	15,447	85,215	-	298,527
2024	15,447	202,168	750,000	1,073,193
2025	6,790	121,169	500,512	882,865
2026 up to the last maturity	11,712	1,434,793	3,406,209	3,586,208
	49,396	1,843,345	4,656,721	5,840,793
Secured deposits	-	(114,499)	-	(83,447)
Funding cost	(174)	(19,504)	(74,999)	(81,879)
	49,222	1,709,342	4,581,722	5,675,467

Strategy for Contracting Indebtedness

In order to contract new financing, elements such as availability of resources (existing and available sources), cost, term and indexation are considered. As the majority of the Company's revenues are adjusted annually by the IPCA, debts with the same indexation are those that naturally bring an alignment between financial income and expenses. However, since these are long-term financing, the various indexes available are evaluated comparatively considering expectations for the periods considered and not for the current cost. Finally, the indexing of financing is linked to types of instruments, with differentiated efficiencies, and target audience of investors. Therefore, the contracting of new financing still considers the alternative that is feasible due to market conditions.

Accounting practice

Borrowings, financings and debentures are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of operations over the period in which the debts are open, using the effective interest rate method.

The costs of the third series, referring to the 2nd issue of simple general debentures, and specific that are directly attributable to the construction of the qualifying asset ("Parnaíba V"), and the costs referring to the 3rd issue of simple debentures in a single series, attributable to the construction of the Parque dos Gaviões project were recorded as part of the cost of property, plant and equipment.

The Company's management evaluated that the best disclosure of the interest paid on borrowings, financing and debentures is through the cash flows of financings, because the cost of these financial liabilities is intrinsically linked to the funding for the construction of the Company's gas generating and production park.

Deposits linked to loans, financing and debentures

The Company evaluates whether the deposits linked to loans, financing and debentures meet the following criteria:

a. they are not conditioned to future events; and

b. they are legally enforceable, in the normal course of business, in the event of default and of insolvency or bankruptcy

Accordingly, the value of these deposits is presented together with the borrowings, financings and debentures related to them, as well as it is presented within the financing cash flow in the statement of cash flow.

Financial and non-financial covenants

The financing and debentures contracts of the operating ("PGC", "Parnaíba II" and "Eneva") and non-operating ("Azulão") companies have obligations that are regularly monitored by the treasury and periodically reported to the Management, to ensure that the contract is fulfilled. These clauses are as follows:

(i) Obligation to periodically submit financial statements to creditors;

(ii) Creditor rights to inspect and visit facilities;

(iii) Obligation to keep up with tax, social security and payroll obligations;

(iv) Obligation to maintain materially important contracts for its operations in force;

(v) Comply with environmental legislation and keep any operating licenses necessary in force;

(vi) Contractual restrictions on related-party transactions and sales of assets outside the normal course of business;

(vii) Restrictions on the change of share control, corporate restructuring, except for those occurred within the economic group, and material changes to the core activities and Articles of Association of the borrowers; and

(viii) Restrictions on debt ratios and the procurement of new debt in the subsidiaries.

The finance contracts and issue of debentures have financial covenants specific clauses, which are fulfilled.

Company	Description of the Financial Covenants	Position on 12/31/2021	Position on 12/31/2020
PGC	Net debt of no more than 6 times the EBITDA Payment capacity impairment less than 70% Debt service coverage ratio equal to or greater than 1.20	Met	Met
Parnaíba II	Net debt of no more than 3 times the EBITDA	Met	Met
Eneva S.A.	Net debt of no more than 5.0* times the EBITDA	Met	Met

*In the period between June 30, 2020 (inclusive) and June 30, 2022 (inclusive), the ratio of the Net Debt divided by EBITDA may reach up to 5.0 for up to 4 consecutive or alternating quarters. After this period, the ratio of the Net Debt divided by EBITDA becomes up to 4.5 (four point five).

18. Financial instruments and risk management

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A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Accounting practice

A financial asset and liability are recognized when an entity becomes part of the contractual provisions of a financial instrument. Except for trade receivables with no material financial component. In this case, financial assets and liabilities are initially measured at fair value and, if they are not classified as measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition or issue are added or reduced.

Subsequent classification and measure

Financial assets and liabilities are often classified as subsequently measured at amortized cost, except in certain circumstances, which include certain financial assets and liabilities at fair value through profit or loss or fair value through other comprehensive income. When financial assets and liabilities measured at amortized cost have their contractual terms modified and such modification is not substantial, their accounting balances will reflect the present value of their cash flows under the new conditions, using the original effective interest rate. The difference between the book balance of the remeasured instrument at the time of a non-substantial change in its conditions and its book balance immediately prior to such change is recognized as a gain or loss in the statement of operations for the period. Derivative financial instruments are subsequently measured at fair value through profit or loss.

The management of these financial instruments is done through operating strategies and internal controls, aimed at liquidity, profitability and security. Our control policy consists of permanently monitoring contract rates versus market rates. The Company and its subsidiaries do not invest in derivative financial instruments or any other risky assets on a speculative basis. This is a determination of the financial policy in force.

The fair values are determined based on the market prices, when available, or in their absence, on the present value of expected future cash flows. Characteristics of each classification are as follows:

(i) Amortized cost: financial asset (debt financial instrument) whose contractual cash flow results only from the payment of principal and interest on principal on specific dates and whose business model aims to maintain the asset in order to receive its contractual cash flows;

(ii) Fair value through other comprehensive income: financial asset (debt financial instrument) whose contractual cash flow results only from the receipt of principal and interest on principal on specific dates and, whose business model aims at both the receipt of cash flows contractual terms of the asset as to its sale, as well as investments in equity instruments not held for trading or contingent consideration, which on initial recognition, the company irrevocably elected for presenting subsequent changes in the fair value of the investment in other comprehensive income; and

(iii) Fair value through profit or loss: all the other financial assets. In the Company's case, this category includes the derivative financial instruments.

The hierarchy of the fair values of financial assets and liabilities recorded on a recurring basis is as follows:

(i) **Level I:** they are quoted (unadjusted) prices in active markets for identical assets or liabilities to which the entity may have access on the measurement date;

(ii) **Level II:** it is information, which does not include the prices quoted in Level 1, which are observable for the asset or liability, directly or indirectly;

(iii) **Level III;** it is non-observable information for the asset or liability.

The consolidated accounting balances of the financial instruments, as well as its fair value hierarchy classification, are as follows:

								Consolidated
	2021				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	992,290	-	-	992,290	1,384,933	-	-	1,384,933
Marketable securities	-	-	685,447	685,447	71,659	-	439,658	511,317
Trade receivables	718,835	-	-	718,835	700,964	-	-	700,964
Fair value of the energy contracts	-	-	91,245	91,245	-	-	-	-
Related-party transactions	51	-	-	51	51	-	-	51
	1,711,176	-	776,692	2,487,868	2,157,607	-	439,658	2,597,265
Financial liabilities								
Trade payables	634,740	-	-	634,740	536,838	-	-	536,838
Fair value of the energy contracts	-	-	53,822	53,822				
Borrowings and financings	1,787,137	-	-	1,787,137	1,330,292	-	-	1,330,292
Debentures	5,960,313	-	-	5,960,313	5,712,373	-	-	5,712,373
Related-party transactions	169	-	-	169	168	-	-	168
Derivative financial instruments	-	3,211	-	3,211	-	2,391	-	2,391
Trade payables - electric power sector	14,110	-	-	14,110	12,455	-	-	12,455
Provision for cost due to unavailability	54,963	-	-	54,963	64,445	-	-	64,445
Research and development	49,984	-	-	49,984	82,603	-	-	82,603
Leases	162,549	-	-	162,549	100,968	-	-	100,968
	8,663,965	3,211	53,822	8,720,998	7,805,767	2,391	-	7,842,533

Fair value estimate

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

								Consolidated
	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Marketable securities	-	685,447	-	685,447	-	439,658	-	439,658
Fair value of the energy contracts		91,245		91,245				
	-	776,692	-	776,692	-	439,658	-	439,658
Financial liabilities								
Derivative financial instruments	3,211	-	-	3,211	2,391	-	-	2,391
Fair value of the energy contracts		-	53,822	53,822	-	-	-	-
	3,211	-	53,822	57,033	2,391	-	-	2,391

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

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.

Some financial instruments measured at amortized cost, due to their realization long-term cycle, may have fair value different from their accounting balance. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses judgment to select among a variety of methods and make assumptions that are mainly based on market conditions existing at the balance date. The fair value of the financial liabilities recognized at amortized cost is as follows:

	Consolidated	
	2021	
	Accounting Balance	Fair Value Estimate - Level 2
Financial liabilities		
Debentures*	5,960,313	5,845,433

*The debentures have secondary market. These issues are "daily" marked to market through new negotiations and curve effect. On the other hand, the borrowings have no secondary market, not being possible to measure the fair value.

Derivatives, hedge and risk management

The Company has derivative instruments called Non Deliverable Forwards (NDFs), with the purpose of mitigating the foreign exchange exposure resulting from (i) foreign currency investments planned by the Parnaíba Geração e Comercialização for the construction of the thermal power plant Parnaíba V, which started its implementation in February 2019, with a construction term foreseen in the global works contract (EPC) of 31 months and (ii) investments in foreign currency foreseen by Parnaíba II Geração de Energia for the construction of the thermal plant Parnaíba VI, which won the New Energy Bid A-6 of ANEEL and (iii) part of the investments in foreign currency foreseen by Azulão Geração de Energia in the implementation of the Azulão-Jaguatirica project, with a construction term of up to 24 months, whose stock of contracted NDFs was settled in April 2020.

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 on payment which are object of contracted hedges and not as speculative investments.

The notional amounts of the outstanding forward foreign exchange contracts on December 31, 2021 total amount to R$ 126,774 and are fully related to the construction of Parnaíba V and Parnaíba VI projects.

The highly probable forecast transactions, protected by cash flow hedge accounting, maintained in foreign currency, are expected to occur on several dates during the next 25 months. Gains and losses are recognized in shareholders' equity and transferred to property, plant and equipment when the hedged item is realized.

The derivatives are denominated in the same currency as the highly probable forecast transactions and, therefore, the hedge ratio is 1: 1. Considering the changes in the discounted cash value of hedge instruments outstanding since January 1 and the value of the hedged item used to determine the effectiveness of the hedge, the weighted average hedged rate in the year was R$ 6.1317: US$ 1.

As of December 31, 2021, the net amounts calculated from Market to Market ("MtM") for these derivative instruments represent losses of R$ 3,211, which were fully recorded in equity (hedge accounting) in other comprehensive income.

18.1 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 Pecem II and Itaqui. However, its worth highlighting that the CCEAR contractual structure provides the transference of the cost with the commodity in the variable revenue (as one of the components of this revenue). Accordingly, the risk of negative results produced by the coal variation is mitigated.

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 2021 and 2020 is as follows:

	Itaqui Market value (Probable)	Itaqui API2 / CIF ARA (25% increase)	Itaqui API2 / CIF ARA (50% increase)	Pecém II Market value (Probable)	Pecém II API2 / CIF ARA (25% increase)	Pecém II API2 / CIF ARA (50% increase)
2021						
Variable income (Ccomb)	588,166	735,208	882,249	654,112	817,641	981,169
Variable cost (Coal)	(539,220)	(668,777)	(798,333)	(579,314)	(720,323)	(861,332)
Variable result	**48,946**	**66,431**	**83,916**	**74,798**	**97,318**	**119,837**
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**

Assumptions*	Itaqui 2021	Itaqui 2020	Pecém II 2021	Pecém II 2020
Electric power generation - MWh	1,568,718	1,007,234	1,826,424	919,017
Coal consumption tone	690,406	424,368	789,116	388,263
CIF ARA	135.75	53.28	129.20	53.25
API2	135.75	53.28	129.20	53.25
Award	5.50	1.00	3.50	(1.25)
Factor i	0.52	0.52	0.53	0.53
FX	5.28	4.97	5.28	4.95

Being:

*Ccomb = CIF ARA * Factor i * FX*

Coal cost = API2 + award

API2 ~ CIF ARA

* *Unaudited information.*

Interest rate risk

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 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.

	Probable scenario	Scenario I (25% increase)	Scenario II (50% increase)
Cash flow risk:			
Liabilities indexed to TJLP	6,604	7,602	8,486
Liabilities indexed to CDI	342,499	416,186	488,838
Liabilities indexed to IPCA	698,729	816,237	931,620
Expected Financial Costs	1,047,832	1,240,025	1,428,944
Increase in finance costs	-	192,193	381,112

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

IPCA 12M: 10.01% (Source: Boletim Focus)
TJLP 12M: 6.08% (Source: National Monetary Council)
Average CDI 12M: 11.81% (Source: Market Projection)

18.2 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 December 31, 2021 approach the operations' settlement values, including estimated future interest payments.

						Consolidated
						2021
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities						
Trade payables	106,550	498,359	29,831	-	-	634,740
Related-party transactions	-	-	169	-	-	169
Borrowings and financings	77,500	82,002	156,242	953,522	1,802,246	3,071,512
Debentures	311,107	446,256	792,259	1,956,467	-	3,506,089
	495,157	1,026,617	978,501	2,909,989	1,802,246	7,212,510

						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	Total
Liabilities						
Trade payables	-	455,352	80,257	-	-	535,609
Related-party transactions	-	-	1,397	-	-	1,397
Borrowings and financings	42,823	32,589	111,067	416,002	1,119,028	1,721,509
Debentures	173,345	195,309	584,075	3,334,003	5,500,498	9,787,230
Contractual retention	-	-	-	4,330	-	4,330
	216,168	683,250	776,796	3,754,335	6,619,526	12,050,075

18.3 Credit risk

This arises from the possibility of the Company and its subsidiaries suffering losses due to the default of their counterparties or 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 9 - “Trade receivables”. Furthermore, oo 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 risk 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
	2021	2020
Credit risk positions		
Cash and cash equivalent	992,290	1,384,933
Marketable securities	685,447	511,317
Trade receivables	718,835	700,964
Fair value of the energy trade contracts	91,245	-
Secured deposits on borrowings and debentures	197,946	76,448
	2,685,763	2,673,662

18.4 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 paragraph “Derivativos, *hedge* e gerenciamento de risco” of Note 18.

18.5 Capital management

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.

19. Provision for contingencies

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The Company and its subsidiaries are a party in civil, tax, environmental and labor lawsuits, as well as in regulatory administrative proceedings, which are often evaluated by Management, its lawyers and legal advisors.

Accounting practice

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 year ended December 31, 2021 is presented, as follows:

						Consolidated
		12/31/2020				12/31/2021
		Accumulated balance	Additions	Reversal	Update	Accumulated balance
Civil	(a)	70,613	-	(21)	191	70,783
Labor	(b)	21,950	3,315	(5,673)	1,470	21,062
Tax		40	-	-	-	40
Total provisions		**92,603**	**3,315**	**(5,694)**	**1,661**	**91,885**

(a) Civil risks

The main civil discuss refers to the common lawsuit filed by the subsidiary Amapari Energia S.A. ("Amapari") in the amount of R$ 44,091, with request for advance custody, to be included in the fuel cost reimbursement mechanism of CCC-ISOL. In September 2018, the appeal filed by Amapari was dismissed, annulling the sentence and upholding the demand, authorizing the company to use the fuel cost reimbursement mechanism instituted by the Fuel Consumption Account for the Isolated System - CCC-ISOL. Still through the ruling, it was determined the immediate reimbursement of CCC not received by Amapari from November 2008 to February 2009.

In 2019, fullfilling the decision, ANEEL paid the reimbursement claimed by Amapari. Against that judgment, ANEEL filed an appeal, which is still pending judgment, so that the provision for the amount received in advance was accounted for.

Also in 2019, Amapari initiated provisional execution, in the lower court, of the favorable judgment to collect from ANEEL the interest that had not been paid when the principal amount was received from CCC-ISOL. The lower court decision, corroborated by a decision by the 1st Regional TRF, recognized Amapari's right to receive interest and forced ANEEL to pay it. Accordingly, in April 2020, Amapari received interest in the amount of R$ 20,216. A challenge analysis is awaited by the CCEE, which manages the CCC's resources, regarding the divergence of calculations. In the same way as occurred with the principal amount, considering the ongoing judicial discussion about the receipt of funds, contingent liability was provided for in the amount received in advance.

(b) Labor risks

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 2021. There is no material individual suit.

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

Tax, civil, labor and environment lawsuits, which are not provided for, because they involve prognosis management and its lawyers and legal advisors classified as possible, are as follows:

			Consolidated
		12/31/2021	12/31/2020
Environmental		22,449	25,912
Regulatory		12,749	12,724
Labor		42,143	51,873
Civil	(a)	202,728	49,324
Tax	(b)	239,332	224,460
Total		**519,401**	**364,293**

a. *Civil*

Subsidiary Pecém II Geração de Energia S.A.

(i) ***Emergency Water Charge***

It is a suit filed by Pecém II together with Porto do Pecém Geração de Energia S.A.against ANEEL, requesting (i) the transfer, by ANEEL, of the amount charged by the State of Ceará, as Emergency Water Charge ("Encargo Hídrico Emergencial - EHE"), to CCEARs of Pecém II and Porto do Pecém, with the increase of the Unit Variable Cost ("Custo Variável Unitário - CVU") and of the sale revenue perceived by these companies; and (ii) the suspension of any penalties by ANEEL for eventual decrease and/or interruption of the generation of electric power of the UTEs Pecém II and Pecém I due to the decrease in the water supply.

On January 31, 2017, it was ruled by Federal Justice the decision that rejected the claim for summary judgment filed by the Plaintiffs. The plaintiffs filed an interlocutory appeal, which was distributed to Judge Souza Prudente on March 1, 2017. The advance custody required by the Companies was granted on May 5, 2017, and ANEEL was required to comply with the decision on the interlocutory appeal.

Thus, an official letter was sent to the President of ANEEL determining the fulfillment of the decision that granted the plaintiff's requests. On August 22, 2017, ANEEL's Board of Directors agreed to the methodology for calculating the reimbursement suggested by the Company, authorizing the transfer of the EHE to the Plaintiffs, which has been carried out regularly since 2018 up to the moment. ANEEL filed a petition informing compliance with the decision and filed an internal appeal against the rapporteur's monocratic decision. The case records are complete and awaiting judgment in the office of Judge Souza Prudente since February 2018.

(ii) ***Fixed revenue***

The subsidiary Pecém II Geração filed suit, claiming anticipation of the effects of the custody, claiming the right to receive the fixed income provided by the Energy Trading Agreements in the Regulated Environment (CCEAR), entered into in new energy auction, as from July 2013, period in which the Company was already duly commissioned and able to generate energy and, consequently, comply with the commitments entered into. ANEEL justified that the delay in the construction of implantation of the substation of Transmissora Delmiro Gouveia S.A. (TDG), necessary for the outflow of the generated energy, would constitute unforeseeable circumstances or force majeure and it did not pay the fixed income, just excluding the Company from the penalties foreseen for the failure in the supply of energy.

In November 2014, the Company obtained favorable decision from the Federal Court of Federal District, which confirmed the anticipation of the custody effects, and the decision was confirmed by the Federal Regional Court of 1st Region. Within this context, with the court of appeals judgment, it was recognized the right of Pecém II to receive the payment of the fixed income arising from the CCEARs and it was determined the immediate compliance with the decision. ANEEL filed amendment of judgment with TRF of 1st Region, which was rejected on mid May, 2018. Therefore, on May 30, 2018, exhausted the discussion in TRF of 1st Region and with a court order for immediate compliance with the decision, CCEE paid to Pecém II the amount of R$ 59,326, corresponding to the due fixed income. The Company became aware of special appeal filed by ANEEL, and after subpoena, Pecém II presented counter arguments. A new appeal is awaited by ANEEL or the deadline for the decision to become final.

(iii) Arbitration process

In May 2021, a service provider filed an arbitration process against a subsidiary of the Company, referring to a project under installation. Through arbitration, the plaintiff intends that the Company be ordered to pay amounts associated with the contracting and provision of services. The estimated amount of the dispute is of R$ 52MM. In the preliminary statement, the Company presented a counterclaim requesting that the plaintiff be sentenced to pay fines and refund advanced amounts, which reach the estimated amount of R$60 MM. Currently, the constitution of the Arbitral Tribunal is awaited.

MABE Construção e Administração de Projetos Ltda.

(i) Lawsuit

This is an indemnity action filed by a former service provider against MABE Construção e Administração de Projetos Ltda. ("MABE"), Eneva S.A., the subsidiary Pecém II and others, through which the plaintiff claims the conviction of the defendants to pay amounts supposedly due and not paid when providing construction services for the enterprise of the subsidiary Pecém II.

In August 2021, a sentence was rendered partially judging the plaintiff's requests and condemning the defendants to pay installments referring to the contract entered into between MABE and the plaintiff.

The defendants filed appeals against the conviction, which are still pending consideration by the Court of Justice of the State of São Paulo.

Other subsidiaries

The remaining amounts are divided into lawsuits involving civil claims that individually do not represent material financial risk, and that are described in the possible loss prognostic report. The change in values presented above refers to changes in the prognosis of the suits during the quarter.

b. *Tax*

Subsidiary Itaqui 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.

Since 2019, the matter remains under discussion at the administrative level at the Administrative Council of Tax Appeals ("CARF"). At the beginning of 2020, at the request of the subsidiary, CARF determined that the judgment be converted into due diligence, and the subsidiary presented documents and clarifications to contribute to the tax due diligence report. This report was closed in 2021, when the subsidiary filed a new statement and the case was returned to CARF, where it awaits judgment.

In the event of an unfavorable final decision in the judicial sphere, the company will lose the right to offset future tax profits with the amount of tax loss and negative CSLL tax base disallowed by the tax authorities, in the amount of R$ 195 million. There is no credit tax constituted on the mentioned tax loss. In the event of an unfavorable final decision, the effect would be a decrease of approximately R$ 195 million in tax losses and CSLL negative calculation basis for in auxiliary tax controls (ECF), with no disbursement and immediate impact on the Company's cash.

20. Provision for obligation of decommissioning

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Accounting practice

The costs of demobilization of generation assets are provided for based on the present value of the costs expected to fulfill the obligation, using expected cash flows, based on the best estimate on the reporting date, and are recognized against the costs of the corresponding asset. The financial update of the provision is recognized in the statement of operations as incurred. The Company reviews its estimated costs for dismantling gas production areas on a quarterly basis, together with its annual reserve certification process and when there are indications of changes in its assumptions.

This provision refers to the expected costs for decommissioning of the gas production fields and for the demobilization of the assets of the UTE Pécem II Geração de Energia S.A. The calculations of these estimates are complex and involve significant judgments, since:

(i) upon recognition of the provision, the corresponding cost is capitalized as part of property, plant and equipment and is depreciated over the useful life of the corresponding assets, resulting in an expense recognized in the result for the year.

(ii) obligations will occur in the long run;

(iii) the contracts and regulations have subjective descriptions of the removal and restoration practices and the criteria to be met at the time of the actual removal and restoration; and

(iv) technologies and asset removal costs are constantly changing, along with environmental and safety regulations.

The Company is constantly conducting studies to incorporate technologies and procedures in order to optimize abandonment operations, considering the best practices. However, the terms and amounts of future cash flows are subject to significant uncertainties.

The provision for decommissioning costs flows on December 31, 2021 and 2020 are as follows:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Opening balance	70,650	75,748	75,109	81,022
Review of the provision	(7,967)	(12,195)	(14,324)	(13,502)
Interest update	20,774	7,097	22,290	7,589
Closing balance	83,457	70,650	83,075	75,109

The increase in the provision for decommissioning costs is mainly linked to inflation in 2021, which ended with a rise of 10.06% (in 2020 it ended with a rise of 4.52%).

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21. Related parties

Accounting practice

The purchase and sale of energy, services and loan transactions are carried out under conditions and terms agreed upon between the parties and registered in accordance with the contracted terms, which are updated by the charges established in the contracts.

On December 31, 2021 and 2020, the balances of assets, liabilities and effects on income of related-party transactions are as follows:

	Assets		Liabilities		Result	
	2021	2020	2021	2020	2021	2020
Loan						
Itaqui Geração de Energia S.A. (a)	832,387	808,285	-	-	69,191	23,733
Pecém II Geração de Energia S.A. (b)	852,017	864,473	-	-	71,178	44,636
Parnaíba B.V.	-	-	-	-	1	20,969
Others	689	689	-	-	-	592
	1,685,093	1,673,447	-	-	140,370	89,930
Commercial operations						
Parnaíba Geração e Comercialização de Energia S.A. (c)	172,420	147,130	210	36	1,018,396	439,619
Parnaíba II Geração de Energia S.A. (c)	84,829	99,156	218	48	504,482	357,297
Itaqui Geração de Energia S.A.	14,728	10,625	2,600	2,323	9,896	10,934
Pecém II Geração de Energia S.A.	5,591	7,080	324	141	6,259	6,953
Parnaíba B.V.	-	-	-	97,928	3	-
Others	16,975	16,166	4,860	5,153	7,992	3,807
	294,543	280,157	8,212	105,629	1,547,028	818,610
Dividends and interest on capital receivable						
Parnaíba Geração e Comercialização de Energia S.A.	-	23,962	-	-	-	-
Parnaíba II Geração de Energia S.A.	-	38,230	-	-	-	-
Itaqui Geração de Energia S.A.	39,999	-	-	-	-	-
	39,999	62,192	-	-	-	-
	2,019,635	2,015,796	8,212	105,629	1,687,398	908,540

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. The change in the asset balance corresponds to interest incurred, partially offset by payment of interest.*

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. The change in the asset balance corresponds to interest incurred, partially offset by payment of interest.*

c. *These are 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..*

21.1 Compensation of the Board of Directors and Executive Board members

The Company is managed by a Board of Directors and an Executive Board, pursuant to the duties and powers vested by its Bylaws. In accordance with Law No. 6,404/1976 and the Company's Bylaws, the shareholders will establish the managers' overall annual remuneration at the General Meeting. The Board of Directors will distribute the amount among the managers.

The total amounts of compensation of the Company’s Executive Board and Board of Directors members for the years ended December 31, 2021 and 2020, accounted for on an accrual basis, are as follows:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Short term benefits (a)	27,457	33,074	31,567	37,051
Long-term benefits (b)	114,005	53,205	129,385	53,205
	141,462	**86,279**	**160,952**	**90,256**

a. *Key personnel compensation includes salaries and non-monetary benefits.*

b. *Ss described in Note 24 - "Share-based payments", the Company implemented a share-based payment for managers and statutory and non-statutory executives. This grant of shares will be granted upon the compliance with certain conditioners, within 3 to 5 years, as from the beginning of the plan.*

The minimum, average and maximum compensation amounts of the Board of Directors and Executive Board are as follows:

						Consolidated
			2021			**2020**
	Minimum	**Average**	**Maximum**	**Minimum**	**Average**	**Maximum**
Board of Directors	119	454	864	475	5,420	35,056
Executive Board	825	11,213	59,382	135	4,088	20,803
	944	**11,667**	**60,246**	**610**	**9,508**	**55,859**

22. Shareholders' equity

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22.1 Share capital

On December 31, 2021 and 2020, the Company's Capital was of R$ 8,894,086 and R$ 8,848,409, respectively. The Company only has common, book entry shares, with no par value. The authorized capital on December 31, 2021 is comprised of 1,596,513,720 authorized shares, of which 1,266,339,183 were issued (315,835,960 on December 31, 2020).

In March 2021, there was a split of the Company's shares in the proportion of 1 (one) common share for 4 (four) common shares, without changing the share capital or the rights conferred by the shares to the holders. Thus, the variation shown in the number of shares between the periods is basically related to this corporate changes.

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

		Parent Company		Parent Company
		2021		2020
Shareholder	Number	%	Number	%
Banco BTG Pactual	272,640,404	21.53%	72,410,101	22.93%
Eneva Fundo de Investimento em Ações	289,640,404	22.87%	72,410,101	22.93%
Velt Partners	-	-	17,665,975	5.59%
Dynamo	79,108,721	6.25%	15,853,947	5.02%
Atmos Capital Gestão de Recursos	67,189,176	5.31%	15,793,261	5.00%
Treasury shares	6,120,944	0.48%	-	-
Others	551,639,534	43.56%	121,702,575	38.53%
Total	**1,266,339,183**	**100.00%**	**315,835,960**	**100.00%**

22.2 Tax incentives reserve

SUDENE

The reserve is constituted by allocating the portion of the income for the year equivalent to the tax benefit granted by the Superintendence of Development of the Northeast (SUDENE). This benefit corresponds to a decrease of 75% of income tax in a 10-year period.

Service Tax – Presumed Credit

Reserve constituted through the allocation of the portion of the income for the year equivalent to the tax incentive granted by the State of Maranhão, under the terms of Law No. 9,463/2011. Such incentive consists of presumed Service Tax credit on outlets of natural gas for the thermoelectric plant powered by natural gas.

22.3 Treasury shares

Repurchase of own shares program

The repurchase programs aim at the acquisition of shares issued by Eneva S.A. to meet the obligations of the long-term share-based compensation incentive plans, aimed at managers and employees of Eneva S.A. and its subsidiaries.

In the first half of 2021, 4,280,000 shares were acquired at the average price of R$ 17.36 (after the stock split), which have already been substantially delivered to the beneficiaries in the amount of R$ 70,864 thousand, as shown in the Statement of Changes in the Shareholders' Equity (DMPL). In December 2021, a new repurchase of shares program was approved in order to meet the settlements scheduled for 2022, authorizing a maximum amount of 6,000,000 shares, of which 5,589,000 have already been acquired at the average price of R$ 14.30.

23. Result per share

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

	2021	2020
Result for the year		
Numerator		
Profit attributable to the stockholders	1,173,300	1,007,606
Denominator		
Weighted average of shares	1,265,016,862	315,783,353
Profit per share (R$) - basic	**0.92750**	**3.19081**

	2021	2020
Result for the year		
Numerator		
Profit attributable to the stockholders	1,173,300	1,007,606
Denominator		
Weighted average of shares	1,265,016,862	315,783,353
Effect of the options	9,956,371	1,455,463
Profit per share (R$) - diluted *	**0.92025**	**3.17618**

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

24. Share-based payment

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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 characteristics of the options plan are as follows:

Plan	Date Awarded	Award Term (years)	Initial Date of Maturity	Maximum Date Rights Expire	Original amount awarded	Remaining number	Original strike price	Strike price restated by IPCA + 3% p.a.
2016	10/3/2016	5	10/3/2016	11/12/2021	2,484,376	-	3.75	19.93
2016	10/3/2016	5	11/1/2017	2/1/2021	10,668,000	-	3.75	19.93
2016	4/3/2017	5	5/10/2018	9/8/2022	5,333,333	1,066,668	3.75	19.31
2016	8/3/2017	5	8/3/2018	12/1/2022	2,000,000	400,000	3.75	19.03
2016	2/11/2019	5	2/11/2020	6/10/2024	1,000,000	600,000	3.75	17.21
2016	1/10/2020	5	1/10/2021	5/12/2025	8,840,000	7,016,000	7.57	32.56
2020	2/11/2021	5	2/11/2022	6/13/2026	4,723,388	4,723,388	15.88	
2016	2/11/2021	5	2/11/2022	6/13/2026	240,000	240,000	15.88	
2016	5/1/2021	5	5/1/2022	9/3/2026	800,000	800,000	16.49	
2020	5/19/2021	5	5/19/2022	9/21/2026	1,106,600	1,106,600	15.98	
2020	11/30/2021	5	11/30/2022	3/30/2027	36,518	36,518	15.17	
2020	12/8/2021	5	12/8/2022	4/7/2027	243,450	243,450	14.82	

The changes in the options plan in the year ended December 31, 2021 are as follows:

Plan Granted by the Company - Number of Stock Options	Number of Options	Weighted Average Price of Options
At December 31, 2020	**12,573,336**	**7.12**
Exercised	(3,417,224)	5.51
Awarded	7,149,948	15.92
Expired	(505,444)	8.18
At December 31, 2021	**15,800,616**	**11.48**

The Company is unable to measure the value of services provided by participants who are being remunerated via a share-based payment plan. Therefore, it decided to measure their respective fair values, based on the fair value of the equity instruments granted. 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 for 2021 was of R$ 29,240.

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.

According to the first plan's regulations approved on July 12, 2018, shares may be transferred to beneficiaries after 3 (three) years from the date of granting the units. From the number of units assigned to each beneficiary, 50% are granted for retention, whose right depends on the employee's permanence in the Company. For the remaining 50% of the shares, in addition to the employee's permanence, the number of shares transferred will depend on the return performance indicator for shareholders, calculated during the 3-year grace period of the units.

The regulation of the plan approved on April 29, 2019 defines that the shares can be transferred to the beneficiaries if the performance criteria related to the execution of the Parnaíba V Project are met. The appropriation of the plan’s fair value to the result for 2021 was of R$ 9,979.

The units awarded by the Company are as follows:

Plan	Award date	Term (years)	Purpose	Date the right was acquired	Original amount awarded
2018	7/13/2018	3	Retention	4/2/2021	868,724
2018	7/13/2018	3	Performance	4/2/2021	868,724
2018	4/1/2018	3	Retention	4/1/2022	756,436
2018	4/1/2018	3	Performance	4/1/2022	756,436
2019	4/29/2019	2.92	Performance Shares	3/31/2022	1,548,404
2018	4/1/2020	3	Retention	4/1/2023	453,288
2018	4/1/2020	3	Performance	4/1/2023	868,724
2018	4/1/2021	3	Retention	4/1/2024	316,476
2018	4/1/2021	3	Performance	4/1/2024	316,475

The changes in the units plans in the year ended December 31, 2021 are as follows:

Units Plan Granted by the Company - Number of Units	Number of Units	Shares' Weighted Average Price
At December 31, 2020	**5,513,748**	**15.53**
Exercised	(1,632,392)	17.04
Granted	632,951	17.04
Expired	(84,163)	15.95
At December 31, 2021	**4,430,144**	**16.47**

On December 15, 2021, the Company approved the creation of a program for the acquisition of shares of its own issuance, with the objective of meeting the obligations arising from the long-term incentive plans and programs intended for the Company's managers and employees. The repurchase program aims the acquisition by Parnaíba II Geração de Energia S.A., and maximum number of shares to be acquires is of 6 million.

25. Sales and services income

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Accounting practice

Revenue comprises the fair value of the consideration received or receivable for the sale of electrical power in the ordinary course of the Company's activities. The revenue presented is net of taxes on sales, returns, rebates and discounts. In the consolidated financial statements, the sales within the group are discarded.

For the energy generation activity and natural gas production, revenue is recognized when the performance obligation is reached, i.e., when the control over the product is transferred to the customer.

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

	Parent Company		Consolidated	
	2021	2020	2021	2020
Gross revenue				
Available funds (ACR) **(a)**	-	-	2,240,555	2,120,175
Sale of electricity (ACR) **(b)**	-	-	2,450,380	667,853
Sale of electricity (ACL) **(c)**	-	-	917,931	763,023
Fair value of the power contracts **(d)**	-	-	30,867	-
Sale of gas and condensed **(e)**	804,810	476,312	15,989	4,152
Lease	886,180	412,015	-	-
	1,690,990	**888,327**	**5,655,722**	**3,555,203**
Deduction from revenue				
Taxes on sales and services	(241,113)	(107,472)	(464,816)	(271,861)
P&D **(f)**	-	-	(47,625)	(29,936)
Reimbursement **(g)**	-	-	(18,840)	(10,097)
	(241,113)	**(107,472)**	**(531,281)**	**(311,894)**
Total net revenue	**1,449,877**	**780,855**	**5,124,441**	**3,243,309**

Regulated Contracting Environment (ACR)

Revenues arise from energy trading agreements in the regulated environment (CCEAR) entered into between the selling agent and the distribution agent, as a result of the electricity auctions. The CCEARs are specified by means of the notices published for each auction containing fixed and variable clauses and conditions, which are not subject to change by the agents.

This type of contract aims to minimize hydrological risk, aiming at a lower cost for the energy system. The costs arising from hydrological risks will be assumed by the purchasing agents (distributors), and any financial exposures in the short-term market, positive or negative, will be assumed by the distributors, with transfer to the final consumer, according to the mechanism defined by ANEEL.

It is also worth noting that these contracts have an annual adjustment mechanism for the fixed installment to recompose the inflation accumulated in the period. The variable portion, in turn, has the inflation rate as one of its components, substantially reducing the mismatch between revenues and generation costs.

a. *Available funds ACR (fixed income)*

This type of revenue is intended to remunerate the generation enterprise maintained at the disposal of the National Integrated System (SIN) to start operating whenever requested by the National System Operator ("ONS"). The variation is due to annual contractual update.

b. *Sale of electricity ACR (variable income)*

In addition to the availability revenue, as mentioned above, the CCEARs have variable revenues, whose value is defined monthly at the time of recognition, according to the demand required by ONS. Revenue on any sales is recognized by a measurement equal to the volume of energy transferred to the client and estimates to measure the energy delivered, but does not yet take into account the measurements prior to closing the financial year. The significant increase in this revenue is linked to the demand required by the ONS, mainly due to the water crisis.

Free Contracting Environment (ACL)

The market segment in which electricity purchase and sale operations are carried out, which are the subject of freely negotiated bilateral contracts, according to specific trading rules and procedures.

c. *Sale of electricity ACL*

In the contracting operation in free environment, the Company has the right to recognize the revenue from sale of energy by the value of MWh. Revenue comprises the fair value of the consideration received or receivable for the sale of electrical power both in the regulated market and in the free market.

The result information is presented by segment in Note 6 - "Segment reporting".

d. *Fair value of the energy contracts*

The Company has a portfolio of energy contracts (purchase and sale) that aim at meeting demands and offers for consumption or supply of energy. Such energy purchase and sale operations are transacted in an active market. The amounts presented refer to the mark-to-market (MtM) result of these purchase and sale contracts for future delivery. This fair value is measured according to Note 5.1 "Estimates".

Gas exploration and production

e. *Sale of gas, condensed and lease*

Eneva S.A is responsible for the exploration and extraction of natural gas and has a gas supply and lease agreement with the Parnaíba Complex.

The sale of gas is directly linked to the dispatch of Parnaíba Complex ("Complex"). The price is established in a contract signed between the parties and the volume traded varies according to the gas needs of the Complex. Revenue from the sale of gas is recognized by periodic measurement and is equivalent to the volume transferred to the customer, but not yet taken into account in the measurements prior to the end of the year.

Deduction from revenue

f. *Research and Development (R&D)*

Companies regulated by ANEEL are required to comply with Law No. 9,991, of July 24, 2000, and for that reason, they must apply annually the percentage of 1% (one percent) of their net operating revenue - ROL for preparation and execution of R&D projects in the electricity sector.

g. *Reimbursement*

The reimbursement to the market occurs when the thermoelectric plants contracted in the regulated contracting environment (ACR) do not meet the order of the National System Operator ("ONS").

26. Costs and expenses per nature

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	Parent Company		Consolidated	
	2021	2020	2021	2020
Cost				
Regulatory costs	-	-	(151,359)	(139,856)
Depreciation and amortization **(a)**	(179,427)	(118,193)	(547,491)	(419,208)
Rental expenses	(4,612)	(2,908)	(21,176)	(15,504)
Personnel expenses **(b)**	(39,632)	(31,245)	(181,380)	(155,986)
Electric power for resale **(c)**	-	-	(612,136)	(412,437)
Taxes and contributions	(286)	(287)	(286)	(287)
Generation inputs **(d)**	-	-	(1,253,969)	(367,794)
Consumption material	(6,015)	(1,977)	(39,126)	(10,557)
Government interests **(e)**	(215,185)	(65,489)	(215,185)	(65,489)
Operating insurance	(4,270)	(350)	(28,891)	(6,352)
Outsourced services	(26,738)	(20,929)	(92,122)	(75,640)
Others	(435)	(9,785)	(38,585)	(76,269)
	(476,600)	(251,163)	(3,181,706)	(1,745,379)
Administrative and general expenses				
Depreciation and amortization	(33,446)	(35,775)	(61,346)	(62,942)
Environmental expenses	(2,905)	(1,412)	(3,722)	(1,719)
Rental expenses	(2,837)	(3,377)	(3,473)	(3,819)
Costs with exploration and dry well	(92,537)	(129,148)	(92,537)	(129,148)
Personnel expenses **(b)**	(264,437)	(166,900)	(279,478)	(179,091)
Taxes and contributions	(1,050)	(722)	(1,167)	(494)
Consumption material	(1,121)	(1,236)	(1,777)	(1,467)
Shared services - Cost sharing	40,120	39,966	-	-
Outsourced services	(53,492)	(38,318)	(64,581)	(42,177)
Others	(34,065)	(23,835)	(36,687)	(27,680)
	(445,770)	(360,757)	(544,768)	(448,537)
Other income and expenses				
Provision for loss in investment	-	(2,273)	-	(4,545)
Gain with the sale of equity interest **(f)**	-	18,117	-	18,117
Loss in the disposal of goods **(g)**	106	-	(201)	(16,501)
Reversal of Contingencies	1,728	17,302	2,379	25,692
PIS/COFINS credit**(h)**	22,265	-	38,156	-
Reversal of impairment of Itaqui	-	-	150,105	52,777
Other income (expenses)	(9,181)	(3,451)	4,156	604
	14,918	29,695	194,595	76,144
	(907,452)	(582,225)	(3,531,879)	(2,117,772)

a. *The variation is directly linked to the increase in the dispatch curve observed in gas-fired thermal plants with a consequent increase in gas consumption, whose depreciation is calculated using the units of production method, as detailed in Note 13 - "Property, plant and equipment".*

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, besides the increase in the number of employees.*

c. *The increase is due to the purchase of energy to meet the obligations of the plants at times when they had to stop for maintenance, most of which were scheduled.*

d. *The increase is directly related to the higher energy dispatch in the regulated contractual environment (ACR).*

e. *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 and increase in the demand in 2021.*

f. *The variation is due to the sale of total interest in Seival Sul Mineração, which took place in 2020.*

g. *The observed variation refers to the donation of the energy 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.*

h. *Recognition of PIS/Cofins credits arising from: i) review of the system of appropriation of credits from the last 5 years of operating companies, in order to map any credits that may not be used within the scope of the non-cumulative regime, based on the definitions contained in the Laws No. 10,637/02 and 10,833/03, as well as the expansion of the concept of input defined by the STJ in 2018 (based on the criteria of essentiality and relevance); ii) Decision of the STF, in May/21, as well as the final decision obtained by Eneva S.A. to exclude ICMS from the PIS and Cofins calculation basis for the period from January/2019 to April/2021.*

27. Finance income/costs

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	Parent Company		Consolidated	
	2021	2020	2021	2020
Financial costs **(a)**				
Debt charges	(4,969)	(12,183)	(4,969)	(137,658)
Fine and interest paid or incurred	(2,026)	(290)	(2,488)	(3,938)
Amortization transaction cost borrowings	(2,771)	(9,529)	(7,969)	(27,961)
Commission on bank guarantees	(1,543)	(2,170)	(4,011)	(4,729)
Interest on provision for abandonment costs	(23,329)	(7,097)	(24,851)	(7,589)
Interest on lease liabilities	(7,524)	(8,742)	(15,577)	(8,156)
Interest on loans	-	(5,602)	(413)	(1,572)
Debentures interest	(83,334)	(72,875)	(174,583)	(149,548)
MTM energy agreements	-	-	-	(3,888)
Exchange and monetary variation	(17,381)	(17,544)	(76,034)	(121,056)
Others	(14,819)	(12,790)	(27,510)	(25,617)
	(157,696)	(148,822)	(338,405)	(491,712)
Finance income **(b)**				
Financial investment	37,251	27,247	81,205	56,549
Fine and interest received or earned	58	1,326	41,961	2,783
Earnings from loans	56,508	40,354	651	-
Exchange and monetary variation	121,119	80,050	16,389	124,535
Others	2,709	1,714	11,679	8,191
	217,645	150,691	151,885	192,058
Finance income/costs	59,949	1,869	(186,520)	(299,654)

a. *The main changes in in financial costs consist of a reduction in 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 to more attractive costs. The interest incurred in the debts linked to the construction of the Company's capital projects were capitalized.*

b. *The variation in finance income occurred due to the receipt of R$ 30 million of interest and monetary update related to legal decision favorable to Pecém II, regarding fixed revenue for the period between July and August 2013.*

28. Insurance Coverage

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It is the policy of the Company and its direct and indirect subsidiaries to take out insurance coverage for the assets subject to risk at amounts considered by management sufficient to cover any incidents, considering the nature of their activity. The policies are in force and the premiums have been paid.

At December 31, 2021 and 2020, the main risks covered are:

	Consolidated	
	2021	2020
Operating risks	2,790,250	2,598,500
Oil risks	335,249	312,210
Civil liability	420,000	560,000
Construction / project	2,413,996	3,866,996

29. Commitments

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Minimum Exploratory Program ("PEM")

The PEM balance referring to the 14th Bidding Round, to the 1st and 2nd bidding cycle of the permanent offer, to be fulfilled before the ANP, is as follows:

Concession	Basin	BID	Contractual PEM (UTs)	PEM met in 2021 (UTs)	Balance on 12/31/2021 (UTs)	Status
			[A]	[B]	[A]-[B]	
PN-T-117	Parnaíba	14	400	943	-	Fully met
PN-T-118	Parnaíba	14	600	869	-	Fully met
PN-T-119	Parnaíba	14	600	448	152	To be met up to 10/2024
PN-T-133	Parnaíba	14	500	1164	-	Fully met
PN-T-134	Parnaíba	14	600	717	-	Fully met
PN-T-47	Parnaíba	OP1	1,897	623	1,274	To be met up to 11/2026
PN-T-48A	Parnaíba	OP1	1,448	1	1,447	To be met up to 11/2026
PN-T-66	Parnaíba	OP1	2,673	406	2,267	To be met up to 11/2026
PN-T-67A	Parnaíba	OP1	336	1,230	-	Fully met
PN-T-68	Parnaíba	OP1	1,336	1,265	71	To be met up to 11/2026
PN-T-102A	Parnaíba	OP1	1,121	725.	396.	To be met up to 11/2026
AM-T-62	Amazonas	OP2	3138	-	3,138	To be met up to 06/2029
AM-T-84	Amazonas	OP2	4138	-	4,138	To be met up to 06/2029
AM-T-85	Amazonas	OP2	4138	-	4,138	To be met up to 06/2029
PAR-T-86	Paraná	OP2	1,908	-	1,908	To be met up to 06/2027
PAR-T-99	Paraná	OP2	1,902	-	1,902	To be met up to 06/2027
PAR-T-196	Paraná	OP2	1,872	-	1,872	To be met up to 06/2027
PAR-T-215	Paraná	OP2	1,866	-	1,866	To be met up to 06/2027
			30,473	8,391	24,569	

*To be validated by SEP/ANP

Round 14

The exploratory blocks granted within the scope of the 14th Bidding Round (PN-T-117, PN-T-118, PN-T-119, PN-T-133 and PN-T-134) are characterized by a 6-year Exploration Stage, with only one Exploratory Period that requires that the foreseen work units are met.

The PEM obligation concerning these assets were met as from the completion of the seismic program called 0375_2D_NOVA IORQUE, which took place in 2020. The only asset whose financial guarantee was not returned by the Agency, as illustrated in the table above, is PN-T-119, which will have to pay for the fulfillment of 151.51032 work units by October 2024.

It is pertinent to highlight the extension of the Exploration Stage of the contracts of this bidding cycle up to October 31, 2024, according to the terms of ANP Resolution No. 815/2020, which allowed the extension of the concession contracts by 9 (nine) months in the face of the advent of COVID-19.

Permanent Offer - 1st Bidding Cycle

The Company was victorious in the 1st Bidding Cycle of the Permanent Offer of Exploratory Blocks and Marginal Accumulations, carried out by the National Agency of Oil, Natural Gas and Biofuels ("ANP") on September 10, 2019. In compliance with the requirements of the Bidding Notice, financial guarantees were sent to the ANP to ensure compliance with the minimum exploratory program for the blocks PN-T-66, PN-T-67A, PN-T-102A, PN-T-68, PN-T-47 and PN-T-48A. The guarantees came into effect as of the signing of the concession contracts, on February 14, 2020.

The exploratory blocks granted within the scope of this discuss are characterized by a 6-year Exploration Stage, with only one Exploratory Period that requires that the foreseen work units are met. The PEM obligation concerning these assets were met as from the completion of the seismic program called 0375_2D_NOVA IORQUE, which took place in 2020. With the exception of PN-T-67A, which has already fully complied with its PEM obligations, the other auctioned blocks must jointly bear 6452.85 work units up to November 2026.

It is pertinent to highlight the extension of the Exploration Stage of the contracts of this bidding cycle up to November 14, 2026, according to the terms of ANP Resolution No. 815/2020, which allowed the extension of the concession contracts by 9 (nine) months in the face of the advent of COVID-19.

Permanent Offer - 2nd Bidding Cycle

Upon successful acquisition of 7 (seven) exploratory blocks (AM-T-62, AM-T-84, AM-T-85, PAR-T-86, PAR-T-99, PAR-T-196 and PAR -T-215) and 1 (one) area of marginal accumulation (Juruá) within the scope of the 2nd Bidding Cycle of the Permanent Offer of Exploratory Blocks and Marginal Accumulations, held on December 4, 2020, Eneva sent, in 2021, PEM guarantees totaling R$ 113,772,000.00 (one hundred and thirteen million, seven hundred and seventy-two thousand reais).

The exploratory blocks granted within the scope of this discuss are characterized by an Exploration Stage of 8 (eight) (for AM-T-62, AM-T-84 and AM-T-85) or 6 (six) years (for PAR-T-86, PAR-T-99, PAR-T-196 and PAR-T-215), with only one Exploratory Period that requires that the foreseen work units are met. For the last four assets mentioned, in fact, the company will have to jointly fulfill the PEM with Enauta, which acquired the areas in consortium with Eneva.

30. Events after the reporting period

CONTENTS

Business combination with Focus

Operation’s context

A Focus Energia Holding Participações S.A. (“Focus”) acts as an integrated platform for renewable energy businesses in Brazil, focusing on the commercialization, energy generation for commercialization in the free market, distributed generation and provision of energy services for generators and free consumers.

In February 2021, Focus conducted its IPO raising around R$765 million in capital, with an implied valuation of approximately R$1,600 million. Most of the funds raised with the IPO had the objective of financing the construction and development of the Futura I Project, which aims to be the largest solar energy park in Brazil. The CAPEX estimated total cost of this park was of R$2.2bi. The remaining amount to finance this construction would be raised with financial institutions.

From the time of the IPO to the date of the sale and incorporation transaction by Eneva, two main events took place that hampered the execution of the construction of Futura I: (i) the increase in the estimated cost of the total CAPEX of the project by approximately R$500 million, as a result of the global shortage of solar panels and breach of contract by the main supplier; and (ii) increase in interest rates and a general worsening in the Brazilian credit scenario, which made it difficult to obtain the necessary additional financing, as banks demanded guarantees and conditions not feasible for Focus.

In view of the scenario described above, Focus’ value per share on the stock exchange has devalued substantially since the IPO and, in addition, Focus was in a situation of short-term financial stress to honor the commitments related to the construction of the Futura I project, without access to new lines of financing.

Operation’s structure

On December 15, 2021, the Companies disclosed to their shareholders and to the market in general the signature of the Business Combination agreement (“Agreement”), through which they established the terms and conditions for the merger of Focus (“Merger”) and the private subscription, by Eneva, of non-convertible debentures issued by Focus.

As provided for in the Agreement, the merger will be implemented through the following transactions, all of which will take place on the closing date of the Transaction.

(i) The corporate merger of Focus will be carried out by Eneva II Participações S.A., (wholly-owned subsidiary of Eneva S.A.). Eneva II will take over the Company's customer portfolio and the entire portfolio of renewable projects that add up to 3.7GW of installed power. The transaction will take place through the attribution of 1 new common share (issue 89,654,856 common shares) and 1 new preferred share (issue 89,654,856 preferred shares) mandatorily redeemable by Eneva II for every 1 common share issued by Focus and held by Focus’ shareholders.

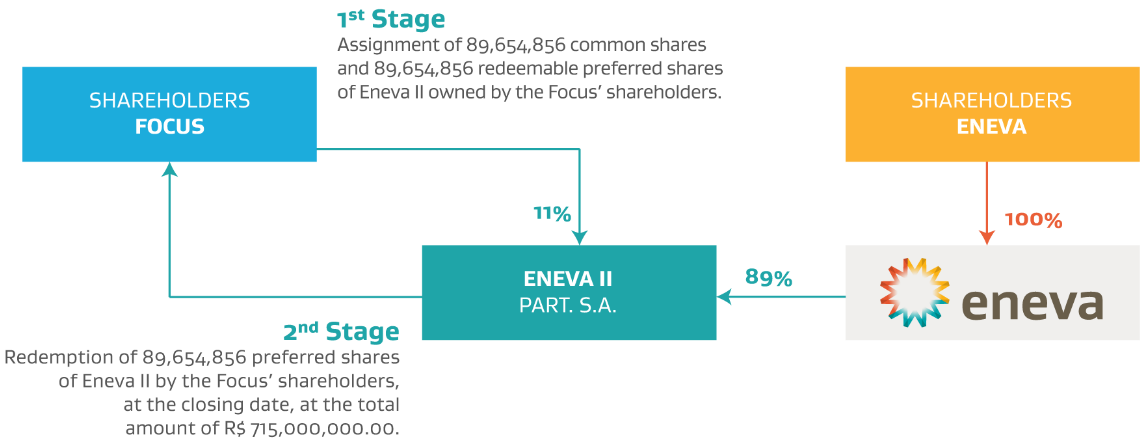
(ii) Redemption of the preferred shares of Eneva II, upon receipt, by all Focus’ shareholders, according to the following conditions:

- payment in cash, on the closing date, in the total amount of R$ 715,000 thousand (first installment), to be updated daily by the variation of 100% of the DI rate between the date of the signature of the agreement and the business day immediately prior to the date of closing, and subject to certain adjustments (“Assured Installment”); and
- additional payment in cash, conditioned to the effective receipt, by Eneva or its subsidiary, up to December 31, 2027, of amounts and/or credits, net of taxes and expenses, arising from arbitration proceedings, in the USA, before the International Chamber of Commerce, in New York – NY, with FOCUS and certain subsidiaries as plaintiffs. Extraordinary amounts related to certain projects may be decreased from the Contingent Installment.

Focus merger operations are as follows:

Position before merger

Focus merger



(i) Corporate merger of Eneva II by Eneva S.A., being Eneva II extinguished and succeeded by Eneva, assigning to the Focus' former shareholders (that will be shareholders of Eneva II), 0.189616476806 new shares of Eneva S.A. for each common share of Eneva II they own, totaling 17,000,000 new common shares (second installment) issued by Eneva S.A.. Eneva II merger operations are as follows:

Merger of Eneva II

Due to the Operation, Eneva II and Focus will be both extinguished, with Focus' share base consequently migrating to Eneva S.A.. Eneva S.A. will continue to be a publicly-held company, listed on the Novo Mercado segment of B3 and will become owner of Focus' entire equity.

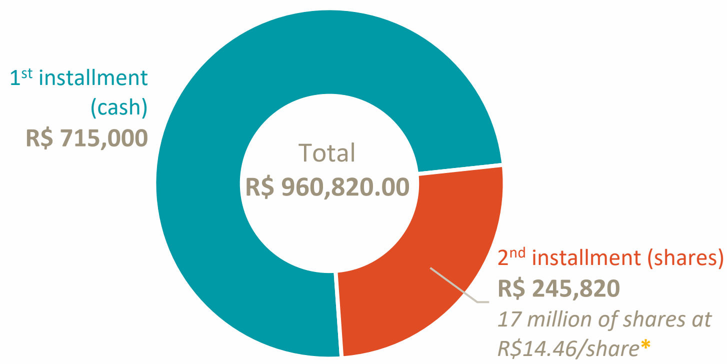
As part of the operation, Focus and Eneva signed the deed of the 1st issue of debentures not convertible into shares of Focus, with real guarantee, in the total amount of up to R$ 1,500 million. According to the deed and other related documents, Eneva:

(i) subscribed, on that date, debentures in the amount of R$ 820 million, to be paid in upon fulfillment of certain precedent conditions;

(ii) undertook to subscribe and pay in the debentures balance, in the amount of up to R$ 680 million, according to the schedule provided for in the Deed.

The funds from the debentures will be used exclusively to pay the costs related to the Futura I Project, as such funds are necessary from that date onwards for the conclusion of the works. It is important to highlight that the funds of the debentures are not part of the paid price.

Estimated consideration to be transferred



*Amount corresponding to 17 million of common shares issued by Eneva S.A., with quotation of 14.46/share on December 21, 2021.

The amount of R$ 960,820 thousand against Focus' equity balance of approximately R$ 1,001,096 thousand resulted in the determination of an advantageous purchase arising directly from the transaction, in the amount of R$ 40,276 thousand, before the determination of the surplus value of the identifiable intangible assets.

Additionally, the value traded in the open market (Brasil, Bolsa, Balcão - B3) of Focus on the transaction date was also below its book value (89,654,856 shares at an average value of R$ 10.77/share, resulting in the amount of R$ 965,583 thousand), corroborating the amount paid in the transaction. The factors that justify the market value below the Company's book value are described in the context of the transaction.

Preliminary list of assets acquired and liabilities assumed

Balance sheet of Focus (acquired company) and its fair value (preliminary) are as follows:

	11/30/2021*	Fair value adjustment	Balance at fair value 11/30/2021
Current assets	1,056,310	-	1,056,310
Non-current assets	1,508,187	131,602	1,639,789
Intangible assets	7,664	131,602	139,365
Intangible assets of partition	7,664	-	7,664
PPA and authorization – Futura I	-	85,804	85,804
PPA and authorization - PCHs	-	30,729	30,729
Customers portfolio – Intel	-	15,069	15,069
Total assets	2,564,497	131,602	2,696,099

	11/30/2021*	Fair value adjustment	Balance at fair value 11/30/2021
Current liabilities	1,155,711	44,744	1,200,456
Deferred income tax on recognized assets	-	44,744	85,804
Non-current liabilities	408,066	-	408,066
Shareholders' equity	1,001,095	131,602	1,087,953
Fair value adjustment	-	86,858	86,857
Non-controlling stockholders' portion	(375)		(375)
Total assets	2,564,497	131,602	2,696,099

*Because the date of preparation of this study is earlier than the base date of the analysis, we are assuming the company's equity position in November 2021 as an approximation to the situation expected for December 2021.

Breakdown of preliminary allocation:

Value Allocation	
Focus' shareholders' equity (a)	1,001,096
Consideration transfered (b)	960,820
Advantageous purchase = (a) - (b)	40,276
Advantageous purchase	40,276
PPA and authorization – Futura I	85,804
PPA and authorization - PCHs	30,729
Customers portfolio – Intel	15,069
Deferred income tax on recognized assets	(44,744)
Final advantageous purchase	127,134

Shareholders' Approval and Closing of the Operation

The closing of the operation complied with the usual precedent conditions for this type of transaction, including, (i) the approval of its conclusion by the Administrative Council for Economic Defense - CADE (which took place on January 11, 2022) and (ii) approval by the General Meeting of the Companies' shareholders (which took place on February 4, 2022). On March 11, 2022, the Companies' Boards of Directors announced the waiver of the suspensive conditions of the transaction and the completion of the merger of Focus by Eneva II. On March 21, 2022, Eneva paid the base amount of R$ 715,000 thousand updated by the CDI variation since the agreement signature date.

The impacts of the accounting measurements related to the business combination will be recorded at the time of closing the transaction, according to CPC 15 (R1) - Business Combination, respecting the measurement period limit, of up to 1 year after closing.

Closing of negotiations for the acquisition of the Urucu Pole

On January 28, 2022, the company informed that closed, with no success, the negotiations for the acquisition of Urucu Pole with Petróleo Brasileiro S.A. ("Petrobras"), that had begun on February 2021. Despite the efforts made by the parties during this process, throughout the negotiation, it was not possible to reach an agreement. As a result, the parties chose to terminate the ongoing negotiations, without penalties for either party.

Thermoelectric Plant Jaguatirica II ("UTE Jaguatirica II") begins commercial operations

The National Electric Energy Agency - ANEEL authorized UTE Jaguatirica, in the state of Roraima, to begin the commercial operations of the first generating unit with installed capacity of 48.653 MW, as from February 15, 2022. On March 9, 2022, it was authorized the commercial operations of the second generating unit, with installed capacity of 48.653 MW. Thus, the UTE now has the total available capacity of 97.306 MW.

7th issuance of debentures by Eneva S.A.

On February 17, 2022, the Board of Directors approved the 7th issue by the Company of simple, non-convertible debentures, of the unsecured type, in a single series, in the total amount of R$1,500 million. The Debentures will mature in 15 (fifteen) months from the issuance date, i.e., on May 18, 2023.

The debentures will be subject of public offer of distribution with restricted effort, with firm commitment underwriting, according to the terms of Securities and Exchange Commission (CVM) Instruction No. 476, of January 16, 2009, as amended (CVM Instruction No. 476).

On the Unit Face Value or the balance of the Unit Face Value, as the case may be, of each of the Debentures, remuneration interest corresponding to 100% (one hundred percent) of the accumulated variation of the average daily rates of DI - One-day Interbank Deposits, “over extra-group”, expressed as a percentage per year, based on 252 (two hundred and fifty-two) Business Days, calculated and published daily by B3, in the daily newsletter available on its website (http://www.b3 .com.br) (“DI Fee”), plus a Surcharge of 1.35% (one integer and thirty-five hundredths percent) per year, based on two hundred and fifty-two (252) Business Days (“Surcharge”, and, together with the DI Rate, "Remuneration"), calculated exponentially and cumulatively pro rata temporis per Business Days elapsed, from the First Payment Date (inclusive) or the immediately preceding Remuneration payment date (inclusive), as the case may be, up to the calculation date (exclusively), without judgment of payments as a result of early maturity of the obligations arising from the Debentures, under the terms set forth in the deed of the Issue.

The net proceeds obtained by the Company through the Debentures will be used to reinforce the Company's working capital. The Debentures may be subject to full optional early redemption or optional extraordinary amortization, at the sole discretion of the Company, at any time from the issuance date, without the incidence of any premium.

Board of Directors

Jerson Kelman
President

Henri Philippe Reichstul
Vice president

Directors:

Elena Landau
Felipe Gottlieb
Guilherme Bottura
Marcelo Pereira Lopes de Medeiros
Renato Antônio Secondo Mazzola

Executive Board

Pedro Zinner
Chief Executive Officer

Lino Lopes Cançado
Executive Officer

Marcelo Campos Habibe
Investor Relations Officer

Marcelo Cruz Lopes
Executive Officer

Controllership

Ana Paula Alves do Nascimento
CRC-RJ 086983/O-0
Controller

Bruno Campelo de Azevedo

CRC-RJ 106648/O-9
Accountant

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Independent Auditors' Report on the Individual and Consolidated Financial Statements

(A free translation of the original report in Portuguese, prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards – IFRS)

To the Shareholders and Management of Eneva S.A.

Rio de Janeiro - RJ

Opinion

We have audited the individual and consolidated financial statements of Eneva S.A. ("The Company"), respectively referred to as parent company and consolidated financial statements, which comprise the balance sheet as of December 31, 2021, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of Eneva S.A. as of December 31, 2021, its financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Eneva S.A., as of December 31, 2021, its consolidated financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We have conducted our audit in accordance with the International and Brazilian Standards on Auditing. Our responsibilities under those structures are further described in the "Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements" section of our report. We are independent of the Company and its subsidiaries, in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Accountant's Professional Code of Ethics ("*Código de Ética Profissional do Contador*") and in the professional standards issued by the Brazilian Federal Accounting Council ("*Conselho Federal de Contabilidade*") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Key audit matters

Key audit matters are those matters which, in our professional judgement, were the most significant in our audit of the individual and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, thus we do not provide a separate opinion on these matters.

Recoverable value of property, plant and equipment and investments	
According to notes 12 and 13 of the individual and consolidated financial statements	
Key audit matter	**How our audit addressed this matter**
The Company and its subsidiaries are annually required to evaluate whether there is any trigger of impairment loss or reversal of recognized losses in prior years, for the non-financial assets operating in the segments of coal and natural gas thermal powered plants, as well as for the upstream segment. The assessment of the recoverable value of the cash generating units (CGUs) of the Company's and its subsidiaries was performed for the operating asset of "Itaqui" CGU, in the coal thermal segment. This assessment involves significant judgment used in the forecasts of future cash flows, including the expected demand of use regarding the thermal power plants, the energy sales prices expected in the regulated environment, expenditures and costs related to the maintenance of equipment and inputs, and discount rates. This matter has been addressed as significant in our audit due to the complex judgment and high level of subjectivity involved in the forecasts of cash flows and determination of other significant assumptions prepared by the Company, which if changed, could result in amounts substantially different from those used in the preparation of these individual and consolidated financial statements and the amount of the investment recognized through the equity method on the individual financial statements.	Our audit procedures in this area included, mainly, the following aspects: We evaluated the design of key internal controls related to the process of impairment trigger assessment and determination of the recoverable value of the Cash Generating Units (CGUs) of the Company and its subsidiaries. We evaluated the policy for approving budgets and determining assumptions used and cash flows forecasts made by the Management of the Company and its subsidiaries. With the assistance of our specialists in corporate finance, we assessed the methodologies and main assumptions used in forecasts such as the projective period, the expected demand of use regarding Itaqui's thermal power plants, the energy sales prices expected in the regulated environment, expenditures and costs related to the maintenance of equipment and inputs, growth and discount rates, including the consistency of and adherence to those assumptions to the usual market practices. In addition, we carried out the arithmetic check of the recoverable value determination, comparing those values with the financial statements and Management's reports. We also evaluated whether the disclosures related to the individual and consolidated financial statements on the impairment of assets testing are appropriate.

	According to the procedures performed and evidence obtained by applying the procedures summarized above, we considered that the carrying amounts of property, plant and equipment and investments and related disclosures, in the context of the individual and consolidated financial statements taken as a whole for the year ended December 31, 2021 are acceptable.

Recoverable value of deferred tax assets

According to note 11 of the individual and consolidated financial statements

Key audit matter	How our audit addressed this matter
The Company and its subsidiary Itaqui Geração de Energia S.A. ("Itaqui") have deferred tax asset related to tax loss and negative basis of social contribution and temporary differences, which were recognized based on studies including forecasts used to provide a basis for the availability of future taxable profit. The forecasts arising from those studies include significant assumptions, mainly related to the estimated energy sales amounts and prices, expenditures for maintaining equipment and expenditures with inputs, and other related costs, as well as the forecast economic growth for the industry and capital investments. This matter has been addressed as significant in our audit due to the complex judgment and high level of subjectivity involved in the forecasts of cash flows and determination of other significant assumptions prepared by the Company, which if changed, could result in amounts substantially different from those used in the preparation of these individual and consolidated financial statements.	Our audit procedures in this area included, mainly, the following aspects: We evaluated the design of key internal controls related to the process of determining the balances of deferred tax assets. We obtained an understanding of the process of preparation of the future taxable profit forecasts prepared by the Company, including the evaluation of the policy for approving budgets and determining assumptions used and forecasts of cash flows by the Management of the Company and its subsidiary, Itaqui. With the assistance of our specialists in corporate finance, we evaluated the main assumptions used in the preparation of the forecasts that support the amount of future taxable profit, such as the estimated energy sales amounts and prices, expenditures for maintaining equipment and expenditures with inputs and other related costs, and the forecast economic growth for the industry and capital investments, assessing the reasonableness, consistency and adherence to the usual market practices for the methodologies and judgments used in determining forecasts.

	In addition, we carried out the arithmetic check of the amounts determined based on future cash flows and forecast results, comparing those values with the financial statements and reports prepared by Management. We have also evaluated whether the disclosures related to the individual and consolidated financial statements on deferred tax assets are appropriate. According to the procedures performed and evidence obtained by applying the procedures summarized above, we considered that the carrying amounts of deferred tax assets, and related disclosures, in the context of the individual and consolidated financial statements taken as a whole for the year ended December 31, 2021, are acceptable.

Other matters – Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2021, prepared under the responsibility of the Company's Management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. To form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of value added have been prepared, in all material respects, in accordance with the criteria determined by the Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Other information

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not include the Management's Report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or, otherwise, appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue operating as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management intends to liquidate the Company and subsidiaries or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements are free from material misstatement, whether due to fraud error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause to the Company and subsidiaries to cease to continue as a going concern.

– Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a compatible manner with the objective of a true and fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope, and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report, unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report, because the adverse consequences of doing so would reasonably be perceived to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 21, 2022

KPMG Auditores Independentes
CRC SP-0144/O-6 F-RJ

(Original report in Portuguese signed by)

Luis Claudio França de Araujo
Accountant CRC RJ-091559/O-4