

São Paulo, May 10, 2021 - Alupar Investimento S.A. (B3: **ALUP11**), discloses today its 1Q21 results. The quarterly information (ITR) and standardized financial statements (DFP) are presented in accordance with the accounting practices adopted in Brazil, in compliance with the provisions of the Brazilian Corporate Law, the International Financial Reporting Standards (IFRS) and the standards issued by the Accounting Pronouncements Committee (CPC).

## 1Q21 Period Highlights

### Key Indicators "CORPORATE LAW (IFRS)"

R\$ MM	4Q20	1Q21	1Q20	Var.%
Net Revenue	2,405.5	1,601.5	1,303.8	22.8%
EBITDA (CVM 527)	1,693.5	1,108.1	698.7	58.6%
Alupar Net Income	509.6	323.4	211.6	52.8%

### Key Indicators "REGULATORY"

R\$ MM	4Q20	1Q21	1Q20	Var.%
Net Revenue	545.6	563.1	477.9	17.8%
EBITDA (CVM 527)	416.2	461.1	371.2	24.2%
Alupar Net Income	42.9	68.3	72.4	(5.6%)

### 1Q21 Conference Call | 05/11/2021

Portuguese	English (simultaneous translation)
3:00 p.m. (Brasilia Time)	3:00 p.m. (Brasilia Time)
2:00 p.m. (NY Time)	2:00 p.m. (NY Time)
Phone: + 55 (11) 2188-0155	Phone: +1 (646) 843-6054
Code: Alupar	Code: Alupar
Replay: +55 (11) 2188-0400	Replay: +55 (11) 2188-0400
Code: Alupar	Code: Alupar

Link to webcast available on the Investor Relations website:

[www.alupar.com.br/ri](http://www.alupar.com.br/ri)

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### Price on 05/10/2021

**ALUP11: R\$ 26.77**

**Total no. of UNITS<sup>1</sup>: 293,037,090**

**Market-Cap: R\$ 7,845 billion**

<sup>1</sup>Equivalent Units

## 1Q21 Main Achievements

	Event	
February 2021	<b>Rating reaffirmation "AAA (bra)"</b>	The risk rating agency Fitch Ratings, reaffirmed Alupar's "AAA (bra)" long-term national scale rating as well as its Debentures issues, the "BB" international scale rating for foreign currency and "BBB-" for local currency.
March 2021	<b>Settlement of outstanding values at CCEE</b>	The subsidiaries Queluz and Lavrinhas paid the outstanding amount of R\$182.1 million referring to GSF using the outstanding receivables, in the amount of R\$60.2 million, resulting from default events by virtue of GSF injunctions, to deduct from cash outflow. The payment of outstanding GSF amounts is also one of the precedent conditions to renegotiate water risk.
March 2021	<b>Operating start up of TCC</b>	On March 26, 2021, subsidiary TCC received its Definitive Release Term, authorizing revenues as of March 19, 2021 and anticipating its energy operations by approximately 11 months from the scheduled start-up date of February 9, 2022, set by the National Electric Energy Agency – ANEEL. With this approval by the ONS, an Annual Permitted Revenue (RAP) of R\$165.3 million will be added to the 2020_2021 cycle.
April 2021	<b>Follow-on Offering</b>	On April 9, 2021, the Company announced a follow-on offering, with restricted distribution efforts, of certificates of deposit of shares, each Unit representing 1 common and 2 preferred nominative, book-entry shares, with no par value, cleared of any liens or encumbrances, issued by the Company, and held by FI-FGTS.
April 2021	<b>Amortization of Alupar's 6th Debentures Issue</b>	On April 15, 2021, the Company announced the settlement of its 6th Issue of Simple Debentures, not convertible into shares, of the unsecured type, in a single series, on the issue's maturity date provided in the Issue Deed, in the amount of R\$174,237,357.38.
April 2021	<b>Follow-on Offering Price</b>	In continuity with the Material Fact released on April 9, 2021, the Company announced on April 20, 2021, within the scope of the follow-on offering, with restricted distribution efforts, of certificates of deposit of shares, each Unit representing 1 common and 2 preferred, nominative, book-entry shares, with no par value, clear of any liens or encumbrances, issued by the Company, and held by the FI-FGTS, at a Unit price of R\$25.50.
April 2021	<b>Dividends Approval</b>	A dividend distribution, in the amount of R\$246.2 million, was approved by the Annual Shareholders' Meeting, held on 04/27/2021, equivalent to R\$0.84 per Unit (R\$0.28 per common and preferred share). Payment will be made in three installments: May 31, 2021: R\$87.9 million (R\$0.30 por Unit) August 30, 2021: R\$87.9 million (R\$0.30 por Unit) November 30, 2021: R\$70.3 million (R\$0.24 por Unit)

## Key Consolidated Indicators

On December 1, 2020, the CVM issued Official Letter 04/20, which provided guidance on relevant aspects of the accounting practices introduced with the adoption of CPC 47 (IFRS 15) and of CPC48 (IFRS 9) to be observed in the Financial Statements of the Transmission Companies for the year ended 12/31/2020.

As of December 31, 2020, the subsidiaries, based on the guidelines of the Official Letter, CPC 47 (IFRS 15) and of CPC48 (IFRS 9), adjusted their accounting practices, and in accordance with paragraph 14 of CPC 23 / IAS 8 - Accounting Policies, changes in estimates and correction of errors, the following balances presented in the quarterly information for March 31, 2020 are being restated in the Interim Financial Information of 1Q21. Accordingly, all comparative analyzes included in this report, consider the new accounting balances for 1Q20.

### Key Indicators "CORPORATE LAW (IFRS)"

R\$ MM	4Q20	1Q21	1Q20	Var.%
Net Revenue	2,405.5	1,601.5	1,303.8	22.8%
<b>EBITDA (CVM 527)</b>	<b>1,693.5</b>	<b>1,108.1</b>	<b>698.7</b>	<b>58.6%</b>
<b>EBITDA Margin</b>	<b>70.4%</b>	<b>69.2%</b>	<b>53.6%</b>	<b>15.6 p.p</b>
<b>Adjusted EBITDA Margin*</b>	<b>91.3%</b>	<b>91.7%</b>	<b>86.9%</b>	<b>4.8 p.p</b>
Financial Results	(203.3)	(210.1)	(92.3)	127.7%
Consolidated Net Income	1,032.9	660.9	437.9	50.9%
Subsidiaries' Minority Interest	523.3	337.5	226.3	49.1%
<b>Alupar Net Income</b>	<b>509.6</b>	<b>323.4</b>	<b>211.6</b>	<b>52.8%</b>
<b>Earnings per UNIT (R\$)**</b>	<b>1.74</b>	<b>1.10</b>	<b>0.72</b>	<b>52.8%</b>
Net Debt***	6,791.7	7,119.3	5,075.9	40.3%
Net Debt / EBITDA****	1.0	1.6	1.8	

### Key Indicators "REGULATORY"

R\$ MM	4Q20	1Q21	1Q20	Var.%
Net Revenue	545.6	563.1	477.9	17.8%
<b>EBITDA (CVM 527)</b>	<b>416.2</b>	<b>461.1</b>	<b>371.2</b>	<b>24.2%</b>
<b>EBITDA Margin</b>	<b>76.3%</b>	<b>81.9%</b>	<b>77.7%</b>	<b>4.2 p.p</b>
Financial Results	(205.1)	(209.1)	(91.2)	129.2%
Consolidated Net Income	110.8	153.0	178.1	(14.1%)
Subsidiaries' Minority Interest	67.9	84.6	105.7	(19.9%)
<b>Alupar Net Income</b>	<b>42.9</b>	<b>68.3</b>	<b>72.4</b>	<b>(5.6%)</b>
<b>Earnings per UNIT (R\$)**</b>	<b>0.15</b>	<b>0.23</b>	<b>0.25</b>	<b>(5.6%)</b>
Net Debt***	6,791.7	7,119.3	5,075.9	40.3%
Net Debt / EBITDA****	4.1	3.9	3.4	

\*Subtracted from Net Revenue the Capex made (Infrastructure Cost)

\*\*Net Income / Units Equivalents (293,037,090)

\*\*\* Including Securities under Non-Current Assets

\*\*\*\* Annualized EBITDA.

#### Notes:

**1. "Adjusted" concept in corporate law numbers:** In accordance to the Corporate Law - IFRS (ICPC 01 and CPC 47) the investments (Capex) of the transmitters should be accounted like a revenue and like a cost. Then, for Adjusted EBITDA Margin calculation, EBITDA should be divided by the Net Revenue subtracted from the Infrastructure Cost (Capex).

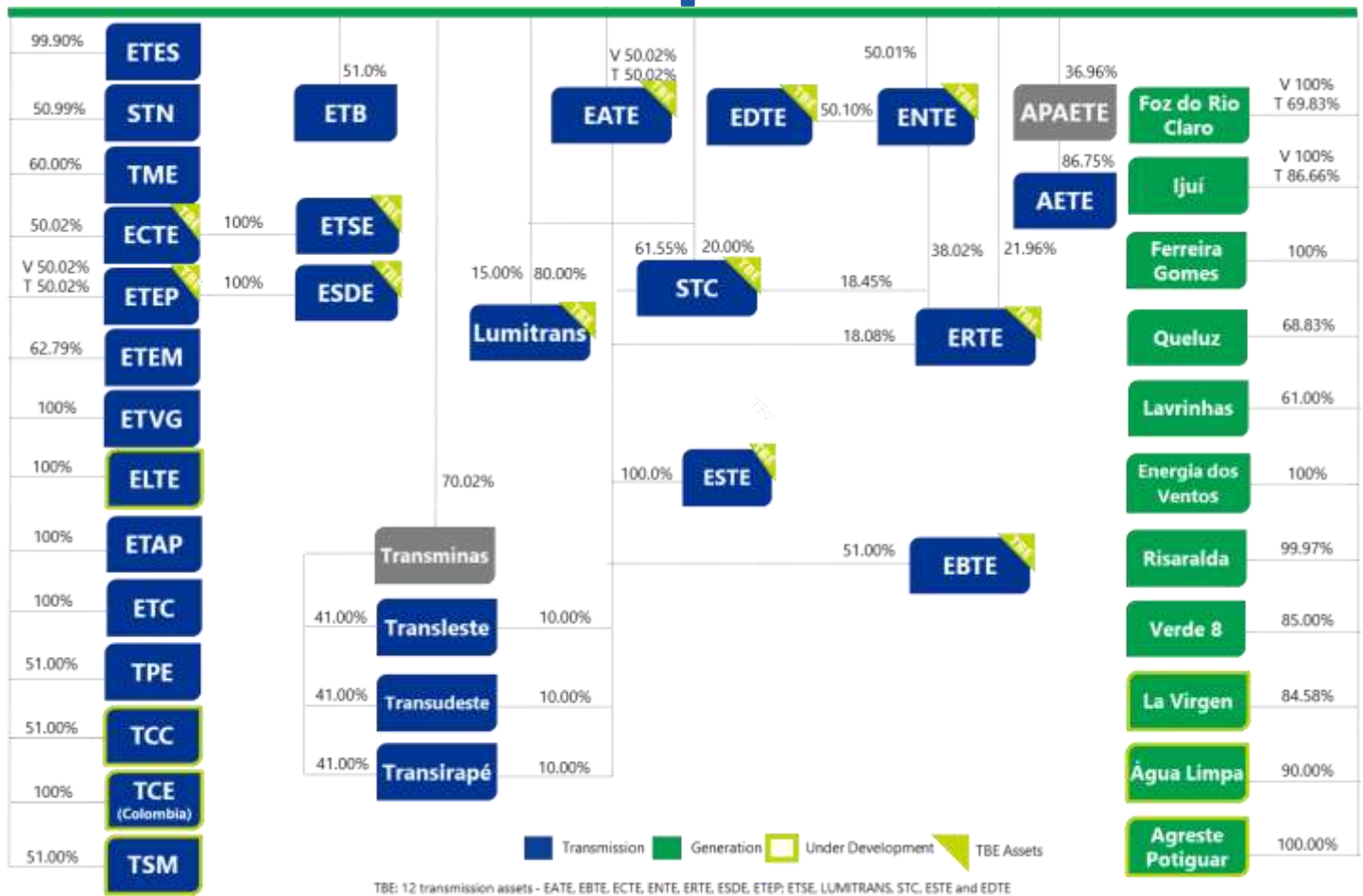
**2. "Regulatory" concept:** Refers to the figures in the regulatory financial statements of our subsidiaries, whose main difference is the non-application of ICPC 01 (IFRIC 12), CPC 47 (IFRIC 15) and CPC 06 – R2 (IFRS 16). ICPC 01 and 47 have a material impact on our transmission companies with the creation of the "Contractual Assets" account and the elimination of the "Fixed Assets" account in the balance sheet and several changes in the presentation of "Revenue" in the Statement of Income. CPC 06 - R2 introduced a single model for accounting for leases in the financial statements of lessees. As a result, the Company, as a lessee, started to recognize the rights assets (its rights to use the underlying assets) and the lease liabilities (obligations to make payments for the leases).

## Overview

Alupar Investimento S.A. is a privately held Brazilian holding company operating in the electricity transmission and generation segments, whose corporate purpose is to construct and operate infrastructure projects related to the energy sector in Brazil and other selected Latin American countries with economic, institutional and regulatory stability. Alupar is one of the largest companies in the Brazilian transmission segment in terms of Annual Permitted Revenue (RAP) and the largest one under private national control.

The Company's ownership structure is shown below:

# Alupar



Alupar seeks to maximize shareholder returns through moderate financial leverage and a debt profile compatible with the low-risk nature of its business, high revenue predictability and the strong operating cash flow typical of the electricity transmission and generation segments.

Alupar's corporate credit ratings reflect this solid capital structure and predictable strong cash flow: **AAA (bra) for national scale and BB for international scale, from Fitch Ratings.**

Fully committed to creating value for its shareholders and society, Alupar is a socially responsible company with substantial technical ability and strong financial discipline, enabling it to continue growing in a sustainable manner through the development of generation and transmission system projects.

## Transmission

Alupar retains an interest in 30 electric energy transmission system concessions with a total extension of 7,929 km of transmission lines, through 30-year terms, located in Brazil, and one perpetual in Colombia, of which 25 are operational and 5 in the implementation phase, scheduled for commercial start-up by 2022.

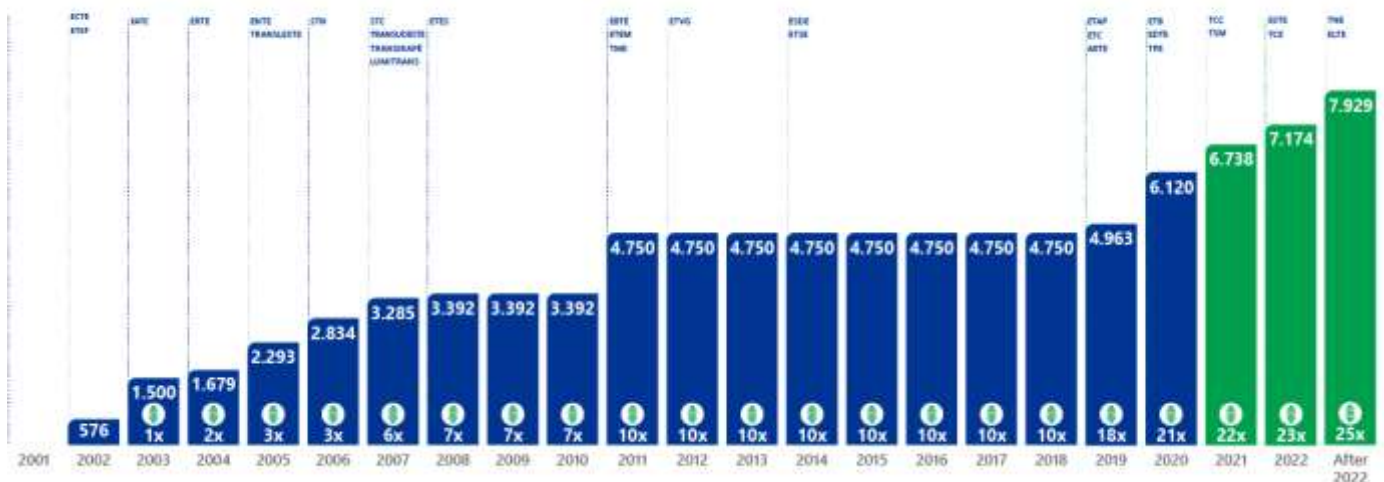
The main features of Alupar's transmission assets are shown below:

Company	Concession Term		Start-up	Extension	RAP/RBNI	RAP/RBNI	RAP/RBNI	Index
	Begin	End	Operation	Line	(Cycle 2018-19)	(Cycle 2019-20)	(Cycle 2020-21)	
ETEP	06/12/2001	06/12/2031	08/25/2002	323 km	R\$ 51.2	R\$ 55.1	58.8	IGP-M
ENTE	12/11/2002	12/11/2032	02/12/2005	464 km	R\$ 234.7	R\$ 204.0	134.6	IGP-M
ERTE	12/11/2002	12/11/2032	09/15/2004	179 km	R\$ 52.7	R\$ 39.0	30.6	IGP-M
EATE	06/12/2001	06/12/2031	03/10/2003	924 km	R\$ 227.2	R\$ 244.6	258.2	IGP-M
ECTE	11/01/2000	11/01/2030	03/26/2002	252.5 km	R\$ 49.6	R\$ 53.4	56.8	IGP-M
STN	02/18/2004	02/18/2034	01/01/2006	541 km	R\$ 189.2	R\$ 203.7	159.5	IGP-M
Transleste	02/18/2004	02/18/2034	12/18/2005	150 km	R\$ 42.5	R\$ 45.8	35.7	IGP-M
Transudeste	03/04/2005	03/04/2035	02/23/2007	140 km	R\$ 26.4	R\$ 28.4	30.2	IGP-M
Transirapé	03/15/2005	03/15/2035	05/23/2007	65 km	R\$ 34.5	R\$ 37.2	41.0	IGP-M
STC	04/27/2006	04/27/2036	11/08/2007	195 km	R\$ 45.2	R\$ 47.3	48.1	IPCA
Lumitrans	02/18/2004	02/18/2034	10/03/2007	51 km	R\$ 27.8	R\$ 29.9	31.8	IGP-M
ETES	04/20/2007	04/20/2037	12/12/2008	107 km	R\$ 14.5	R\$ 15.2	18.6	IPCA
EBTE	10/16/2008	10/16/2038	07/11/2011	775 km	R\$ 48.3	R\$ 46.1	48.9	IPCA
TME	11/19/2009	11/19/2039	11/22/2011	348 km	R\$ 51.5	R\$ 53.9	54.9	IPCA
ESDE	11/19/2009	11/19/2039	01/22/2014	Substation	R\$ 13.5	R\$ 14.1	14.4	IPCA
ETEM	07/12/2010	07/12/2040	12/16/2011	235 km	R\$ 12.9	R\$ 13.5	13.8	IPCA
ETVG	12/23/2010	12/23/2040	12/23/2012	Substation	R\$ 11.0	R\$ 11.6	11.8	IPCA
TNE	01/25/2012	01/25/2042	Pre-Oper.	715 km	R\$ 158.1	R\$ 165.4	168.5	IPCA
ETSE	05/10/2012	05/10/2042	12/01/2014	Substation	R\$ 20.2	R\$ 21.1	23.5	IPCA
ELTE	09/05/2014	09/05/2044	Pre-Oper.	Substation+40km	R\$ 37.5	R\$ 39.2	57.5	IPCA
ETAP (Lote I)	09/02/2016	09/02/2046	04/06/2019	Substation+20km	R\$ 53.8	R\$ 56.3	57.3	IPCA
ETC (Lote T)	09/02/2016	09/02/2046	09/23/2019	Substation	R\$ 31.2	R\$ 32.7	33.3	IPCA
TPE (Lote 2)	02/10/2017	02/10/2047	10/25/2020	541km	R\$ 228.0	R\$ 238.6	243.4	IPCA
TCC (Lote 6)	02/10/2017	02/10/2047	03/19/2021	288km	R\$ 155.0	R\$ 162.2	165.3	IPCA
ESTE (Lote 22)	02/10/2017	02/10/2047	Pre-Oper.	236km	R\$ 107.3	R\$ 112.3	114.4	IPCA
TCE (Colombia)	11/22/2016	Perpetual	Pre-Oper.	200km	R\$ 86.8 <sup>1</sup>	R\$ 90.6 <sup>2</sup>	122.1 <sup>3</sup>	PPI
TSM (Lote 19)	08/11/2017	08/11/2047	Pre-Oper.	330 km	R\$ 104.2	R\$ 109.0	111.0	IPCA
ETB (Lote E)	09/27/2016	09/27/2046	10/16/2020	446 km	R\$ 134.8	R\$ 141.1	143.8	IPCA
EDTE (Lote M)	12/01/2016	12/01/2046	01/20/2020	170 km	R\$ 66.1	R\$ 69.1	70.4	IPCA
AETE	02/18/2004	02/18/2034	08/19/2005	193 km	R\$ 49.5	R\$ 53.2	32.2	IGP-M
<b>TOTAL</b>				<b>7,929 km</b>	<b>R\$ 2,364.3</b>	<b>R\$ 2,433.6</b>	<b>R\$ 2,390.40</b>	

<sup>1</sup>USD 1.0 - BRL 3.86 <sup>2</sup>USD 1.0 - BRL 4.03 <sup>3</sup>USD 1.0 - BRL 5.43

### Alupar Transmission Companies Growth (in kilometers)

🟢 substations owned    🟡 under construction    🟠 operational



## Generation

Alupar is currently involved in generating electricity by means of HPPs (hydroelectric power plants), SHPPs (small hydroelectric power plants) and wind farms in Brazil, Colombia, and Peru. Its total asset portfolio has an installed capacity of 580.0 MW in operation. Under implementation Alupar have 84.0 MW hydro power and 58.8 MW of wind power under construction, and one project (Antonio Dias) of 23 MW under licensing phase.

The main features of Alupar's generation assets are shown below:

	Concession Term		Start-up of Operations	Voting Capital	Total Capital	Installed Capacity - MW	Assured Energy - MW
	Beginning	End					
Queluz	Apr/04	Apr/34	Aug/11	68.83%	68.83%	30.0	21.4
Lavrinhas	Apr/04	Apr/34	Sep/11	61.00%	61.00%	30.0	21.4
Foz do Rio Claro	Aug/06	Aug/41	Aug/10	100.00%	69.83%	68.4	39.0
São José - Ijuí	Aug/06	Aug/41	Mar/11	100.00%	86.66%	51.0	30.4
Ferreira Gomes	Nov/10	Nov/45	Nov/14	100.00%	100.00%	252.0	153.1
Energia dos Ventos	Jul/12	Jul/47	Mar/16	100.00%	100.00%	98.7	50.9
Morro Azul (Risaralda)	Jan/09	Perpetual	Sep/16	99.97%	99.97%	19.9	13.2
Verde 8	Oct/12	Jun/44	May/18	85.00%	85.00%	30.0	18.7
La Virgen	Oct/05	Perpetual	Pre-Oper.	84.58%	84.58%	84.0	49.3
Antônio Dias	Jul/14	Jul/49	Pre-Oper.	90.00%	90.00%	23.0	11.4
Wind Complex Agreste Potiguar							
AW Santa Régia	2020	2055	Pre-Oper.	100.00%	100.00%	35.7	20.5
AW São João	2020	2055	Pre-Oper.	100.00%	100.00%	23.1	12.7
<b>TOTAL</b>						<b>745.8</b>	<b>442.0</b>

## Generation capacity evolution (in MW)



\*Antônio Dias (23 MW) under licensing phase.

## Combined Performance Analysis - Transmission Segment

The figures below reflect the combined results 100% of all the transmission subsidiaries in which Alupar holds an interest, as presented in **Note 31** of the 1Q21 financial statements, under "Information by Segment".

Due to the matters already addressed regarding differences between Regulatory and Corporate Law figures (see the Notes on page 3 of this report), the analysis of the transmission segment focuses on the Regulatory performance, except for the comments on revenue, EBITDA, and income in the Corporate Law income statement.

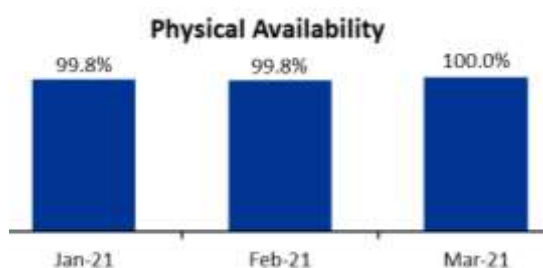
Key Indicators "CORPORATE LAW (IFRS)"				
R\$ MM	4Q20	1Q21	1Q20	Var.%
Net Revenue	2,203.3	1,439.5	1,340.5	7.4%
Cost of Services	(50.0)	(28.8)	(21.9)	31.3%
Infrastructure Cost	(550.7)	(393.7)	(697.3)	(43.5%)
Depreciation / Amortization	(1.3)	(2.1)	(1.3)	57.7%
Operating Expenses	(15.9)	(12.2)	(12.3)	(0.2%)
<b>EBITDA (CVM 527)</b>	<b>1,586.7</b>	<b>1,004.8</b>	<b>609.0</b>	<b>65.0%</b>
<b>EBTDA Margin</b>	<b>72.0%</b>	<b>69.8%</b>	<b>45.4%</b>	<b>24.4 p.p</b>
<b>Adjusted EBITDA Margin*</b>	<b>96.0%</b>	<b>96.1%</b>	<b>94.7%</b>	<b>1.4 p.p</b>
Financial Results	(104.2)	(132.2)	(22.1)	497.5%
<b>Net Income</b>	<b>1,068.2</b>	<b>667.5</b>	<b>448.6</b>	<b>48.8%</b>
Net Debt**	4,982.0	5,087.8	3,279.6	55.1%
Net Debt / EBITDA***	0.8	1.3	1.3	

Key Indicators "REGULATORY"				
R\$ MM	4Q20	1Q21	1Q20	Var.%
Net Revenue	370.3	397.0	315.8	25.7%
Operating Costs	(25.2)	(27.9)	(22.0)	26.4%
Depreciation / Amortization	(48.6)	(43.9)	(38.2)	14.8%
Operating Expenses	(16.3)	(12.9)	(12.5)	2.8%
<b>EBITDA (CVM 527)</b>	<b>328.8</b>	<b>356.2</b>	<b>281.2</b>	<b>26.7%</b>
<b>EBITDA Margin</b>	<b>88.8%</b>	<b>89.7%</b>	<b>89.0%</b>	<b>0.7 p.p.</b>
Financial Results	(106.2)	(131.4)	(21.2)	518.4%
<b>Net Income</b>	<b>156.2</b>	<b>160.9</b>	<b>192.1</b>	<b>(16.3%)</b>
Net Debt**	4,982.0	5,087.8	3,279.6	55.1%
Net Debt / EBITDA***	3.8	3.6	2.9	

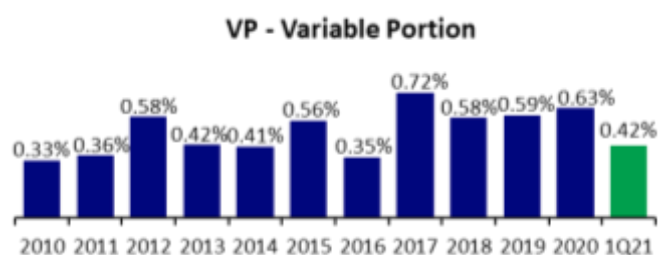
\*Subtracted from Net Revenue the Capex made (Infrastructure Cost) / \*\*Including Securities under Non-Current Assets / \*\*\*Annualized EBITDA

Throughout 1Q21, the Company's transmission lines presented consistent operational performance, maintaining a physical availability higher than 99.8%.

The line's physical availability is an operational indicator that demonstrates the percentage of hours the line was available during a given period.



VP is the indicator that reflects the impact of unavailability on the company's results.



## Combined Performance Analysis for Transmission - Regulatory

### Net Revenue

Net revenue totaled **R\$ 397.0 million**, in 1Q21, 25.7% higher than the **R\$ 315.8 million** reported in 1Q20.

This **R\$ 81.2 million** increase was mainly due to:

- (i) a **R\$ 67.1 million** growth in the TPE transmission company with its commercial start-up (Oct/20);
- (ii) a **R\$ 6.4 million** growth in the TCC transmission company with its commercial start-up (Mar/21);
- (iii) a **R\$ 39.4 million** growth in the ETB transmission company with the commercial start-up of its section I - Juazeiro III - Ourolândia II (Jul/19) and the section II – Bom Jesus da Lapa II – Gentio do Ouro II (Oct/20);
- (iv) reductions in revenue of **R\$ 17.1 million** in the ENTE transmission company, **R\$ 3.8 million** in the ERTE transmission company, **R\$ 1.3 million** in the Transleste transmission company, **R\$ 10.9 million** in the STN transmission company and **R\$ 9.4 million** in the AETE transmission company, due a 50% lower Annual Permitted Revenue (RAP) for the 2020/2021 cycle arising from the 15th anniversary of their commercial start-ups (ERTE: Sep/19; ENTE: Feb/20; Transleste: Dec/20; STN: Jan/21; AETE: Aug/20);
- (v) a **R\$ 24.3 million** increase in revenue for the other transmission companies, mainly impacted by the readjustment of the RAPs, in accordance with Aneel Approval Resolution 2,725 of July 14, 2020, which established a 1.88% readjustment for IPCA indexed contracts and 6.51% for IGP-M indexed contracts. For more information, see table in the “Transmission” section (page 5).

### Cost of Services

Totaled **R\$ 71.2 million** in 1Q21, against **R\$ 59.7 million** reported in 1Q20.

The **Cost of Services** line increased by **R\$ 5.8 million** due to the commercial start-up of the ETB and TPE transmission companies, which impacted this line by R\$ 5.6 million.

The **Depreciation/Amortization** line increased by **R\$ 5.7 million**, mainly due to the increase, in the same amount, in the ETB transmission company with its commercial start-up (Oct/20).

### Operating Expenses

Totaled **R\$ 13.4 million** in 1Q21, against **R\$ 13.1 million** reported in 1Q20.

**General and Administrative** expenses increased by **R\$ 0.7 million**, mainly due to:

- (i) a **R\$ 1.3 million** increase in the TPE and ETB transmission companies with their commercial start-ups;
- (ii) a **R\$ 0.4 million** increase in ELTE transmission company due to legal advisory expenses arising from the signing of an addendum to its concession contract during this quarter; and
- (iii) a **R\$ 1.1 million** reduction in the AETE transmission company arising from non-recurring extraordinary expenses in 1Q20 related to the termination of older management contracts (administrative/financial/technical advisory).

The **Personnel and Management** line reduced by **R\$ 0.7 million**, mainly due to reductions in the TBE transmission company since profit-sharing for 2020 was paid in the first quarter and this year it will be paid in the second quarter.



## EBITDA and EBITDA Margin

Totaled **R\$ 356.2 million** in 1Q21, 26.7% higher than the **R\$ 281.2 million** reported in 1Q20.

EBITDA margin was **89.7%**, 0.7 p.p. higher than the **89.0%** margin reported in 1Q20.

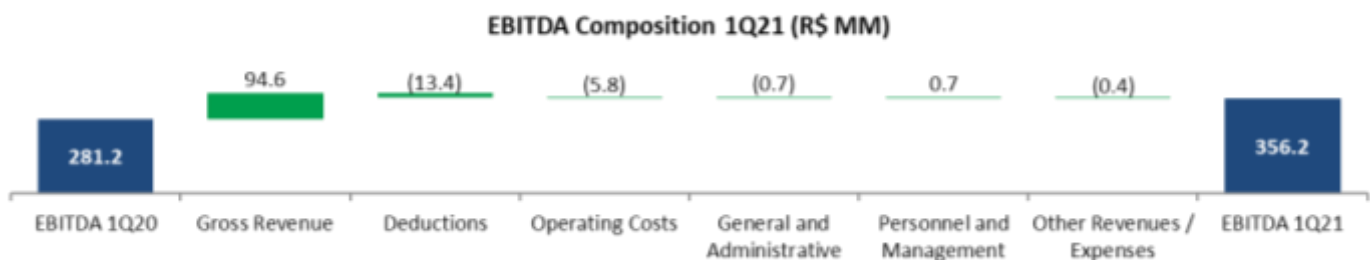
This change is due to:

(a) a **R\$ 94.6 million** increase in **Gross Revenue**, mainly due to:

- (i) a **R\$ 112.9 million** revenue growth in transmission companies TPE, ETB and TCC, due to their commercial start-ups;
- (ii) a **R\$ 42.5 million** reduction in revenue in transmission companies ENTE, ERTE, STN, AETE and Transleste, due to the 50% lower Annual Permitted Revenue (RAP) for the 2020/2021 cycle arising from the 15th anniversary of their commercial start-ups;
- (iii) a **R\$ 24.3 million** revenue growth for the other transmission companies, mainly impacted by the readjustment of the RAPs, in accordance with the Aneel Approval Resolution 2,725 of July 14, 2020.

(b) a **R\$ 13.4 million** increase in **Deductions**, mainly due to the R\$ 11.3 million growth in transmission companies TPE, ETB and TCC, due to their respective commercial start-ups.

(c) The **Cost of Services** line increased by **R\$ 5.8 million** with the commercial start-ups of transmission companies ETB and TPE, which impacted this line by R\$ 5.6 million.



## Net Income

Totaled **R\$ 160.9 million** in 1Q21, against **R\$ 192.1 million** reported in 1Q20.

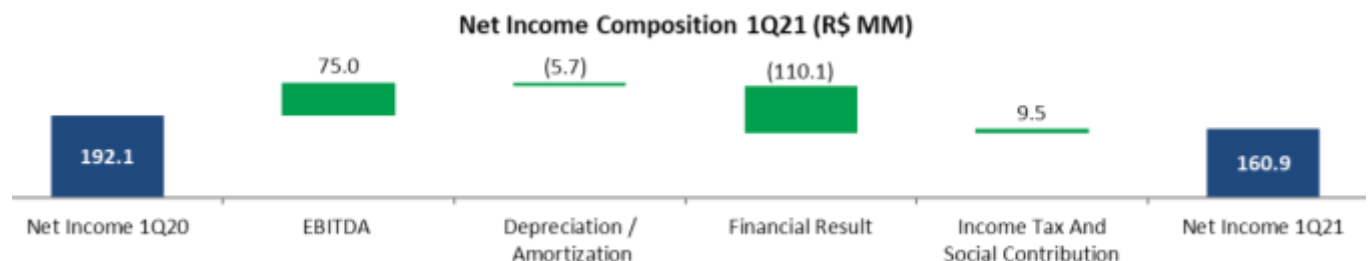
Net Income was mainly impacted by:

(a) a **R\$ 75.0 million** increase in **EBITDA**, as explained in the “EBITDA and EBITDA Margin” section.

(b) a **R\$ 5.7 million** growth in the **Depreciation/Amortization** line, mainly due to the increase, in the same amount, for the ETB transmission company with its commercial start-up (Oct/20).

(c) a **R\$ 110.1 million** increase in **Financial Result**, mainly due to the **R\$ 108.9 million** increase in **Financial Expenses**:

- (i) a **R\$ 98.3 million** increase from the commercial start-ups in transmission companies TPE and ETB (Oct/20) and TCC (Jan/21), which impacted this line by R\$ 56.0 million, R\$ 36.2 million and R\$ 6.1 million, respectively; and
- (ii) the increase in the IPCA inflation index, of 2.05% YTD in 1Q21 against 0.53% YTD in 1Q20.



## Consolidated Results – Transmission Regulatory

	Quarter ended in 03/31/2021				
	Transmission Combined	Shared Control		Elimination	Transmission Consolidated
		TNE	Equity Pick-up		
<b>Gross Operating Revenue</b>	<b>439,169</b>	<b>1,488</b>	-		<b>437,681</b>
Energy Transmission Revenue	441,056	1,488			439,568
(-) Variable Portion	(1,887)	-			(1,887)
<b>Deductions</b>	<b>(42,190)</b>	<b>(249)</b>	-		<b>(41,941)</b>
PIS	(5,094)	(34)			(5,060)
COFINS	(23,487)	(157)			(23,330)
Quota for Global Reversal Reserve - RGR	(8,012)	(39)			(7,973)
Research & Development - R & D	(1,587)	(5)			(1,582)
National Development Fund and Technological Development	(1,507)	(5)			(1,502)
Ministry of Mines and Energy - MME	(755)	(3)			(752)
Electricity services inspection fee - TFSEE	(1,748)	(6)			(1,742)
<b>Net Operating Revenue</b>	<b>396,979</b>	<b>1,239</b>	-		<b>395,740</b>
<b>Operating Costs</b>	<b>(71,225)</b>	<b>(1,466)</b>	-		<b>(69,759)</b>
Cost of Services Rendered	(27,869)	(578)			(27,291)
Depreciation/Amortization	(43,356)	(888)			(42,468)
<b>Gross Income</b>	<b>325,754</b>	<b>(227)</b>	-		<b>325,981</b>
<b>Expenses and Operating Revenues</b>	<b>(13,392)</b>	<b>(54)</b>	<b>(145)</b>		<b>(13,483)</b>
General and Administrative	(5,452)	(22)			(5,430)
Personnel and Management	(7,201)	(32)			(7,169)
Equity Pickup	-	-	(145)		(145)
Depreciation/Amortization	(503)	-			(503)
Other Revenues	360	-			360
Other Expenses	(596)	-			(596)
<b>EBIT</b>	<b>312,362</b>	<b>(281)</b>	<b>(145)</b>		<b>312,498</b>
Depreciation / Amortization	(43,859)	(888)	-		(42,971)
<b>EBITDA</b>	<b>356,221</b>	<b>607</b>	<b>(145)</b>		<b>355,469</b>
<b>Financial Expenses</b>	<b>(135,535)</b>	<b>(4)</b>	-	<b>16,028</b>	<b>(119,503)</b>
Debt charges	(118,405)	-		-	(118,405)
Exchange rate variations	(182)	-		-	(182)
Others	(16,948)	(4)		16,028	(916)
<b>Financial Revenues</b>	<b>4,170</b>	<b>13</b>	-		<b>4,157</b>
Revenue from investments	2,212	11			2,201
Others	1,958	2			1,956
	<b>(131,365)</b>	<b>9</b>	-	<b>16,028</b>	<b>(115,346)</b>
<b>EBT</b>	<b>180,997</b>	<b>(272)</b>	<b>(145)</b>	<b>16,028</b>	<b>197,152</b>
<b>Taxes</b>	<b>(20,141)</b>	<b>(13)</b>	-		<b>(20,128)</b>
Income Tax	(7,292)	(8)			(7,284)
Social Contribution	(12,908)	(5)			(12,903)
Deferred Income Tax	59	-			59
Deferred Social Contribution	-	-			-
<b>Consolidated Net Income</b>	<b>160,856</b>	<b>(285)</b>	<b>(145)</b>	<b>16,028</b>	<b>177,024</b>
Non - Controlling Participation					(72,815)
<b>Alupar Net Income</b>					<b>104,209</b>

## Transmission - Combined Analysis - Corporate Law (IFRS)

1 - With the adoption of IFRS, the Revenue for Provision (RAP - PV) was replaced by three new revenue categories: Infrastructure Revenue, Energy Transmission Revenue (O&M) and Revenue from Concession Asset Remuneration.

Infrastructure Revenue	Energy Transmission Revenue	Financial Asset Remuneration
Investment volume (CAPEX) in the transmission companies	Revenue that remunerates the operational and maintenance costs of the transmission assets (O&M)	It is the result of multiplying the rate of return (variable) of a given transmission asset by the amount of its financial asset

2 - With the adoption of CPC 47 - Contract with Clients Revenue (IFRS 15), a new model was introduced to recognize revenues from customer contracts, as of January 1, 2018:

Infrastructure Revenue	Energy Transmission Revenue	Monetary Correction of Assets	Remuneration of Contractual Assets
Investment volume (CAPEX) in the transmission companies, considering construction margin	Revenue that remunerates the operational and maintenance costs of the transmission assets, considering O&M margin	Cumulative inflation of the period applied to the balance of the Contractual Asset	The result of the multiplication of the effective interest rate (fixed at the date of the execution of the concession contract) of a given transmission asset by the amount of its contractual assets

Accordingly, the balance sheet of the transmission companies started to present a Contractual Asset account, which is expected to have a movement according to the example detailed below:

Contractual Asset on 12/31/2020 (Operating assets)	Financial Asset on 12/31/2020 (Assets under implementation)
+	+
Infrastructure Revenue from 01/01/2021 to 03/31/2021	Infrastructure Revenue from 01/01/2021 to 03/31/2021
+	=
Monetary adjustment of the contractual asset from 01/01/2021 to 03/31/2021	Contractual Asset on March 31, 2021
+	
Remuneration of Contractual Assets from 01/01/2021 to 03/31/2021	
+	
Transmission Revenue from 01/01/2021 to 03/31/2021	
-	
RAP from 01/01/2021 to 03/31/2021	
-	
Residual Value received from 01/01/2021 to 03/31/2021	
=	
Contractual Asset on March 31, 2021	

## Net Revenue - IFRS

Totaled **R\$ 1,439.5 million** in 1Q21, 7.4% higher than the **R\$ 1,340.5 million** reported in 1Q20. The main changes were:

(a) a **R\$ 100.0 million** increase in gross revenue:

(i) a **R\$ 597.4 million** increase in **Revenue from Remuneration of the Concession Asset**, which totaled **R\$ 981.8 million** in this quarter, compared to **R\$ 384.4 million** in 1Q20, mainly impacted by:

(i.ii) recognition of the monetary restatement of the contractual asset, mainly the transmission companies indexed to the General Market Price Index (IGP-M), which was 29.71% in the accumulated period of Jun/20 – Mar/21;

Transmitters												
Revenue from Remuneration of Concession Assets	ETB	TPE	EATE	EPEP	ENTE	STN	ECTE	ESTE	TSM	TCC	Other Transmitters	Total
1Q21	64.2	112.2	131.4	29.3	57.1	48.3	27.4	11.7	15.2	248.3	236.8	981.8
1Q20	16.8	24.7	66.9	14.9	29.4	27.1	14.0	1.2	2.0	13.4	174.0	384.4
Variations	47.4	87.5	64.4	14.5	27.6	21.2	13.4	10.5	13.2	234.9	62.8	597.4

Transmitters												
Monetary Correction	EPEP	ENTE	ERTE	EATE	ECTE	STN	Transleste	Transudeste	Transirapé	Lumitrans	AETE	Total
1Q21	19.8	38.6	9.1	89.2	18.5	32.5	7.3	5.5	13.6	6.0	10.0	250.1
1Q20	6.9	13.2	4.2	30.8	6.4	12.1	2.7	2.0	4.4	2.3	3.5	88.6
Variation	13.0	25.3	4.9	58.4	12.0	20.3	4.6	3.5	9.2	3.7	6.5	161.4

(i.iii) **R\$ 128.0 million** related to efficiency gains in the quarter due to the 11 months anticipation of the commercial start-up of transmission company TCC.

(ii) a **R\$ 31.3 million** increase in **Energy Transmission Revenue**, totaling **R\$ 95.2 million** in the quarter, against **R\$ 63.9 million** reported in 1Q20.

Transmitters											
Transmission Revenue	Transmineiras	EATE	STC	ENTE	ETB	EDTE	TPE	TCC	Other Transmitters	Total	
1Q21	5.5	14.0	3.4	13.0	6.0	3.2	11.6	1.1	37.4	95.2	
1Q20	1.9	12.5	(1.1)	12.0	-	2.5	-	-	36.0	63.9	
Variations	3.6	1.5	4.6	0.9	6.0	0.7	11.6	1.1	1.4	31.3	

(iii) a **R\$ 528.6 million** reduction in **Infrastructure Revenue**, which totaled **R\$ 506.1 million** in 1Q21, compared to **R\$ 1,034.8 million** in 1Q20, mainly due to:

(iii.i) lower investments in the ETB, EDTE and TPE projects, which were concluded during 2020; and

(iii.ii) a reduction in the TNE transmission company given that, in 1Q20, an accounting reclassification was made for cables in inventory, from “fixed assets in progress” to “accounts receivables - concession assets”.

Transmitters									
Infrastructure Revenue	ETB	EDTE	TPE	TCC	ESTE	TSM	TNE	Other Transmitters	Total
1Q21	-	-	0.9	193.1	150.5	160.9	0.5	0.2	506.1
1Q20	149.0	76.4	261.4	139.2	151.3	29.6	223.0	5.0	1,034.8
Variations	(149.0)	(76.4)	(260.5)	54.0	(0.7)	131.3	(222.5)	(4.8)	(528.6)

## EBITDA and EBITDA Margin - IFRS

Totaled **R\$ 1,004.8 million** in 1Q21, 65.0% higher than the **R\$ 609.0 million** reported in 1Q20.

Adjusted EBITDA margin reached **96.1%** in the quarter, 1.4 p.p higher than the **94.7%** margin for the same period in 2020.

The main impacts to this line were:

(a) a **R\$ 100.0 million** increase in **Gross Revenue – IFRS**, of which:

(i) an increase of **R\$ 597.4 million** in **Revenue from Remuneration of Concession Assets**, which totaled **R\$ 981.8 million** in this quarter against **R\$ 384.4 million** reported in 1Q20;

(ii) a **R\$ 31.3 million** in **Energy Transmission Revenue**, totaling **R\$ 95.2 million** in 1Q21 against **R\$ 63.9 million** in 1Q20;

(iii) a **R\$ 528.6 million** reduction in **Infrastructure Revenue**, which totaled **R\$ 506.1 million** in 1Q21, compared to the **R\$ 1,034.8 million** reported in 1Q20.

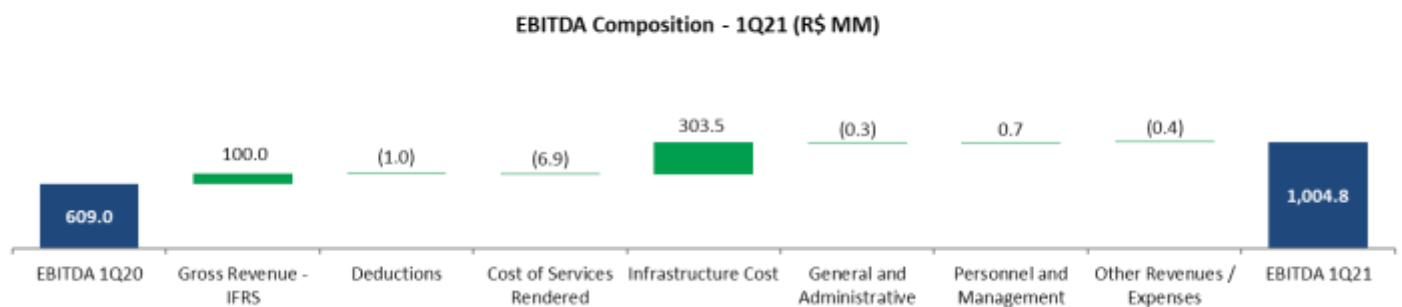
For more information on changes in Revenue, please refer to the “Net Revenue - IFRS” section.

(b) a **R\$ 6.9 million** in **Costs from Services**, mainly due to the R\$ 5.3 million increase in transmission companies TPE and ETB with their commercial start-ups.

(c) a **R\$ 303.5 million** in **Infrastructure Costs**, basically due to the investments made in the transmission companies being implemented in Brazil. Below are the main variations:

Infrastructure Cost	Transmitters								Total
	TNE	ETB	EDTE	TPE	TCC	ESTE	TSM	Other Transmitters	
1Q21	0.5	-	-	-	210.7	74.1	103.4	5.1	393.7
1Q20	197.2	117.4	40.9	179.5	94.9	42.9	20.0	4.5	697.3
<b>Variations</b>	<b>(196.7)</b>	<b>(117.4)</b>	<b>(40.9)</b>	<b>(179.5)</b>	<b>115.8</b>	<b>31.2</b>	<b>83.4</b>	<b>0.7</b>	<b>(303.5)</b>

The EBITDA composition is as follows:



## Net Income - IFRS

Totaled **R\$ 667.5 million** in 1Q21, 48,8% higher than the **R\$ 448.6 million** reported in 1Q20.

The main impacts on net income were a result of the following changes:

(a) a **R\$ 395.8 million** increase in **EBITDA**, mainly due to:

(i) a R\$ 100.0 million growth in revenue for the transmission companies; and

(ii) a R\$ 303.5 million reduction in infrastructure costs.

For more details on the changes in EBITDA, please refer to the “EBITDA - IFRS” section.

(b) a **R\$ 110.1 million** increase in **Financial Result**, mainly due to the **R\$ 108.9 million** increase in **Financial Expenses**:

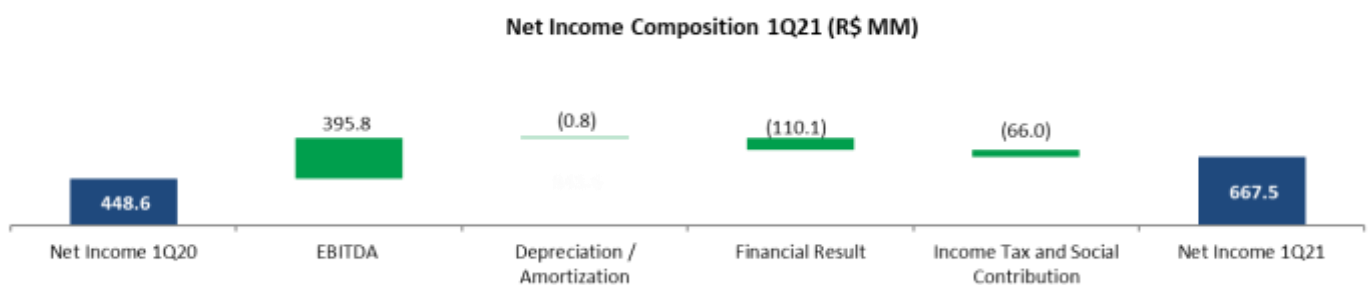
(i) a **R\$ 98.4 million** increase arising from the commercial start-ups of transmission companies TPE and ETB (Oct/20) and TCC (Mar/21), which impacted this line by R\$ 56.1 million, R\$ 36.2 million and R\$ 6.1 million, respectively; and

(ii) the increase in the IPCA inflation index, of 2.05% YTD in 1Q21 against 0.53% YTD in 1Q20.

(c) an increase of **R\$ 66.0 million** in **IRPJ/CSLL** taxes, mainly due to a growth of **R\$ 75.5 million** in **Deferred IRPJ/CSLL**, arising from the positive variation in the result of the transmission companies TCC and TSM.

IR / CSLL Taxes	ETB	EDTE	ETAP	TCC	ESTE	TSM	Other Transmitters	Total
1Q21	(21.6)	4.9	5.8	65.1	24.7	19.2	105.0	203.0
1Q20	10.1	17.2	(16.6)	14.8	32.3	3.0	76.2	137.0
<b>Variations</b>	<b>(31.7)</b>	<b>(12.3)</b>	<b>22.4</b>	<b>50.3</b>	<b>(7.7)</b>	<b>16.2</b>	<b>28.8</b>	<b>66.0</b>

The composition for Net Income is as follows:



## Consolidated Results - Transmission Corporate Law (IFRS)

	Quarter ended in 03/31/2021				
	Transmission Combined	Shared Control		Elimination	Transmission Consolidated
		TNE	Equity Pick-up		
<b>Gross Operating Revenue</b>	<b>1,583,120</b>	<b>6,276</b>			<b>1,576,844</b>
Energy Transmission Revenue	97,086	398			96,688
Infrastructure Revenue	506,133	500			505,633
Concession Asset Remuneration	981,788	5,378			976,410
(-) Variable Portion	(1,887)	-			(1,887)
<b>Deductions</b>	<b>(143,588)</b>	<b>(836)</b>			<b>(142,752)</b>
PIS	(5,094)	(34)			(5,060)
COFINS	(23,487)	(157)			(23,330)
PIS Deferred	(16,805)	(79)			(16,726)
COFINS Deferred	(77,412)	(364)			(77,048)
Quota for Global Reversal Reserve	(8,012)	(39)			(7,973)
Deferred Quota for Global Reversal Reserve	(5,664)	(125)			(5,539)
Research & Development - R&D	(1,587)	(5)			(1,582)
National Develop. Fund and Tech. Develop	(1,507)	(5)			(1,502)
Ministry of Mines and Energy - MME	(755)	(3)			(752)
TFSEE	(1,748)	(6)			(1,742)
Deferred TFSEE	(1,517)	(19)			(1,498)
<b>Net Operating Revenue</b>	<b>1,439,532</b>	<b>5,440</b>			<b>1,434,092</b>
<b>Cost of Services</b>	<b>(423,968)</b>	<b>(1,058)</b>			<b>(422,910)</b>
Cost of Services Rendered	(28,768)	(564)			(28,204)
Infrastructure Cost	(393,730)	(481)			(393,249)
Depreciation/Amortization	(1,470)	(13)			(1,457)
<b>Gross Income</b>	<b>1,015,564</b>	<b>4,382</b>			<b>1,011,182</b>
<b>Expenses and Operating Revenues</b>	<b>(12,827)</b>	<b>(54)</b>	<b>1,466</b>		<b>(11,307)</b>
General and Administrative	(4,802)	(22)			(4,780)
Personnel and Management	(7,201)	(32)			(7,169)
Equity Pickup	-	-	1,466		1,466
Depreciation/Amortization	(588)	-			(588)
Other Revenues	360	-			360
Other Expenses	(596)	-			(596)
<b>EBIT</b>	<b>1,002,737</b>	<b>4,328</b>	<b>1,466</b>		<b>999,875</b>
Depreciation/Amortization	(2,058)	(13)			(2,045)
<b>EBITDA</b>	<b>1,004,795</b>	<b>4,341</b>	<b>1,466</b>		<b>1,001,920</b>
<b>Financial Expenses</b>	<b>(136,369)</b>	<b>(5)</b>		<b>16,028</b>	<b>(120,336)</b>
Debt charges	(119,239)	(1)		-	(119,238)
Exchange rate variations	(182)	-		-	(182)
Others	(16,948)	(4)		16,028	(916)
<b>Financial Revenues</b>	<b>4,170</b>	<b>13</b>			<b>4,157</b>
Revenue from investments	2,212	11			2,201
Others	1,958	2			1,956
	<b>(132,199)</b>	<b>8</b>	<b>-</b>	<b>16,028</b>	<b>(116,179)</b>
<b>EBT</b>	<b>870,538</b>	<b>4,336</b>	<b>1,466</b>	<b>16,028</b>	<b>883,696</b>
<b>Taxes</b>	<b>(203,039)</b>	<b>(1,461)</b>			<b>(201,578)</b>
Income Tax	(7,292)	(8)			(7,284)
Social Contribution	(12,908)	(5)			(12,903)
Deferred Income Tax	(123,071)	(1,065)			(122,006)
Deferred Social Contribution	(59,768)	(383)			(59,385)
<b>Consolidated Net Income</b>	<b>667,499</b>	<b>2,875</b>	<b>1,466</b>	<b>16,028</b>	<b>682,118</b>
Non - Controlling Participation					(317,831)
<b>Alupar Net Income</b>					<b>364,287</b>

## Projects in Progress:

Transmission Companies being Implemented	Extension (km)	RAP (MM) <sup>(1)</sup>	ANEEL Estimated Investment (MM) <sup>(2)</sup>	Investments Made (MM) <sup>(3)</sup>	Start-up of Operations (Regulatory)	Start-up of Operations (Management)
TNE <sup>(4)</sup>	715	R\$ 168.5	R\$ 1,614.7 <sup>(5)</sup>	R\$ 306.0	2015	-
ELTE	40	R\$ 57.5	R\$ 450.0	R\$ 15.4	2024	2024
ESTE <sup>(7)</sup>	236	R\$ 114.4	R\$ 485.8	R\$ 342.5	2022	2022
TCE	200	US\$ 22.5	US\$ 130.0	US\$ 49.6 <sup>(8)</sup>	2021	2022
TSM <sup>(6)</sup>	330	R\$ 111.0	R\$ 889.0	R\$ 552.2	2022	2021

<sup>(1)</sup> Cycle 2020/2021

<sup>(2)</sup> Investment in the base date foreseen in the announcement of the respective auctions.

<sup>(3)</sup> Considering the asset value of the fixed asset presented in the regulatory financial statements.

<sup>(4)</sup> Total investment. This Project is 51% owned by Alupar and 49% by Eletronorte.

<sup>(5)</sup> Initial Investment of R\$ 969.0 in Sep/11, adjusted by IPCA Dec/2020.

<sup>(6)</sup> Total investment. This Project is 51% owned by Alupar and 49% by Perfin.

<sup>(7)</sup> Project owned by subsidiary EATE (ESTE). There is no Alupar equity.

<sup>(8)</sup> Considering the asset value of the fixed asset presented in the regulatory financial statements. Considering US\$ 1.0 = R\$ 5.70 (Base 03/31/2021)

## Projects under Environmental Licensing

**TNE:** An SPC company established by the partnership between Alupar (51%) and Eletronorte (49%) to implement a transmission system that will connect the State of Roraima to the National Interconnected Grid System (SIN), via the Lechuga substation, in the State of Amazonas, covering approximately 715.0 km of 500 kV line, in a double circuit, with two new substations, the Ecuador substation - 500 kV, to be installed in the city of Rorainópolis (RR) and the Boa Vista substation - 500/230 kV - 800 MVA, located in the city of Boa Vista (RR).

However, due to environmental licensing issues, the consortium filed an application with ANEEL (National Electric Energy Agency) on September 2, 2015 to amicably terminate the Concession Contract 003/2012 - ANEEL, due to the failure of FUNAI to issue a conclusive statement as to the viability of the project for the indigenous component.

On December 19, 2016, the Aneel Decision 3265 was published, reflecting the decision of its board, taken at the meeting held on December 13, 2016, which refers to the amicable termination of the TNE Concession Agreement, with recommendations to: (i) accept TNE's petition and, on merit, give it partial approval, recognizing that there are elements for the termination of the Concession Agreement 003/2012- ANEEL; and (ii) forward the records of this Administrative Proceeding to the Ministry of Mines and Energy with recommendations to: (a) terminate the Concession Agreement, by rescission, pursuant to article 472 of the Civil Code, or other form that it deems appropriate; (b) in the event of termination of the Concession Agreement, appoint a federal body or entity, in this case Eletronorte, to continue the provision of the public transmission service related to the CER of Boa Vista substation, until a later decision establishes an onerous reversal of the assets in service, and the Granting Authority may award the concession without prior reversal of the assets linked to the respective public service; and (c) in the event of termination of the Concession Agreement, consider as a reference for the indemnification of the assets in service, the new replacement value criterion, writing off the depreciation in the period, in an accounting opinion to be audited by the ANEEL, it being prohibited the indemnification of assets that were not in service.

On September 13, 2017, TNE filed the request, at the Federal Court, for the termination of Concession Agreement No. 003/2012- ANEEL, Case Nr.: 1012027-22.2017.4.01.3400, due to the impossibility of the implementation of the venture.

On February 22, 2018, the Ministry of Mines and Energy (MME), after receiving and analyzing the case file, forwarded to ANEEL Office No. 66/2018/SPE-MME for which it did not comply with the Dispatch no. 3,265/2016 and returned the file to ANEEL for reassessment. In September 2018, after meeting with the indigenous community, TNE was authorized to develop studies within the affected area for the preparation of the Indigenous Component of the Basic Environmental Plan (PBA). The workshops foreseen in said study were carried out between Oct/2018 and Apr/2019, with a final report filed with IBAMA along with the Installation License application, in June 2019. Currently, IBAMA is awaiting a manifestation from the indigenous population and FUNAI regarding the PBA-CI request to continue the Installation License analysis for the project.

On September 10, 2019, the 33rd ANEEL's Board of Directors Meeting resolved to: (i) authorize the execution of an amendment to the Concession Agreement 003/2012, which shall include the economic and financial rebalancing and the amount relating to the Static Reactive Power Compensator - CER of Boa Vista substation, part of the scope of the Announcement, totaling RAP of R\$



275,560,772.09, updated until October 31, 2019; (ii) recompose the implementation period of the object to 36 months, as of the signing of the Amendment; and (iii) summon the contractor to sign the amendment by October 31, 2019. This decision is set out in ANEEL Order 2502/2019.

On September 23, 2019, considering that ANEEL's proposal for the financial-economic rebalancing to the Concession Agreement proved to be deficient, TNE filed with the Agency an appeal for reconsideration of ANEEL Order 2502/2019. On October 31, 2019, ANEEL Order 2951/2019 was published in the DOU, partially granting TNE's request for reconsideration, suspending TNE's call for the signing of the Addendum, originally scheduled until October 31, 2019, until the appeal is judged by the Board of the Agency.

On April 27, 2021, the ANEEL Board Meeting decided to maintain, in part, the content of ANEEL Order 2,502/2019, especially for the purposes of: (i) authorizing the signing of an Addendum to Concession Contract 3/2012-ANEEL, to include the economic and financial rebalancing and the amount associated with the Static Reactive Compensator - CER of the Boa Vista Substation, which is part of the scope of the Public Auction Notice 4/2011-ANEEL, with a total Annual Permitted Revenue (RAP) of R\$329,061,673.66, updated as of June 30, 2021; (ii) redefine the deadline of the matter to 36 (thirty-six) months from the date the Addendum was signed; and (iii) convene TNE to sign the respective Addendum by June 30, 2021. This decision is contained in ANEEL Order 1,177/2021, published in the *Diário Oficial da União* gazette on May 04, 2021.

Additionally, on March 25, 2021, TNE filed an official request at ANEEL for the settlement of arbitration disputes, which should soon be submitted for analysis by the Agency's Board of Directors. The object of this arbitration dispute is to define the right for TNE to receive a possible economic and financial rebalancing for Concession Contract 003/2012, with a total Annual Permitted Revenue (RAP) of up to R\$395,660,000.00.

The following step by the ANEEL Board will be the acknowledgement of the request submitted on March 25, 2021, and the drawing of a new director to analyze the request and submit it for resolution at a Board meeting, which should take place 60 prior to the aforementioned dates.

In March 2021, within the scope of Legal Process 1012027-22.2017.4.01.3400, a sentence was issued partially accepting the proposed lawsuit to determine the termination of Concession Contract 003/2012-ANEEL and to sentence the Federal Government to indemnify TNE for material losses in the amount to be determined for the settlement of the ruling.

We emphasize that the Boa Vista substation started its operations in May 2015, generating revenue equivalent to 4% of the Venture's total Annual Permitted Revenue (RAP).

## Project Status

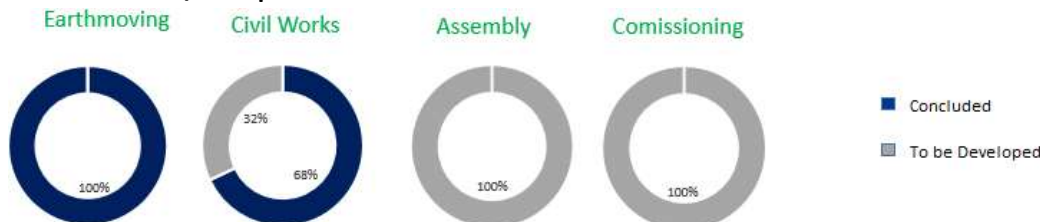
Transmission Companies being Implemented	Concession Agreement Effective Date	State	Environmental Licenses	REIDI Enrollment		Priority Project
				MME	RFB	
ESTE (Lot 22)	02/10/2017	MG/ES	IBAMA IL – 10/15/19	Approved 07/24/2017	Approved 09/29/2017	ESTE (Lot 22)
TSM (Lot 19)	08/11/2017	SP/RJ	IBAMA IL – 11/13/19	Approved 11/06/2017	Approved 04/06/2018	TSM (Lot 19)
TCE (Colombia)	11/23/2016	Risaralda / Tolima / Cundinamarca / Caldas	ANLA Registered 04/05/19	-	-	TCE (Colombia)
ELTE	09/05/2014 01/08/2021	SP	CETESB	Registered 03/16/2021	-	-

**ESTE:** An SPC established for the concession of public electricity transmission service through the 500 kV Mesquita - João Neiva 2 transmission line, 236 km in length, and the 500/345 kV João Neiva 2 substation. Located between the cities of Santana do Paraíso and João Neiva, in the States of Minas Gerais and Espírito Santo, scheduled to be implemented through February 9, 2022.

### TL Mesquita – João Neiva 2



### SS João Neiva 2 / Mesquita

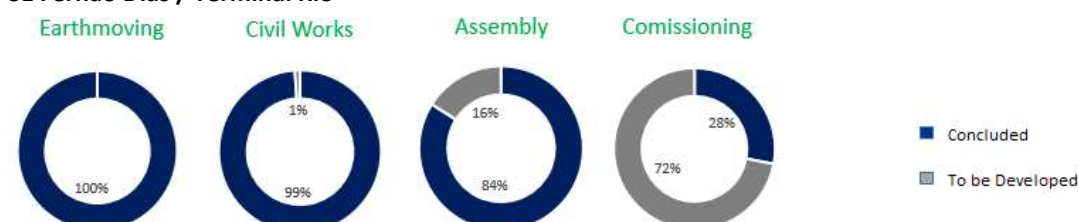


**TSM:** An SPC established for the concession of public electricity transmission service through the 500kV Fernão Dias - Terminal Rio transmission line, 330 km in length. The project aims to reinforce the supply in the Southeast region, which will enable the receipt of surplus energy from the North region. The line is located between the States of São Paulo and Rio de Janeiro, scheduled to be implemented through August 11, 2022.

### TL Fernão Dias – Terminal Rio



### SE Fernão Dias / Terminal Rio



**TCE:** An SPC established for the concession of public electricity transmission service through Transmisora Colombiana de Energia S.A.S, comprised of a 500kV transmission line linking the Nueva Esperanza substation and the La Virginia substation, approximately 200 km in length, scheduled to be implemented through 2022.

In 1Q21, the project's environmental license was partially issued in January, covering 98% of the transmission line. Consequently, TCE filed an appeal requesting the licensing of the remaining section.

The following matters were also continued: (i) land negotiations; (ii) manufacturing process for metal structures; (iii) manufacturing and transportation processes for the substations' equipment and; (iv) archeology studies of the transmission line.

**Project Milestones:** Land Negotiation Evolution: 83%.

**ELTE:** An SPC established for the concession of public electricity transmission service through the Domênico Rangoni 345/138 kV and Manoel da Nóbrega 230/88kV substations, with an additional 40 km of transmission line. The project will be connected to the National Interconnected System and will reinforce the distribution companies' networks, in addition to meeting the increased demand for electrical power in the region of lower Santos, composed of nine municipalities (Bertioga, Cubatão, Guarujá, Itanhaém, Mongaguá, Peruíbe, Praia Grande, Santos and São Vicente).

This project has a justifiable displacement in the schedule, regarding environmental licensing. Although ELTE is making its best efforts to obtain Environmental Licenses from the environmental agency of the State of São Paulo - (Companhia Ambiental do Estado de São Paulo - CETESB), the environmental licensing process has been extended for reasons that are not manageable on the part of ELTE, resulting in the displacement of the schedule originally established in the Concession Agreement 016/2014.

The issuance of the Preliminary License ("LP" in the Portuguese acronym) for the Domênico Rangoni 345/138 kV substation and its respective transmission lines was scheduled for October 2015; however, due to the unfavorable manifestation of the Regional Flight Protection Service of São Paulo (SRPV-SP), responsible for the Airport Zoning Plan for the Santos Air Base, and an unfavorable manifestation of the Forest Foundation, responsible for the State Park of Serra do Mar, CETESB rejected the request for a Preliminary License of this section and consequently, officially closed the process, due to the environmental unfeasibility of that part of the development. Additionally, the issuance of the Preliminary License for the Manoel da Nóbrega 230/88 kV substation and its respective transmission line, also scheduled for October 2015, was issued on March 31, 2017.

Given the impossibility of execution of the project due to environmental unfeasibility, ELTE filed, on March 13, 2018, with ANEEL, the request for friendly termination of Concession Agreement 016/2014. On March 7, 2019, ANEEL proposed to ELTE to reduce the scope of the Concession Agreement by 48%, excluding the unfeasible portion (Domênico Rangoni) and consequently the economic and financial rebalancing of the concession agreement. ELTE has agreed to the proposal submitted and is awaiting the release by ANEEL of the amendment to the concession agreement, with the signing of the respective additive for Jun/2019. ELTE expressed its agreement to the proposal presented and was waiting for ANEEL to make available the amendment to the concession agreement.

This initial term was postponed to 11/05/2019, with new agreement by ELTE. Upon ANEEL's non-manifestation, on 01/22/2020, ELTE entered with security mandate No. 1003014-91.2020.4.01.3400, so that ANEEL could provide the addendum to the concession contract or the full termination of the contract. In an extraordinary meeting held on 02/27/2020, ANEEL announced that a new project, prepared by EPE and presented to the SRPV-SP, could make the northern stretch viable (Domênico Rangoni). Thus, ANEEL suspended for 90 days or until the manifestation of SRPV-SP (whichever comes first), the decision for the request submitted by ELTE, for amicable termination of the concession contract or celebration of the addendum term for the implementation of the southern stretch (Manoel da Nóbrega). Then ELTE filed an appeal against ANEEL against this decision, requesting a manifestation within 30 days. At an executive board meeting held on May 5, 2020, ANEEL denied ELTE's appeal and maintained the previous ruling, that is, a 90-day suspension period (counted from the date of the extraordinary meeting held on February 27, 2020) or until a manifestation by SRPV-SP (whichever occurs first), to revisit the matter.

On 05/26/2020, at ANEEL's Board of Directors Meeting, it was decided to dismiss the Administrative Request filed by ELTE claiming the economic and financial rebalancing of Concession Contract No. 16/2014, with reduction of the object, referring to the works of Domenico Rangoni Substation, with 345/138 kV, maintaining the Manoel da Nóbrega Substation, with 230/138-88 kV.

By means of this decision, ELTE, on 06/10/2020, filed an appeal with the Agency for reconsideration request regarding ANEEL Decision 1485/2020. At ANEEL's board meeting, held on 12/15/2020, the total exclusion of responsibility for the delay in the implementation of the project due to environmental unfeasibility was recognized and the economic and financial rebalancing for the resumption of the transmission assets was approved, with the addendum signed on 1/8/2021.

## Generation Combined Performance Analysis - Corporate Law (IFRS)

The figures below reflect the combined results of 100% of all the generation subsidiaries in which Alupar holds an interest, as presented in **Note 31** of the 1Q21 financial statements, under "Information by Segment".

Unlike in the transmission segment, the adoption of ICPC 01 and CPC 47 has had no material effects on the corporate figures vis-à-vis the regulatory figures and the CPC 06 – R2, see "Appendix 03 - IFRS x Regulatory". Thus, the regulatory and corporate performance analyses are basically the same.

Key Indicators "CORPORATE LAW (IFRS)"					
R\$ MM	4Q20	1Q21	1Q20	Var.%	
Net Revenue	168.2	170.5	155.0	10.0%	
Operating Costs	(28.8)	(23.7)	(24.2)	(2.1%)	
Depreciation / Amortization	(26.7)	(26.7)	(26.0)	2.8%	
Energy Purchase	(30.9)	(28.2)	(20.7)	36.5%	
Operating Expenses	(5.6)	(4.3)	(7.8)	(45.0%)	
<b>EBITDA (CVM 527)</b>	<b>102.9</b>	<b>114.3</b>	<b>102.4</b>	<b>11.6%</b>	
<b>EBITDA Margin</b>	<b>61.2%</b>	<b>67.0%</b>	<b>66.0%</b>	<b>1.0 p.p</b>	
Financial Result	(84.0)	(58.9)	(45.0)	30.9%	
<b>Net Income / Loss</b>	<b>(14.0)</b>	<b>22.8</b>	<b>27.1</b>	<b>(15.9%)</b>	
Net Debt*	1,428.0	1,504.1	1,485.4	1.3%	
Net Debt / EBITDA**	3.5	3.3	3.6		

\* Includes Securities under Non-Current Assets \*\*Annualized EBITDA

### Net Revenue

Totaled **R\$ 170.5 million** in 1Q21, 10.0% higher than the **R\$ 155.0 million** reported in 1Q20.

This variation is mainly due to the R\$ 15.6 million increase in revenue and the main impacts are:

- (a) (+) R\$ 6.0 million in Morro Azul SHPP;
- (b) (+) R\$ 4.1 million in Verde 8 SHPP;
- (c) (+) R\$ 3.6 million in Queluz SHPP;
- (d) (+) R\$ 3.5 million in Lavrinhas SHPP;
- (e) (-) R\$ 3.9 million in Ferreira Gomes HPP.

Energy Supply	Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Morro Azul SHPP			Total		
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Value
ACR (Long Term Contract)											236,962	120.23	28,489				236,962	28,489
ACL (Short Term Contract)	22,680	322.96	7,325	22,680	322.96	7,325				86,184	202.08	17,416	27,336	321.30	8,783	158,880	40,849	
Trading	46,674	201.26	9,393	47,031	201.04	9,455	86,833	259.69	22,549	25,296	242.76	6,141				205,834	47,539	
Related Parties							2,160	280.00	605									605
CCEE			3,793			3,625			1,690			2,928						12,036
<b>Total</b>			<b>20,511</b>			<b>20,405</b>			<b>24,844</b>			<b>54,974</b>			<b>8,783</b>			<b>129,517</b>

Energy Supply	Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Morro Azul SHPP			Total		
	1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Value
ACR (Long Term Contract)											234,600	116.70	27,378				234,600	27,378
ACL (Short Term Contract)	45,864	302.72	13,884	45,864	302.72	13,884				87,142	197.52	17,212	10,898	254.27	2,771	189,768	47,751	
Trading	9,240	206.17	1,905	9,240	206.28	1,906	77,352	237.74	18,390	52,315	257.23	13,457				148,147	35,658	
CCEE			1,110			1,131			2,325			826						5,392
<b>Total</b>			<b>16,899</b>			<b>16,921</b>			<b>20,715</b>			<b>58,873</b>			<b>2,771</b>			<b>116,179</b>
<b>Variation</b>			<b>3,612</b>			<b>3,484</b>			<b>4,129</b>			<b>(3,899)</b>			<b>6,012</b>			<b>13,338</b>

See below the Revenue breakdown for the generation companies:

REVENUES FROM GENERATORS / TRADING	Invoiced Energy (MWh)	Average Price (R\$/MWh)	Gross Revenue (R\$ million)
<b>1. Long Term - Revenues of Bilateral Contracts</b>	<b>846.054</b>	<b>200.05</b>	<b>169.3</b>
1.1 ACR (Long Term Contract)	479.180	167.50	80.3
1.2 ACL (Short Term Contract)	158.880	257.10	40.8
1.3 ACL (Short Term Contract) - Trading	207.994	231.47	48.1
1.4 Reclassification	-	-	-
<b>2. SPOT / CCEE</b>			<b>13.0</b>
<b>3. Taxes (ICMS) / Others adjustment</b>			<b>0.3</b>
<b>4. TOTAL GROSS GENERATION</b>			<b>182.6</b>
<b>5. TRADING ALUPAR</b>			<b>18.6</b>
<b>6. TOTAL GENERATION / TRADING</b>			<b>201.2</b>
<b>7. ELIMINATIONS</b>			<b>(19.7)</b>
<b>8. CONSOLIDATED</b>			<b>181.5</b>

## Cost of Services

Totaled **R\$ 78.3 million** in 1Q21, against the **R\$ 70.6 million** reported in 1Q20. This variation is mainly explained by:

(a) a reduction of **R\$ 1.1 million** in the **Cost of Service** line, mainly due to:

(i) a R\$ 3.1 million reduction in Foz do Rio Claro HPP from a reversal of provisions for a litigation related to the project's implementation and, consequently, an accounting reclassification from "contingency in the result" to "fixed assets in progress";

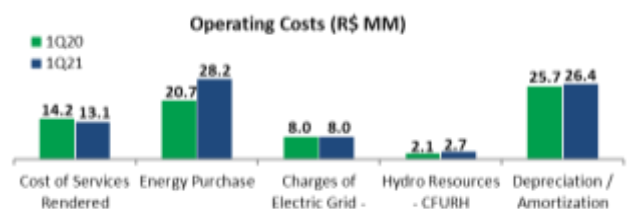
(ii) a R\$ 0.5 million increase in Ferreira Gomes HPP due to labor lawsuits;

(iii) a R\$ 0.3 million increase in Energia dos Ventos wind farms, due to the lease of equipment for the maintenance of wind turbines; and

(iii) a R\$ 0.8 million increase in Morro Azul SHPP, due the increase in sector charges that are linked to generated energy, which was 27,336 MWh this quarter, 150.8% higher than the 10,898 MWh generated in 1Q20;

(b) a **R\$ 0.6 million** increase in the **Hydro Resources – CFURH** line due to the increase in energy generation in the quarter due to higher water inflows when compared to 1Q20, therefore impacting the Ferreira Gomes HPP (+R\$ 0.8 million); and

(c) a **R\$ 7.5 million** increase in **Energy Purchase**. Below are the main variations:



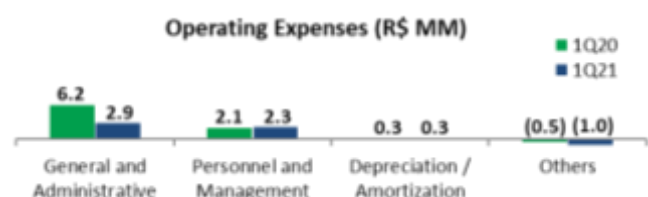
Energy Purchase	Foz do Rio Claro HPP			Ijuí HPP			Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Generation Combined		
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Value
Trading	(9,772)	211.32	(2,065)	(6,720)	211.41	(1,421)	(22,680)	200.00	(4,536)	(22,680)	200.00	(4,536)	(38,880)	240.83	(9,364)	(82,003)	58.96	(4,835)	(182,736)	(26,756)	(1,650)
Related Parties																					
CCEE			(1,129)			(1,087)			(45)			(11)			67		998		(1,212)		
Taxes															807		598		1,405		
Total			(3,194)			(2,507)			(4,581)			(4,547)			(8,489)		(4,888)		(28,213)		
Energy Purchase	Foz do Rio Claro HPP			Ijuí HPP			Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Generation Combined		
1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Value	
Trading				(1,265)	150.22	(190)							(39,312)	199.99	(7,862)	(25,966)	53.10	(1,379)	(66,542)	(9,431)	
CCEE			(899)			(1,920)			(97)			(130)			(55)		(8,840)		(11,945)		
Taxes															666		44		710		
Total			(899)			(2,110)			(97)			(130)			(7,251)		(10,175)		(20,666)		
Variation			(2,295)			(397)			(4,484)			(4,417)			(1,238)		5,286		(7,547)		

## Operating Expenses

Totaled **R\$ 4.6 million** in 1Q21, 42.9% lower than the **R\$ 8.0 million** reported in 1Q20. This reduction of **R\$ 3.4 million** was basically due to the **R\$ 3.2 million** drop in **General and Administrative** expenses, being:

(i) a **R\$ 1.6 million** reduction in La Virgen HPP, due to non-recurring taxes for the import of equipment in 1Q20; and

(ii) a **R\$ 1.6 million** reduction in Verde 8 SHPP since, in 1Q20, a provision of **R\$ 1.6 million** was made for the ISS tax for the project's implementation. (This amount was reversed in 2Q20 due to its reclassification from probable to possible).



### EBITDA

In 1Q21, EBITDA totaled **R\$ 114.3 million**, 11.6% higher compared to the **R\$ 102.4 million** reported in 1Q20.

EBITDA margin reached **67.0%** in 1Q21, increasing by 1.0 p.p. over the **66.0%** margin for the same period in 2020.

EBITDA was mainly impacted by:

(a) a **R\$ 15.6 million** increase in **Gross Revenue**, as illustrated below:

Energy Supply	Foz do Rio Claro HPP			Ijuí HPP			Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Energia dos Ventos WF			Morro Azul SHPP			Generation Combined				
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value				
ACR (Long Term Contract)	88,193	228.06	20,113	67,841	244.44	16,583											236,962	120.23	28,489	86,184	174.92	15,076				479,180	167.50	80,260	
ACL (Short Term Contract)							22,680	322.96	7,325	22,680	322.96	7,325					86,184	202.08	17,416				27,336	321.30	8,783	158,880	257.10	40,849	
Trading							46,674	201.26	9,393	47,031	201.04	9,455					86,833	259.69	22,549	25,296	242.76	6,141				205,834	230.96	47,539	
Related Parties														2,160	280.00	605											2,160	280.00	605
CCEE		358			285				3,793			3,625				1,690						2,928			345			13,024	
<b>Total</b>		<b>20,471</b>			<b>17,149</b>				<b>20,511</b>			<b>20,405</b>			<b>24,844</b>						<b>54,974</b>			<b>15,421</b>			<b>8,783</b>	<b>182,559</b>	

Energy Supply	Foz do Rio Claro HPP			Ijuí HPP			Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Energia dos Ventos WF			Morro Azul SHPP			Generation Combined			
	1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)	87,713	221.77	19,452	67,471	237.70	16,038											234,600	116.70	27,378	87,142	171.28	14,926				476,925	163.12	77,794
ACL (Short Term Contract)							45,864	302.72	13,884	45,864	302.72	13,884					87,142	197.52	17,212				10,898	254.27	2,771	189,768	251.63	47,751
Trading							9,240	206.17	1,905	9,240	206.28	1,906	77,352	237.74	18,390		52,315	257.23	13,457							148,147	240.69	35,658
Related Parties																												5,738
CCEE		138			179				1,110		1,131				2,325							826		29				5,738
<b>Total</b>		<b>19,590</b>			<b>16,217</b>				<b>16,899</b>		<b>16,921</b>			<b>20,715</b>							<b>58,873</b>			<b>14,955</b>			<b>2,771</b>	<b>166,941</b>
<b>Variation</b>		<b>881</b>			<b>932</b>				<b>3,612</b>		<b>3,484</b>			<b>4,129</b>							<b>(3,899)</b>			<b>466</b>			<b>6,012</b>	<b>15,618</b>

(b) a **R\$ 7.5 million** increase in **Energy Purchase**, as detailed below:

Energy Purchase	Foz do Rio Claro HPP			Ijuí HPP			Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Generation Combined			
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
Trading		(9,772)	211.32	(2,065)	(6,720)	211.41	(1,421)	(22,680)	200.00	(4,536)	(22,680)	200.00	(4,536)	(38,880)	240.83	(9,364)	(82,003)	58.96	(4,835)	(182,736)	146.42	(26,756)
Related Parties													0.00									
CCEE				(1,129)			(1,087)			(45)			(11)									67
Taxes																						807
<b>Total</b>			<b>(3,194)</b>			<b>(2,507)</b>			<b>(4,581)</b>			<b>(4,547)</b>			<b>(8,489)</b>				<b>(4,888)</b>			<b>1,405</b>

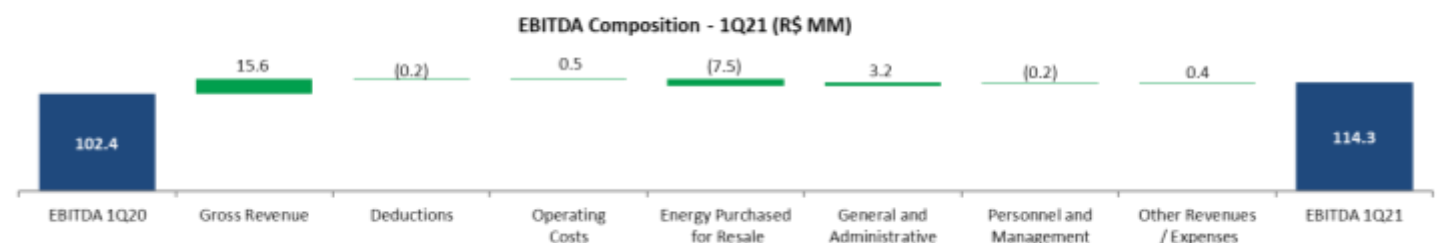
Energy Purchase	Foz do Rio Claro HPP			Ijuí HPP			Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Generation Combined			
	1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
Trading					(1,265)	150.22	(190)							(39,312)	199.99	(7,862)	(25,966)	53.10	(1,379)	(66,542)	141.73	(9,431)
CCEE							(1,920)			(97)			(130)			(55)			(8,840)			(11,945)
Taxes																666			44			710
<b>Total</b>			<b>(899)</b>			<b>(2,110)</b>			<b>(97)</b>			<b>(130)</b>			<b>(7,251)</b>				<b>(10,175)</b>			<b>(20,666)</b>
<b>Variation</b>			<b>(2,295)</b>			<b>(397)</b>			<b>(4,484)</b>			<b>(4,417)</b>			<b>(1,238)</b>				<b>5,286</b>			<b>(7,547)</b>

(c) a **R\$ 3.2 million** reduction in the **General and Administrative** line, of which:

(i) a reduction of **R\$ 1.6 million** for La Virgen HPP, due to non-recurring taxes for the import of equipment in 1Q20; and

(ii) a reduction of **R\$ 1.6 million** in Verde 8 SHPP since, in 1Q20, a provision of **R\$ 1.6 million** was made for the ISS tax for the project's implementation. (This amount was reversed in 2Q20 due to its reclassification from probable to possible).

The EBITDA build-up is as follows:



## Net Income

In 1Q21, the generation segment recorded a net income of **R\$ 22.8 million**, versus the amount of **R\$ 27.1 million** in 1Q20.

This result is explained by:

(a) a **R\$ 11.9 million** increase in **EBITDA**, as previously explained in the “EBITDA” section.

(b) a **R\$ 13.9 million** increase in **Financial Result**, basically due to the **R\$ 12.6 million** growth in financial expenses, as detailed below:

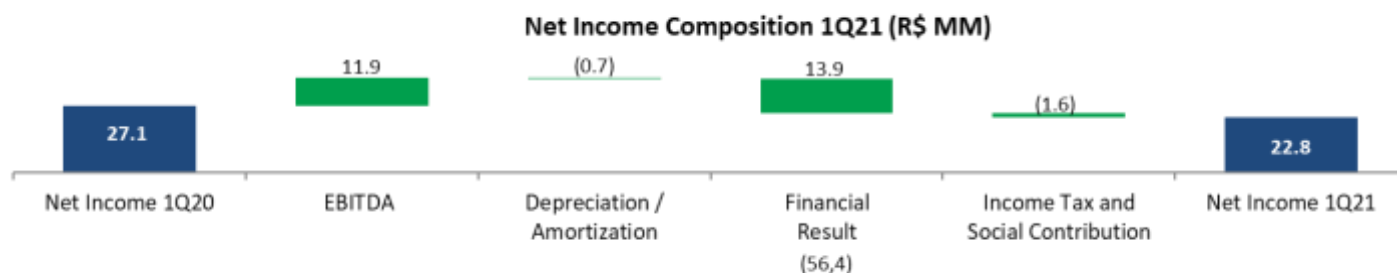
(ii) an increase of **R\$ 2.5 million** in La Virgen HPP arising from exchange rate variations between the periods;

(iii) an increase of **R\$ 1.9 million** in Verde 8 SHPP and of **R\$ 2.9 million** in Ferreira Gomes HPP, mainly due the increase in the IPCA inflation index, of 2.05% YTD in 1Q21 against 0.53% YTD in 1Q20;

(iv) an increase of **R\$ 4.0 million** in Queluz SHPP and of **R\$ 3.7 million** in Lavrinhas SHPP, basically due to the monetary restatement of GSF liabilities arising from the variation of the General Price Index - Market (“IGP-M”). This GSF liability was settled in March 2021.

(c) an increase of **R\$ 1.6 million** in **IR/CSLL**, mainly due to the **R\$ 1.5 million** increase in **Morro Azul SHPP**, which recorded a positive amount (reversal) of R\$ 1.5 million in 1Q20 due to the constitution of deferred tax, referring to the reported fiscal loss.

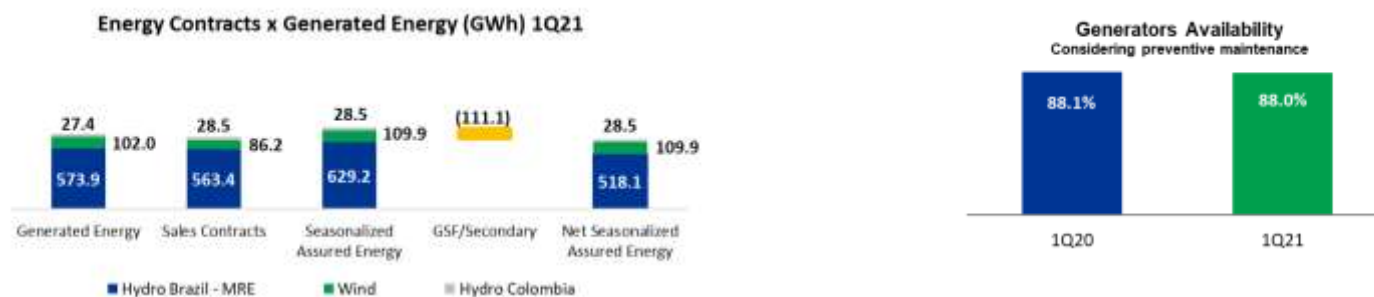
The composition of the Net Income line is as follows:



## Operating Indicators – Generation

Availability below 100% arises from disconnections of equipment for annual preventive maintenances and contractual maintenances scheduled with the supplier.

The Company's energy balance below illustrates the impact in GSF by 111.1 GWh in 1Q21, in addition to a negative exposure in the CCEE by 45.4 GWh, due to the seasonality strategy adopted by the Company.



Note: considering flat allocation for Morro Azul SHPP and for the Energia dos Ventos Wind Complex

## Trading

**Energy Purchases** totaled **R\$ 18.2 million** in the quarter, compared to **R\$ 40.7 million** in 1Q20.

- (i) the purchase of 39.9 MW for Ferreira Gomes HPP by Alupar's trader in the northern submarket, totaling R\$ 17.4 million;
- (ii) the purchase of 7.4 MW in the market, totaling R\$ 2.9 million;
- (iii) the purchase of 1.0 MW for Verde 8 SHPP, totaling R\$ 0.6 million;
- (v) PIS/Cofins credits, in the amount of R\$ (2.7) million.

Alupar's trader reported **revenues of R\$ 18.6 million** in 1Q21, compared to **R\$ 40.8 million** in 1Q20.

- (i) the sale of 13.75 MW, totaling R\$ 1.7 million for Ferreira Gomes HPP, as mentioned in item (i) in purchases;
- (ii) the sale of 26.0 MW to the market, totaling R\$ 12.9 million. The energy mainly refers to: (a) 39.9 MW purchased for Ferreira Gomes HPP, see item - i in purchases; and (b) the purchase of 1.0 MW in Verde 8 SHPP, totaling R\$ 0.6 million, see item - iii in purchases;
- (iii) the positive settlement of CCEE, in the amount of R\$ 4.1 million referring to the surplus in item (ii) in purchases and a partial surplus in item (i) in purchases.

## Eliminations

The "intercompany" eliminations in 1Q21 totaled R\$ 19.7 million, as detailed below:

Companies	Amount (in R\$ million)
Ferreira Gomes ↔ Alupar	17.4
Verde 8 ↔ Alupar	0.6
Alupar ↔ Ferreira Gomes	1.6
<b>Total</b>	<b>19.7</b>



## Consolidated Results – Generation

	Quarter ended in 03/31/2021				
	Generation Combined	Trading	AF Energia + ACE	Eliminations Intercompany	Generation Consolidated
<b>Gross Operating Revenue</b>	<b>182,558</b>	<b>18,638</b>	<b>2,366</b>	<b>(22,036)</b>	<b>181,526</b>
Energy Supply	182,558	18,638	-	(19,670)	181,526
Regulatory consulting and advice	-	-	-	-	-
O&M Services	-	-	2,366	(2,366)	-
<b>Deductions</b>	<b>(12,108)</b>	<b>(1,722)</b>	<b>(314)</b>	<b>-</b>	<b>(14,144)</b>
PIS	(1,881)	(307)	(39)	-	(2,227)
COFINS	(8,671)	(1,415)	(180)	-	(10,266)
ICMS	(282)	-	-	-	(282)
ISS	-	-	(95)	-	(95)
IVA	-	-	-	-	-
Quota for Global Reversal Reserve - RGR	-	-	-	-	-
Research & Development - R & D	(329)	-	-	-	(329)
National Development Fund and Technological Development	(329)	-	-	-	(329)
Ministry of Mines and Energy - MME	(165)	-	-	-	(165)
Electricity services inspection fee - TFSEE	(451)	-	-	-	(451)
<b>Net Operating Revenue</b>	<b>170,450</b>	<b>16,916</b>	<b>2,052</b>	<b>(22,036)</b>	<b>167,382</b>
<b>Cost of Services</b>	<b>(78,307)</b>	<b>(18,591)</b>	<b>(1,144)</b>	<b>22,036</b>	<b>(76,006)</b>
Energy Purchase for Resale	(28,212)	(18,153)	-	19,670	(26,695)
Electric Grid Charges - CUST	(7,965)	-	-	-	(7,965)
Hydro Resources - CFURH	(2,650)	-	-	-	(2,650)
Cost of Services Rendered	(13,083)	(438)	(1,115)	2,366	(12,270)
Depreciation/Amortization	(26,265)	-	(29)	-	(26,294)
Use of Public Property - UBP	(132)	-	-	-	(132)
<b>Gross Income</b>	<b>92,143</b>	<b>(1,675)</b>	<b>908</b>	<b>-</b>	<b>91,376</b>
<b>Expenses and Operating Revenues</b>	<b>(4,597)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,597)</b>
General and Administrative	(2,925)	-	-	-	(2,925)
Depreciation/Amortization	(328)	-	-	-	(328)
Personnel and Management	(2,295)	-	-	-	(2,295)
Equity Pickup	-	-	-	-	-
Other Revenues	946	-	-	-	946
Other Expenses	5	-	-	-	5
<b>EBIT</b>	<b>87,546</b>	<b>(1,675)</b>	<b>908</b>	<b>-</b>	<b>86,779</b>
Depreciation/Amortization	(26,725)	-	(29)	-	(26,754)
<b>EBITDA</b>	<b>114,271</b>	<b>(1,675)</b>	<b>937</b>	<b>-</b>	<b>113,533</b>
<b>Financial Expenses</b>	<b>(60,679)</b>	<b>-</b>	<b>(84)</b>	<b>-</b>	<b>(60,763)</b>
Debt charges	(41,969)	-	(83)	-	(42,052)
Exchange rate variations	(15,746)	-	-	-	(15,746)
Others	(2,964)	-	(1)	-	(2,965)
<b>Financial Revenues</b>	<b>1,745</b>	<b>-</b>	<b>95</b>	<b>-</b>	<b>1,840</b>
Revenue from investments	1,559	-	12	-	1,571
Others	186	-	83	-	269
	<b>(58,934)</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>(58,923)</b>
<b>EBT</b>	<b>28,612</b>	<b>(1,675)</b>	<b>919</b>	<b>-</b>	<b>27,856</b>
<b>Taxes</b>	<b>(5,835)</b>	<b>-</b>	<b>(210)</b>	<b>-</b>	<b>(6,045)</b>
Income Tax	(3,077)	-	(152)	-	(3,229)
Social Contribution	(1,926)	-	(58)	-	(1,984)
Deferred Income Tax	(514)	-	-	-	(514)
CSLL diferido	(318)	-	-	-	(318)
<b>Consolidated Net Income - Generators + Trading + Services</b>	<b>22,777</b>	<b>(1,675)</b>	<b>709</b>	<b>-</b>	<b>21,811</b>
<b>Generators Consolidated Net Income</b>					<b>22,777</b>
Non - Controlling Participation					(7,679)
<b>Alupar Generators Net Income</b>					15,098
<b>Alupar Net Income</b>					14,132

## Projects in Progress:

Generation Companies	Installed Capacity (MW)	Assured Energy (MW)	Estimated Investments (million)	Investments Made (million)	Estimated Start-up (Regulatory)	Estimated Start-up (Management)
Antônio Dias	23.0	11.4	R\$ 184.0 <sup>(1)</sup>	R\$ 7.9	-	-
La Virgen	84.0	49.3	US\$ 170.0 <sup>(2)</sup>	US\$ 151.1 <sup>(3)</sup>	N/A	2021
<b>Agreste Potiguar</b>						
São João (EAP I)	23.1	12.7	R\$ 101.3 <sup>(4)</sup>	R\$ 2.4	2023	2023
Santa Régia (EAP II)	35.7	20.5	R\$ 156.6 <sup>(4)</sup>	R\$ 0.9	2023	2023

<sup>(1)</sup> Investment forecast by the area of implementation at the project's base date Dec/13 (R\$ 125.0 million) updated by IPCA up to Dec/2019.

<sup>(2)</sup> Investment foreseen by the Company Management, base Dec/18.

<sup>(3)</sup> Considering U\$ 1.0 = R\$ 5.70 (Base 03/31/2021)

<sup>(4)</sup> as of October/2019

**La Virgen:** An SPC established to implement the HPP La Virgen, with an installed capacity of 84.0 MW and assured energy of 49.3 MW, located in the province of Chanchamayo, Peru, to be developed in accordance with Generation Concession Agreement 253-2005 of October 7, 2005 and the Transmission Concession Agreement 313-2008 of June 11, 2008, signed with the Ministry of Mines and Energy. In the period, the tunnel reinforcement work continued, together with detailed studies throughout the structure, to avoid further water leakage. The electromechanical equipment of the plant is assembled with the dry tests already carried out.

**Antonio Dias:** An SPE established to develop and implement the SHPP Antônio Dias, located in the city of Antônio Dias, in the State of Minas Gerais, with an installed capacity of 23.0 MW and assured energy of 11.4 MW. We emphasize that the construction of this project has not yet begun.

**Agreste Potiguar:** Agreste Potiguar cluster was created for the implementation of 7 wind farms in the State of Rio Grande do Norte, in the municipality of Jandaira, totaling 214.2 MW of installed capacity. The 7 wind parks have already received the installation licenses and 2 of them (AW São João (23.1 MW) and AW Santa Regia (35.7 MW)) have already received the ANEEL Grant. The construction works are scheduled to start in 2Q21.

## Analysis of Consolidated Result

### Net Operating Revenue - IFRS

Alupar and its subsidiaries reported a Net Revenue of R\$ 1,601.5 million in 1Q21, increasing by 22.8% over the R\$ 1,303.8 million reported in the same period of 2020.

Net Revenue (R\$ MM)				
	4Q20	1Q21	1Q20	Var.%
Energy Transmission Revenue	376.9	94.8	63.5	49.2%
Infrastructure Revenue	767.0	505.6	811.8	(37.7%)
Remuneration of Concession Assets	1,298.9	976.4	379.8	157.1%
Energy Supply	195.2	181.5	179.0	1.4%
<b>Gross Revenue – IFRS</b>	<b>2,638.0</b>	<b>1,758.4</b>	<b>1,434.1</b>	<b>22.6%</b>
Deductions	232.5	156.9	130.3	20.4%
<b>Net Revenue – IFRS</b>	<b>2,405.5</b>	<b>1,601.5</b>	<b>1,303.8</b>	<b>22.8%</b>

(a) an increase of R\$ 321.8 million in revenue of the transmission companies, of which the main lines are:

(i) a R\$ 596.6 million increase in Revenue from Remuneration of Concession Assets, as detailed below:

Transmitters												
Revenue from Remuneration of Concession Assets	ETB	TPE	EATE	EPEP	ENTE	STN	ECTE	ESTE	TSM	TCC	Other Transmitters	Total
1Q21	64.2	112.2	131.4	29.3	57.1	48.3	27.4	11.7	15.2	248.3	231.4	976.4
1Q20	16.8	24.7	66.9	14.9	29.4	27.1	14.0	1.2	2.0	13.4	169.3	379.8
<b>Variations</b>	<b>47.4</b>	<b>87.5</b>	<b>64.4</b>	<b>14.5</b>	<b>27.6</b>	<b>21.2</b>	<b>13.4</b>	<b>10.5</b>	<b>13.2</b>	<b>234.9</b>	<b>62.1</b>	<b>596.6</b>

(ii) a R\$ 306.1 million reduction in Infrastructure Revenue, as detailed below:

Transmitters								
Infrastructure Revenue	ETB	EDTE	TPE	TCC	ESTE	TSM	Other Transmitters	Total
1Q21	-	-	0.9	193.1	150.5	160.9	0.2	505.6
1Q20	149.0	76.4	261.4	139.2	151.3	29.6	5.0	811.8
<b>Variations</b>	<b>(149.0)</b>	<b>(76.4)</b>	<b>(260.5)</b>	<b>54.0</b>	<b>(0.7)</b>	<b>131.3</b>	<b>(4.8)</b>	<b>(306.1)</b>

(b) a R\$ 2.5 million increase in Energy Supply Revenue, as detailed below:

Energy Supply	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)	479,180	167.50	80,260					479,180	167.50	80,260			
ACL (Short Term Contract)	158,880	257.10	40,849				(86,184)	202.08	(17,416)	72,696	322.33	23,432	
Trading	205,834	230.96	47,539	56,187	228.91	12,862				262,021	230.52	60,401	
Related Parties	2,160	280.00	605	29,685	55.58	1,650	(31,845)	70.79	(2,254)				
CCEE			13,024			4,126							17,150
Tax			282										282
<b>Total</b>			<b>182,559</b>			<b>18,638</b>			<b>(19,670)</b>				<b>181,526</b>

Energy Supply	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)	476,925	163.12	77,794					476,925	163.12	77,794			
ACL (Short Term Contract)	189,768	251.63	47,751				(87,142)	197.52	(17,212)	102,626	297.58	30,539	
Trading	148,147	240.69	35,658	183,514	190.91	35,034	(59,681)	148.57	(8,867)	271,980	227.31	61,825	
CCEE			5,738			5,719			(2,576)	-			8,881
<b>Total</b>			<b>166,941</b>			<b>40,753</b>			<b>(28,655)</b>				<b>179,038</b>
<b>Variations</b>			<b>15,618</b>			<b>(22,115)</b>			<b>8,985</b>				<b>2,488</b>

\*For more information, check the "Net Revenue" and "Commercialization" sections in the "Generation - Corporate (IFRS)" segment.

### Cost of Services - IFRS

In 1Q21, Cost of Services totaled **R\$ 498.9 million**, 17.4% lower than the **R\$ 604.0 million** reported in 1Q20.

Below are the main variations for this accounting line:

(a) a reduction of **R\$ 106.8 million** in **Infrastructure costs**, according to the variations below:

Infrastructure Cost	Transmitters							Total
	ETB	EDTE	TPE	TCC	ESTE	TSM	Other Transmitters	
1Q21	-	-	-	210.7	74.1	103.4	5.1	393.2
1Q20	117.4	40.9	179.5	94.9	42.9	20.0	4.5	500.1
<b>Variations</b>	<b>(117.4)</b>	<b>(40.9)</b>	<b>(179.5)</b>	<b>115.8</b>	<b>31.2</b>	<b>83.4</b>	<b>0.7</b>	<b>(106.8)</b>

(b) a **R\$ 5.6 million** increase in **Costs of Services**, as detailed below:

(+) R\$ 5.3 million in transmission companies TPE and ETB, due to their respective commercial start-ups;

(-) R\$ 3.1 million in Foz do Rio Claro HPP from a reversal of provisions for a litigation related to the project's implementation and, consequently, an accounting reclassification from "contingency in the result" to "fixed assets in progress";

(+) R\$ 0.5 million in Ferreira Gomes HPP, due to costs for labor lawsuits;

(+) R\$ 0.3 million in Energia dos Ventos wind farms, due to the lease of equipment for the maintenance of wind turbines;

(+) R\$ 0.8 million in Morro Azul SHPP arising from higher sector charges linked to power generation, which was 27,336 MWh this quarter, 150.8% higher than the 10,898 MWh generated in 1Q20.

(c) a **R\$ 6.0 million** reduction in **Energy Purchased for Resale**, as detailed below:

Energy Purchase	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated		
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price
Trading	(182,736)	146.42	(26,756)	(15,996)	179.61	(2,873)	-	-	-	(198,732)	149.09	(29,629)
CCEE			(1,212)			(23)	-	-	-			(1,235)
Related Parties	(29,686)	55.57	(1,650)	(88,344)	203.99	(18,021)	118,029	166.66	19,670	(0)	-	0
Taxes			1,405			2,764						4,169
<b>Total</b>			<b>(28,212)</b>			<b>(18,153)</b>			<b>19,670</b>			<b>(26,695)</b>

Energy Purchase	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated		
	1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price
Trading	(66,542)	141.73	(9,431)	(211,320)	206.14	(43,562)	146,822	177.62	26,079	(131,040)	205	(26,914)
CCEE			(11,945)	-	-	(2,661)			2,576			(12,030)
Taxes			710			5,535						6,245
<b>Total</b>			<b>(20,666)</b>			<b>(40,688)</b>			<b>28,655</b>			<b>(32,699)</b>
<b>Variações</b>			<b>(7,546)</b>			<b>22,535</b>			<b>(8,985)</b>			<b>6,003</b>

(d) a **R\$ 0.6 million** increase in the **Hydro Resources – CFURH** line due to the increase in energy generation in the quarter arising from higher water inflows when compared to 1Q20, therefore impacting the Ferreira Gomes HPP (+R\$ 0.8 million).

Cash costs, excluding infrastructure cost (CAPEX) and depreciation/amortization, totaled **R\$ 77.8 million** (4.9% of Net Revenue) in 1Q21, compared to **R\$ 77.6 million** (5.9% of Net Revenue) in the same period of 2020.

Operating Costs R\$ (MM)				
Operating Costs	4Q20	1Q21	1Q20	Var. %
Cost of Services Rendered	68.2	40.5	34.8	16.2%
Energy Purchased for Resale	47.9	26.7	32.7	(18.4%)
Charges of Electric Grid - CUST	8.5	8.0	8.0	-
Hydro Resources - CFURH	1.1	2.7	2.1	28.4%
Infrastructure Cost	549.8	393.2	500.1	(21.4%)
Depreciation / Amortization	27.2	27.9	26.4	5.6%
<b>Total</b>	<b>702.8</b>	<b>498.9</b>	<b>604.0</b>	<b>(17.4%)</b>

## Operating Expenses - IFRS

In 1Q21, Operating Expenses totaled **R\$ 23.9 million**, 17.7% lower than the **R\$ 29.0 million** reported in 1Q20.

The **R\$ 5.1 million** variation in this accounting group was due to:

(a) a **R\$ 0.9 million** reduction in **Equity Pickup**, which totaled **R\$ 1.5 million** in the quarter, against **R\$ 0.6 million** in 1Q20. This result is exclusively due to the variation in transmission company TNE. This transmission company reported a profit of R\$ 2.9 million in the quarter, resulting in an equity pickup of R\$ 1.5 million. In 1Q20, its profit was R\$ 1.3 million, resulting in an equity pickup of R\$ 0.6 million

(b) a **R\$ 4.7 million** reduction in the **General and Administrative** line arising from:

(i) a **R\$ 1.6 million** reduction in La Virgen HPP, due to non-recurring taxes for the import of equipment in 1Q20;

(ii) a **R\$ 1.6 million** reduction in Verde 8 SHPP, since, in 1Q20, a provision of **R\$ 1.6 million** was made for the ISS tax for the project's implementation. (This amount was reversed in 2Q20 due to its reclassification from probable to possible); and

(iii) a **R\$ 1.6 million** reduction in Alupar – Holding, arising from non-recurring legal advisory expenses in 1Q20.

Operating Expenses R\$ (MM)				
Operating Expenses	4Q20	1Q21	1Q20	Var.%
General and Administrative	12.1	9.7	14.4	(32.4%)
Personnel and Management	19.0	14.7	14.4	2.2%
Equity Pickup	9.1	(1.5)	(0.6)	127.3%
Others	(3.8)	(0.6)	(0.7)	(9.1%)
Depreciation / Amortization	1.6	1.6	1.6	-
<b>Total</b>	<b>38.1</b>	<b>23.9</b>	<b>29.0</b>	<b>(17.7%)</b>

## EBITDA - IFRS

In 1Q21, EBITDA totaled **R\$ 1,108.1 million**, 58.6% higher than the **R\$ 698.7 million** reported in 1Q20.

Adjusted EBITA margin reached 91.7%, 4.8 p.p. higher than the 86.9% margin in 1Q20.

The change in EBITDA was due to:

(a) a **R\$ 324.3 million** increase in **Revenue**, arising from: (i) a **R\$ 321.8 million** increase in **Energy Transmission Revenue**; and (ii) a **R\$ 2.5 million** increase in **Energy Supply Revenue**. For more information on revenue variations, please see the “Net Operating Revenue - IFRS” section;

(b) a **R\$ 26.5 million** increase in **Deductions**, which totaled **R\$ 156.9 million** in this quarter against **R\$ 130.3 million** reported for the same period in 2020. This variation was mainly due to: (i) growth of R\$ 14.7 million in deductions of taxes and deferred charges, basically due to the increase in revenue, due to the investments made in transmission assets being implemented in Brazil and; (ii) an increase of R\$ 9.9 million in PIS/COFINS taxation for the TPE, ETB and TCC transmitters, due to the respective entry into commercial operation.

(c) a **R\$ 106.8 million** reduction in **Infrastructure Costs**, as detailed below:

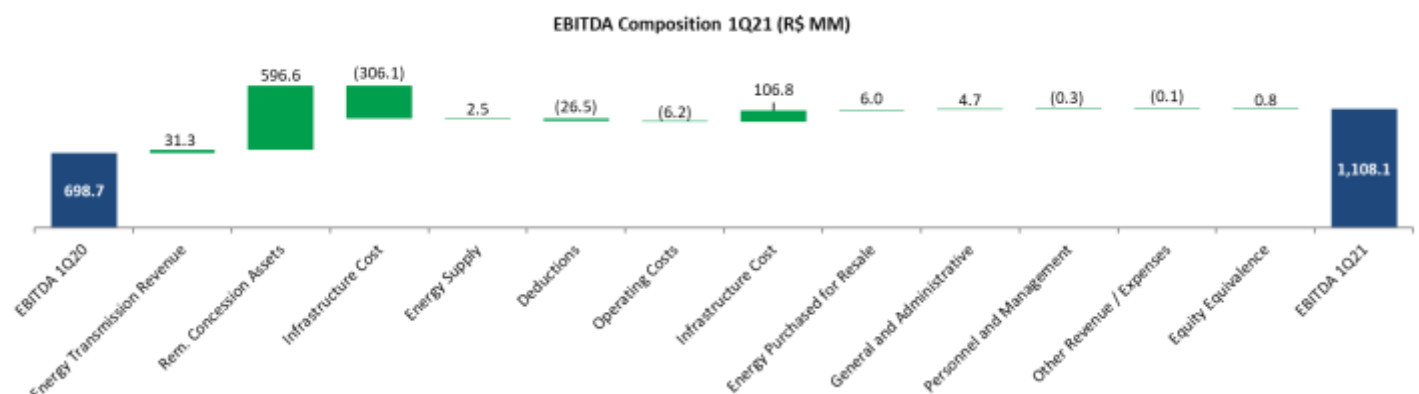
Infrastructure Cost	Transmitters							Total
	ETB	EDTE	TPE	TCC	ESTE	TSM	Other Transmitters	
1Q21	-	-	-	210.7	74.1	103.4	5.1	393.2
1Q20	117.4	40.9	179.5	94.9	42.9	20.0	4.5	500.1
<b>Variations</b>	<b>(117.4)</b>	<b>(40.9)</b>	<b>(179.5)</b>	<b>115.8</b>	<b>31.2</b>	<b>83.4</b>	<b>0.7</b>	<b>(106.8)</b>

(d) a **R\$ 6.2 million** increase in **Operating Costs** and reductions of **R\$ 6.0 million** in **Energy Purchases** and **R\$ 4.7 million** in **General and Administrative Expenses**, as detailed in the “Cost of Services – IFRS” and “Operating Expenses – IFRS” sections.

	EBITDA - IFRS (R\$ MM)			
	4Q20	1Q21	1Q20	Var.%
Net Revenue - IFRS	2,405.5	1,601.5	1,303.8	22.8%
Operating Costs	(77.8)	(51.1)	(44.9)	13.9%
Infrastructure Costs	(549.8)	(393.2)	(500.1)	(21.4%)
Energy Purchase	(47.9)	(26.7)	(32.7)	(18.4%)
Operating Expenses	(27.3)	(23.8)	(28.1)	(15.2%)
Equity Pickup	(9.1)	1.5	0.6	127.3%
<b>EBITDA</b>	<b>1,693.5</b>	<b>1,108.1</b>	<b>698.7</b>	<b>58.6%</b>
<b>EBITDA Margin</b>	<b>70.4%</b>	<b>69.2%</b>	<b>53.6%</b>	<b>15.6 p.p</b>
<b>Adjusted EBITDA Margin*</b>	<b>91.3%</b>	<b>91.7%</b>	<b>86.9%</b>	<b>4.8 p.p</b>

\*Subtracted from Net Revenue the Capex made (Infrastructure Cost)

The EBITDA composition is as follows:



Note: ETR – Energy Transmission Revenue/ RCA – Revenue of Concession Assets/ IR – Infrastructure Revenue

### EBITDA - Regulatory

In 1Q21, EBITDA totaled **R\$ 461.1 million**, 24.2% higher than the **R\$ 371.2 million** reported in 1Q20.

EBITDA Margin reached 81.9%, 4.2 p.p. higher than the 77.7% margin reported for the same period in 2020.

The change in EBITDA was due to:

(a) a **R\$ 97.1 million** increase in **Revenue**, arising from:

(i) a **R\$ 94.6 million** increase in **Energy Transmission Revenue**, of which:

(i.i) increases in revenue of **R\$ 67.1 million** in transmission company TPE, **R\$ 6.4 million** in transmission company TCC and **R\$ 39.4 million** in transmission company ETB, due to their commercial start-ups (Oct/20; Mar/21 and Oct/20, respectively);

(i.ii) reductions in revenue of **R\$ 17.1 million** in transmission company ENTE, **R\$ 3.8 million** in transmission company ERTE, **R\$ 1.3 million** in transmission company Transleste, **R\$ 10.9 million** in transmission company STN and **R\$ 9.4 million** in transmission company AETE, due a 50% lower Annual Permitted Revenue (RAP) for the 2020/2021 cycle arising from the 15th anniversary of their commercial start-ups (ERTE-Sep/19; ENTE-Feb/20; Transleste-Dec/20; STN-Jan/21; and AETE-Aug/20);

(i.iii) increase of **R\$ 24.2 million** in revenue for the other transmission companies, mainly impacted by the readjustment of the RAPs, in accordance with ANEEL Approval Resolution 2,725 of July 14, 2020, which established a 1.88% readjustment for IPCA indexed contracts and 6.51% for IGP-M indexed contracts.

(ii) a **R\$ 2.5 million** increase in **Energy Supply Revenue**, as detailed below:

Energy Supply	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)	479,180	167.50	80,260								479,180	167.50	80,260
ACL (Short Term Contract)	158,880	257.10	40,849				(86,184)	202.08	(17,416)		72,696	322.33	23,432
Trading	205,834	230.96	47,539	56,187	228.91	12,862					262,021	230.52	60,401
Related Parties	2,160	280.00	605	29,685	55.58	1,650	(31,845)	70.79	(2,254)				
CCEE			13,024			4,126							17,150
Tax			282										282
<b>Total</b>			<b>182,559</b>			<b>18,638</b>			<b>(19,670)</b>				<b>181,526</b>

Energy Supply	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
ACR (Long Term Contract)	476,925	163.12	77,794								476,925	163.12	77,794
ACL (Short Term Contract)	189,768	251.63	47,751				(87,142)	197.52	(17,212)		102,626	297.58	30,539
Trading	148,147	240.69	35,658	183,514	190.91	35,034	(59,681)	148.57	(8,867)		271,980	227.31	61,825
Reclassification											-		-
CCEE			5,738			5,719			(2,576)		-		8,881
<b>Total</b>			<b>166,941</b>			<b>40,753</b>			<b>(28,655)</b>				<b>179,039</b>
<b>Variations</b>			<b>15,618</b>			<b>(22,115)</b>			<b>8,985</b>				<b>2,487</b>

Energy Supply	Foz do Rio Claro HPP			Ijuí HPP			Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Energia dos Ventos WF			Morro Azul SHPP			Generation Combined						
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value			
ACR (Long Term Contract)	88,193	228.06	20,113	67,841	244.44	16,583								236,962	120.23	28,489	86,184	174.92	15,076												
ACL (Short Term Contract)							22,680	322.96	7,325	22,680	322.96	7,325					86,184	202.08	17,416				27,336	321.30	8,783	158,880	257.10	40,849			
Trading							46,674	201.26	9,393	47,031	201.04	9,455	86,833	259.69	22,549	25,296	242.76	6,141								205,834	230.96	47,539			
Related Parties													2,160	280.00	605											2,160	280.00	605			
CCEE				358		285			3,793		3,625				1,690				2,928		345								13,024		
<b>Total</b>			<b>20,471</b>			<b>17,149</b>			<b>20,511</b>		<b>20,405</b>				<b>24,844</b>				<b>54,974</b>		<b>15,421</b>				<b>8,783</b>				<b>182,559</b>		
Energy Supply	Foz do Rio Claro HPP			Ijuí HPP			Queluz SHPP			Lavrinhas SHPP			Verde 08 SHPP			Ferreira Gomes HPP			Energia dos Ventos WF			Morro Azul SHPP			Generation Combined						
1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	
ACR (Long Term Contract)	87,713	221.77	19,452	67,471	237.70	16,038									234,600	116.70	27,378	87,142	171.28	14,926									476,925	163.12	77,794
ACL (Short Term Contract)							45,864	302.72	13,884	45,864	302.72	13,884			87,142	197.52	17,212				10,898	254.27	2,771				189,768	251.63	47,751		
Trading							9,240	206.17	1,905	9,240	206.28	1,906	77,352	237.74	18,390	52,315	257.23	13,457									148,147	240.69	35,658		
CCEE				138		179			1,110		1,131				2,325					826		29								5,738	
<b>Total</b>			<b>19,590</b>			<b>16,217</b>			<b>16,899</b>		<b>16,921</b>				<b>20,715</b>				<b>58,873</b>		<b>14,955</b>				<b>2,771</b>				<b>166,941</b>		
<b>Variation</b>			<b>881</b>			<b>932</b>			<b>3,612</b>		<b>3,484</b>				<b>4,129</b>				<b>(3,899)</b>		<b>466</b>				<b>6,012</b>				<b>15,618</b>		

(b) increase of **R\$ 11.9 million** in **Deductions**, mainly due to the R\$ 11.3 million increase in transmission companies TPE, ETB and TCC arising from their respective commercial start-ups.

(c) a **R\$ 5.2 million** increase in **Operating Costs**, mainly due to the R\$ 4.6 million increase in costs of services:

- (+) R\$ 5.6 million in transmission companies TPE and ETB, due their commercial start-ups;
- (+) R\$ 0.8 million in Morro Azul SHPP, arising from higher sector charges linked to power generation, which was 27,336 MWh this quarter, 150.8% higher than the 10,898 MWh generated in 1Q20;
- (+) R\$ 0.5 million in Ferreira Gomes HPP due to labor lawsuits;
- (+) R\$ 0.3 million Energia dos Ventos wind farms, due to the lease of equipment for the maintenance of wind turbines;
- (-) R\$ 3.1 million in Foz do Rio Claro HPP from a reversal of provisions for a litigation related to the project's implementation and, consequently, an accounting reclassification from "contingency in the result" to "fixed assets in progress";.
- (d) a reduction of **R\$ 6.0 million** in **Energy Purchased for Resale**, as detailed below:

Energy Purchase	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	1Q21	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
Trading		(182,736)	146.42	(26,756)	(15,996)	179.61	(2,873)	-	-	-	(198,732)	149.09	(29,629)
CCEE				(1,212)			(23)						(1,235)
Related Parties		(29,686)	55.57	(1,650)	(88,344)	203.99	(18,021)	118,029	166.66	19,670	(0)	-	0
Taxes				1,405			2,764						4,169
<b>Total</b>				<b>(28,212)</b>			<b>(18,153)</b>			<b>19,670</b>			<b>(26,695)</b>

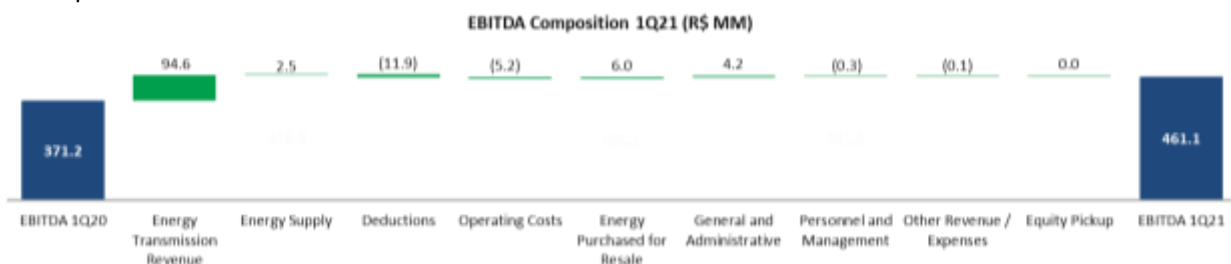
Energy Purchase	Generation Combined			Alupar Trading			Intercompany Eliminations			Generation Consolidated			
	1Q20	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value	MWh	Price	Value
Trading		(66,542)	141.73	(9,431)	(211,320)	206.14	(43,562)	146,822	177.62	26,079	(131,040)	205	(26,914)
CCEE				(11,945)	-	-	(2,661)			2,576			(12,030)
Taxes				710			5,535						6,245
<b>Total</b>				<b>(20,666)</b>			<b>(40,688)</b>			<b>28,655</b>			<b>(32,699)</b>
<b>Variações</b>				<b>(7,546)</b>			<b>22,535</b>			<b>(8,985)</b>			<b>6,003</b>

- (e) a reduction of **R\$ 4.2 million** in **General and Administrative** expenses, due to:
  - (i) a **R\$ 1.6 million** reduction in La Virgen HPP, due to non-recurring taxes for the import of equipment in 1Q20;
  - (ii) a **R\$ 1.6 million** reduction in Verde 8 SHPP, since, in 1Q20, a provision of **R\$ 1.6 million** was made for the ISS tax for the project's implementation; and
  - (iii) a **R\$ 1.6 million** reduction in Alupar – Holding, arising from non-recurring legal advisory expenses in 1Q20.

### EBITDA - Regulatory (R\$ MM)

	4Q20	1Q21	1Q20	Var.%
Net Revenue	545.6	563.1	477.9	17.8%
Operating Costs	(53.1)	(50.3)	(45.1)	11.6%
Energy Purchase	(47.9)	(26.7)	(32.7)	(18.4%)
Operating Expenses	(28.3)	(24.9)	(28.7)	(13.2%)
Equity Pickup	(0.2)	(0.1)	(0.2)	(21.6%)
<b>EBITDA</b>	<b>416.2</b>	<b>461.1</b>	<b>371.2</b>	<b>24.2%</b>
<b>EBITDA Margin</b>	<b>76.3%</b>	<b>81.9%</b>	<b>77.7%</b>	<b>4.2 p.p.</b>

The EBITDA composition is as follows:





## Financial Result

Totaled **R\$ (210.1) million** in 1Q21, compared to **R\$ (92.3) million** in 1Q20.

This variation in the financial result is mainly explained by:

(a) a **R\$ 7.2 million** reduction in Financial Revenues, basically due to:

- (i) a reduction in cash position, due to investments made in the transmission companies being implemented; and
- (ii) lower average interbank deposit rates (“CDI”), of 0.48% YTD in 1Q21 against 1.00% YTD in 1Q20. The main impact was at Alupar - Holding, which decreased by R\$ 9.3 million.

(b) a **R\$ 110.6 million** increase in Financial Expenses, mainly impacted by:

- (i) a **R\$ 98.4 million** increase from the commercial start-ups of transmission companies TPE and ETB (Oct/20) and TCC (Jan/21), which impacted this line by R\$ 56.1 million, R\$ 36.2 million and R\$ 6.1 million, respectively;
- (ii) a **R\$ 3.5 million** increase in La Virgen HPP / Alupar Peru, due to exchange rate variations between the period (non-cash effect);
- (iii) increases of **R\$ 1.9 million** in Verde 8 SHPP, **R\$ 2.9 million** in Ferreira Gomes HPP and **R\$ 0.8 million** in Holding Windpar (Energia dos Ventos), due to the increase in the IPCA inflation index, of 2.05% YTD in 1Q21 against 0.53% YTD in 1Q20; and
- (iv) increases of **R\$ 4.0 million** in Queluz SHPP and **R\$ 3.7 million** in Lavrinhas SHPP, basically due to the monetary restatement of GSF liabilities arising from the variation of the General Price Index - Market (“IGP-M”). This GSF liability was settled in March 2021.

## Net Income – IFRS

In 1Q21, Net Income totaled **R\$ 323.4 million**, 52.8 higher than the **R\$ 211.6 million** in 1Q20. This variation was due to:

(a) a **R\$ 409.4 million** increase in **EBITDA**, as previously detailed in the “EBITDA – IFRS” section;

(b) a **R\$ 117.8 million** increase in **Financial Result**, mainly due to the R\$ 110.6 million increase in Financial Expenses, as detailed in the section above;

(c) a **R\$ 67.2 million** increase in **IR/CSLL**, mainly due to the **R\$ 76.4 million** increase in Deferred IRPJ/CSLL. The main impacts to the line are provided below:

IR / CSLL Taxes	ETB	EDTE	ETAP	TCC	ESTE	TSM	Other Transmitters	Generators	Holdings	Total
1Q21	(21.6)	4.9	5.8	65.1	24.7	19.2	103.5	5.8	0.3	207.7
1Q20	10.1	17.2	(16.6)	14.8	32.3	3.0	75.3	4.3	0.2	140.5
Variations	(31.7)	(12.3)	22.4	50.3	(7.7)	16.2	28.2	1.6	0.1	67.2

(d) a **R\$ 111.2 million** increase in the **% Minorities** line, mainly impacted by:

- (i) a R\$ 71.7 million increase in transmission companies TCC, ETB and TSM, due to the growth in results from the investments made to implement the projects; and
- (ii) a R\$ 57.5 million increase in the transmission companies who have RAP adjusted by the General Market Price Index (“IGP-M”), which totaled 29.71% accumulated from Jun/20 – Mar/21 due to recognition of the monetary restatement of the contractual asset.

The Net Income composition is as follows:

Net Income Composition - 1Q21 (R\$ MM)



## Net Income – Regulatory

In 1Q21, Net Income totaled **R\$ 68.3 million**, compared to **R\$ 72.4 million** in 1Q20.

This variation was due to:

- (a) a **R\$ 89.8 million** increase in **EBITDA**, as previously detailed in the “EBITDA – Regulatory” section;
- (b) a **R\$ 4.9 million** increase in **Depreciation/Amortization**, mainly due to the R\$ 5.7 million increase in transmission company ETB arising from its commercial start-up (Oct/20);
- (c) a **R\$ 117.9 million** increase in financial result, mainly due to the **R\$ 110.6 million** increase in Financial Expenses, with the key impacts being:
  - (i) a **R\$ 98.3 million** increase due to the commercial start-ups of transmission companies TPE and ETB (Oct/20) and TCC (Mar/21), which impacted this line by R\$ 56.0 million, R\$ 36.2 million and R\$ 6.1 million, respectively;
  - (ii) a **R\$ 3.5 million** increase in La Virgen HPP / Alupar Peru, due to the exchange rate variations between the periods (non-cash effect);
  - (iii) increases of **R\$ 1.9 million** in Verde 8 SHPP, **R\$ 2.9 million** in Ferreira Gomes HPP and **R\$ 0.8 million** in Holding Windpar (Energia dos Ventos), due to the increase in the IPCA inflation index, of 2.05% YTD in 1Q21 against 0.53% YTD in 1Q20; and
  - (iv) increases of **R\$ 4.0 million** in Queluz SHPP and **R\$ 3.7 million** in Lavrinhas SHPP, basically due to the monetary restatement of GSF liabilities arising from the variation of the General Price Index - Market (“IGP-M”). This GSF liability was settled in March 2021.
- (d) a reduction of **R\$ 21.1 million** in the **% Minorities** line, mainly due to the R\$ 16.2 million reductions in transmission companies ENTE, ERTE, STN and AETE, resulting from a 50% lower Annual Permitted Revenue (RAP) for the 2020/2021 cycle arising from the 15th anniversary of their commercial start-ups (ERTE-Sep/19; ENTE-Feb/20; Transleste-Dec/20; STN-Jan/21; and AETE-Aug/20);

The Net Income composition is as follows:



## Consolidation of Results – IFRS

	Quarter ended in 03/31/2021					Consolidated
	Transmission Consolidated	Generation Consolidated	Holding Alupar	Holdings Windpar / Transminas / Alupar Peru e Colômbia / Apaete / Reunidas	Elimination Holding	
<b>Gross Operating Revenue</b>	<b>1,576,844</b>	<b>181,526</b>				<b>1,758,370</b>
Energy Transmission Revenue	96,688					96,688
Infrastructure Revenue	505,633					505,633
Concession Asset Remuneration	976,410					976,410
Energy Supply	-	181,526				181,526
(-) Variable Portion	(1,887)					(1,887)
<b>Deductions</b>	<b>(142,752)</b>	<b>(14,144)</b>				<b>(156,896)</b>
PIS	(5,060)	(2,227)				(7,287)
COFINS	(23,330)	(10,266)				(33,596)
PIS Deferred	(16,726)					(16,726)
COFINS Deferred	(77,048)					(77,048)
ICMS		(282)				(282)
ISS		(95)				(95)
IVA		-				-
Quota for Global Reversal Reserve	(7,973)	-				(7,973)
Deferred Quota for Global Reversal Reserve	(5,539)	-				(5,539)
Research & Development - R&D	(1,582)	(329)				(1,911)
National Develop. Fund and Tech. Develop	(1,502)	(329)				(1,831)
Ministry of Mines and Energy - MME	(752)	(165)				(917)
TFSEE	(1,742)	(451)				(2,193)
Deferred TFSEE	(1,498)	-				(1,498)
<b>Net Operating Revenue</b>	<b>1,434,092</b>	<b>167,382</b>				<b>1,601,474</b>
<b>Cost of Services</b>	<b>(422,910)</b>	<b>(76,006)</b>				<b>(498,916)</b>
Energy Purchase for Resale		(26,695)				(26,695)
Electric Grid Charges - CUST		(7,965)				(7,965)
Hydro Resources - CFURH		(2,650)				(2,650)
Cost of Services Rendered	(28,204)	(12,270)				(40,474)
Infrastructure Cost	(393,249)					(393,249)
Depreciation/Amortization	(1,457)	(26,294)				(27,751)
Use of Public Property - UBP		(132)				(132)
<b>Gross Income</b>	<b>1,011,182</b>	<b>91,376</b>	-	-		<b>1,102,558</b>
<b>Expenses and Operating Revenues</b>	<b>(11,307)</b>	<b>(4,597)</b>	<b>(7,101)</b>	<b>(868)</b>		<b>(23,873)</b>
General and Administrative	(4,780)	(2,925)	(1,440)	(567)		(9,712)
Personnel and Management	(7,169)	(2,295)	(5,139)	(69)		(14,672)
Equity Pickup	1,466					1,466
Depreciation/Amortization	(588)	(328)	(522)	(115)		(1,553)
Other Revenues	360	946	-	-		1,306
Other Expenses	(596)	5	-	(117)		(708)
<b>EBIT</b>	<b>999,875</b>	<b>86,779</b>	<b>(7,101)</b>	<b>(868)</b>		<b>1,078,685</b>
Depreciation/Amortization	(2,045)	(26,754)	(522)	(115)		(29,436)
<b>EBITDA</b>	<b>1,001,920</b>	<b>113,533</b>	<b>(6,579)</b>	<b>(753)</b>		<b>1,108,121</b>
<b>Financial Expenses</b>	<b>(120,336)</b>	<b>(60,763)</b>	<b>(13,336)</b>	<b>(26,490)</b>		<b>(220,925)</b>
Debt charges	(119,238)	(42,052)	(12,837)	(7,849)		(181,976)
Exchange rate variations	(182)	(15,746)	18	(18,381)		(34,291)
Others	(916)	(2,965)	(517)	(260)		(4,658)
<b>Financial Revenues</b>	<b>4,157</b>	<b>1,840</b>	<b>19,800</b>	<b>1,046</b>	<b>(16,028)</b>	<b>10,815</b>
Revenue from investments	2,201	1,571	2,160	1,033	-	6,965
Others	1,956	269	17,640	13	(16,028)	3,850
<b>EBT</b>	<b>883,696</b>	<b>27,856</b>	<b>(637)</b>	<b>(26,312)</b>	<b>(16,028)</b>	<b>868,575</b>
<b>Taxes</b>	<b>(201,578)</b>	<b>(6,045)</b>	-	<b>(65)</b>		<b>(207,688)</b>
Income Tax	(7,284)	(3,229)		(45)		(10,558)
Social Contribution	(12,903)	(1,984)		(20)		(14,907)
Deferred Income Tax	(122,006)	(514)		-		(122,520)
Deferred Social Contribution	(59,385)	(318)		-		(59,703)
<b>Consolidated Net Income</b>	<b>682,118</b>	<b>21,811</b>	<b>(637)</b>	<b>(26,377)</b>	<b>(16,028)</b>	<b>660,887</b>
Non - Controlling Participation						(337,471)
<b>Alupar Net Income</b>						<b>323,416</b>

## Consolidation of Results – Regulatory

Quarter ended in 03/31/2021					
Transmission Consolidated	Generation Consolidated	Holding Alupar	Holdings Windpar / Transminas / Alupar Peru e Colômbia / Apaete / Reunidas	Elimination Holding	Consolidated
<b>Gross Operating Revenue</b>	<b>437,681</b>	<b>181,526</b>			<b>619,207</b>
Energy Transmission Revenue	439,568				439,568
( - ) Variable Portion	(1,887)				(1,887)
Energy Supply		181,526			181,526
<b>Deductions</b>	<b>(41,941)</b>	<b>(14,144)</b>			<b>(56,085)</b>
PIS	(5,060)	(2,227)			(7,287)
COFINS	(23,330)	(10,266)			(33,596)
ICMS		(282)			(282)
ISS		(95)			(95)
IVA		-			-
Quota for Global Reversal Reserve - RGR	(7,973)	-			(7,973)
Research & Development - R&D	(1,582)	(329)			(1,911)
National Develop. Fund and Tech. Develop	(1,502)	(329)			(1,831)
Ministry of Mines and Energy - MME	(752)	(165)			(917)
Electricity services inspection fee - TFSEE	(1,742)	(451)			(2,193)
<b>Net Operating Revenue</b>	<b>395,740</b>	<b>167,382</b>			<b>563,122</b>
<b>Cost of Services</b>	<b>(69,759)</b>	<b>(76,072)</b>			<b>(145,831)</b>
Energy Purchase for Resale		(26,695)			(26,695)
Electric Grid Charges - CUST		(7,965)			(7,965)
Hydro Resources - CFURH		(2,650)			(2,650)
Cost of Services Rendered	(27,291)	(12,368)			(39,659)
Depreciation/Amortization	(42,468)	(26,262)			(68,730)
Use of Public Property - UBP		(132)			(132)
<b>Gross Income</b>	<b>325,981</b>	<b>91,310</b>			<b>417,291</b>
<b>Expenses and Operating Revenues</b>	<b>(13,483)</b>	<b>(4,689)</b>	<b>(8,909)</b>	<b>(1,894)</b>	<b>(28,975)</b>
General and Administrative	(5,430)	(3,258)	(1,599)	(567)	(10,854)
Personnel and Management	(7,169)	(2,295)	(5,138)	(69)	(14,671)
Equity Pickup	(145)	-	-		(145)
Depreciation/Amortization	(503)	(87)	(2,172)	(1,141)	(3,903)
Other Revenues	360	946	-	-	1,306
Other Expenses	(596)	5	-	(117)	(708)
<b>EBIT</b>	<b>312,498</b>	<b>86,621</b>	<b>(8,909)</b>	<b>(1,894)</b>	<b>388,316</b>
Depreciation/Amortization	(42,971)	(26,481)	(2,172)	(1,141)	(72,765)
<b>EBITDA</b>	<b>355,469</b>	<b>113,102</b>	<b>(6,737)</b>	<b>(753)</b>	<b>461,081</b>
<b>Financial Expenses</b>	<b>(119,503)</b>	<b>(60,528)</b>	<b>(13,306)</b>	<b>(26,490)</b>	<b>(219,827)</b>
Debt charges	(118,405)	(41,817)	(12,807)	(7,849)	(180,878)
Exchange rate variations	(182)	(15,746)	18	(18,381)	(34,291)
Others	(916)	(2,965)	(517)	(260)	(4,658)
<b>Financial Revenues</b>	<b>4,157</b>	<b>1,758</b>	<b>19,800</b>	<b>1,046</b>	<b>10,733</b>
Revenue from investments	2,201	1,571	2,160	1,033	6,965
Others	1,956	187	17,640	13	3,768
	<b>(115,346)</b>	<b>(58,770)</b>	<b>6,494</b>	<b>(25,444)</b>	<b>(209,094)</b>
<b>EBT</b>	<b>197,152</b>	<b>27,851</b>	<b>(2,415)</b>	<b>(27,338)</b>	<b>179,222</b>
<b>Taxes</b>	<b>(20,128)</b>	<b>(6,045)</b>		<b>(65)</b>	<b>(26,238)</b>
Income Tax	(7,284)	(3,229)	-	(45)	(10,558)
Social Contribution	(12,903)	(1,984)	-	(20)	(14,907)
Deferred Income Tax	59	(514)	-	-	(455)
Deferred Social Contribution	-	(318)	-	-	(318)
<b>Consolidated Net Income</b>	<b>177,024</b>	<b>21,806</b>	<b>(2,415)</b>	<b>(27,403)</b>	<b>152,984</b>
Non - Controlling Participation					(84,644)
<b>Alupar Net Income</b>					<b>68,340</b>

## Investments

In 1Q21, total investments of **R\$ 436.3 mm** were carried out in our companies, of which R\$ 426.1 million was allocated to the transmission segment, R\$ 9.9 million in the generation segment, and R\$ 0.3 million in the development of new businesses, against **R\$ 566.1 mm** reported in 1Q20, which had R\$ 547.4 million invested in the transmission segment, R\$ 18.5 million invested in the generation segment and R\$ 0.2 million in the development of new businesses.

The volume of investments in 1Q21 mainly reflects the implementation of transmission assets TCC, TCE, ESTE and TSM which together totaled **R\$ 420.9 million** against the **R\$ 205.1 mm** recorded in 1Q20.

Investments (R\$ MM)		
	1T21	1T20
<b>Transmission*</b>	<b>426.1</b>	<b>547.4</b>
ELTE	(0.1)	0.1
TCC	210.7	94.9
TPE	-	179.5
TCE	32.8	47.3
ESTE	74.1	42.9
TSM	103.4	20.0
EDTE	-	40.9
ETB	-	117.4
ETES	-	3.5
Transirapé	5.2	-
Other	-	0.8
<b>Generation</b>	<b>9.9</b>	<b>18.5</b>
Energia dos Ventos	0.1	0.2
La Virgen	3.3	16.9
WP Agreste Potiguar	1.5	-
Other	5.0	1.4
<b>Holding</b>	<b>0.3</b>	<b>0.2</b>
<b>Total</b>	<b>436.3</b>	<b>566.1</b>

\* With the exception of TCE, the investment value of the transmission companies is exactly the amount recorded as infrastructure cost.

## Indebtedness

### Alupar - Holding:

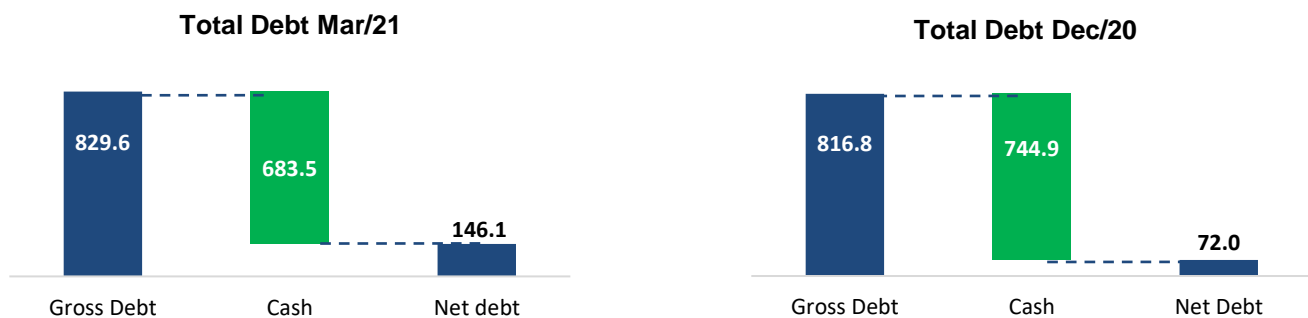
In 1Q21, Alupar – Holding’s gross debt totaled **R\$ 829.6 million**, compared to the **R\$ 816.8 million** reported in Dec/20.

This change is explained by:

- (i) provision for charges, totaling **R\$ 5.5 million**; and
- (ii) provision for monetary variations, in the amount of **R\$ 7.3 million**;

Cash and cash equivalents and short-term investments at Alupar - Holding totaled **R\$ 683.5 million**, R\$ 61.4 million less than the **R\$ 744.9 million** reported in Dec/20. This variation is mainly explained by:

- (i) receipt of dividends from subsidiaries, in the amount of **R\$ 112.8 million**;
- (ii) contributions of **R\$ 184.8 million** towards projects being implemented in 1Q21, the main ones being:
  - (ii.i) **R\$ 95.0 million** for transmission company ELTE;
  - (ii.ii) **R\$ 39.5 million** for transmission company TCC; and
  - (ii.iii) **R\$ 39.5 million** for Alupar Peru, responsible for implementing the La Virgen HPP;



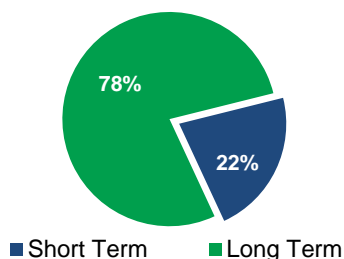
The gross debt of Alupar - Holding consists of 100% of issues of debentures, all indexed by IPCA or CDI, with a very long profile, with approximately 78% maturing in 2024 and 2025.

Short-term debt totaled **R\$ 182.3 million**, against **R\$ 169.6 million** in Dec /20. Of this amount, R\$ 172.8 mm refer to the 2nd installment of the VI debenture issue, which was paid on April 15, 2021.

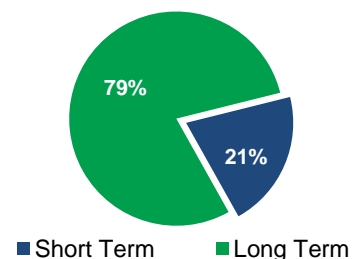
For more information on the Indebtedness of Alupar - Holding, please refer to Explanatory Notes 19 “Loans and Financing” and 20 “Debentures” in the 1Q21 financial statements.

Below is the debt profile for Alupar – Holding:

Holding Debt Profile - Mar/21



Holding Debt Profile - Dec/21



## Consolidated:

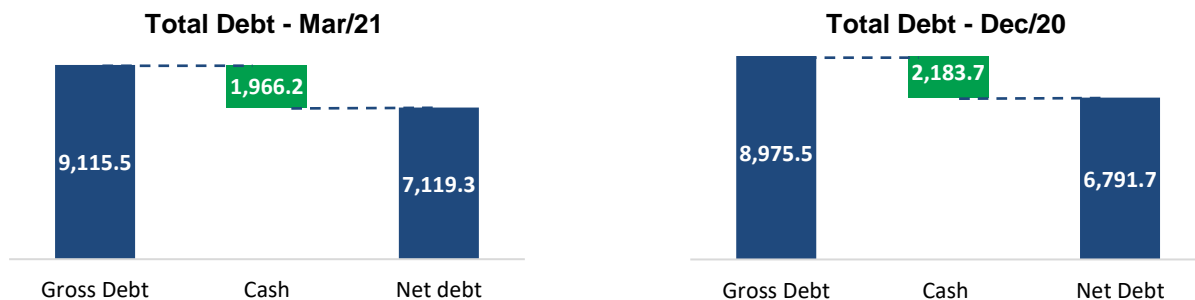
Consolidated gross debt for Alupar and its subsidiaries totaled **R\$ 9,115.5 million** in 1Q21, compared to **R\$ 8,975.5 million** in Dec/20. This variation is mainly explained by:

- (i) a **R\$ 12.8 million** increase in Alupar - Holding, as previously explained;
- (ii) provisions for charges and monetary variations of subsidiaries, totaling **R\$ 232.7 million**;
- (iii) payment of subsidiary debt charges, in the amount of **R\$ 133.3 million**;
- (iv) amortization of principal for subsidiary debts, in the amount of **R\$ 101.9 million**;
- (v) an increase of **R\$ 91.9 million**, due to the exchange rate variation in debts for La Virgen HPP and Morro Azul SHPP; and
- (vi) release of the 2<sup>nd</sup> parcel of the bridge loan for Alupar Colombia, in the amount of **R\$37.8 million**.

Cash and cash equivalents / short-term investments / securities totaled **R\$ 1,996.2 million** in 1Q21, against **R\$ 2,183.7 million** in Dec/20. This variation of **R\$ 187.5 million** in cash was mainly due to:

- (i) a **R\$ 61.4 million** reduction in Alupar – Holding, as previously explained; and
- (ii) a **R\$ 136.4 million** reduction in cash for transmission companies TSM and ESTE, due to the investments carried out for the implementation of these assets;

Net debt in 1Q21 totaled **R\$ 7,119.3 million**, compared to **R\$ 6,791.7 million** in Dec/20.



In 1Q21, short-term debt totaled **R\$ 1,010.2 million** (11.1% of total debt), compared to **R\$ 823.6 million** in Dec/20.

11.1% of short term debt, 37.9% or R\$ 383.0 million, refers to bridges loans, with maturity until March/2022.

Of the consolidated gross debt: (i) **R\$ 829.6 million** refers to Alupar – Holding; (ii) **R\$ 6,278.5 million** are for operating companies, whose account payables are compatible with their respective cash generations; and (iii) **R\$ 2,007.4 million** are for projects being implemented, namely:

**R\$ 708.9 million** to Alupar Peru / La Virgen for the implementation of the La Virgen HPP;

**R\$ 286.1 million** for the implementation of transmission company TCE (Colombia);

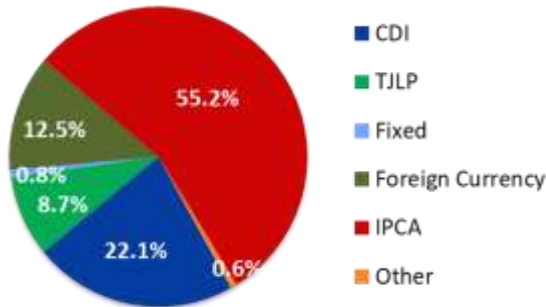
**R\$ 445.1 million** for the implementation of transmission company ESTE;

**R\$ 567.3 million** for the implementation of transmission company TSM;

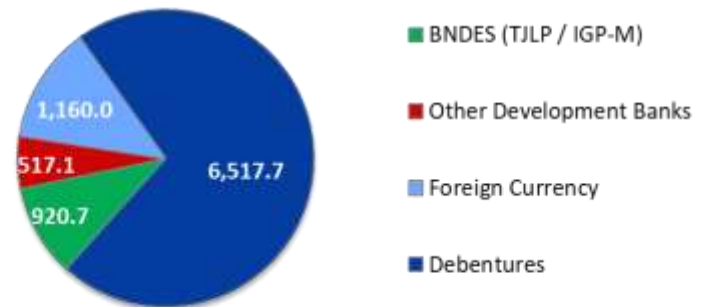
In 1Q21, debenture issues corresponded to **R\$ 6,517.7 million**, or 72% of total debt. The debentures were issued by: (i) Alupar – Holding, with a balance of **R\$ 829.6 million**; (ii) operating subsidiaries, totaling **R\$ 4,675.6 million**; and (iii) projects being implemented, with a balance of **R\$ 1,012.4 million**.

Debt in foreign currency totaled **R\$ 1,160.0 million**, or 12.7% of total debt, and are allocated to generation and transmission projects in Peru and Colombia.

### Gross Debt by Index (%)

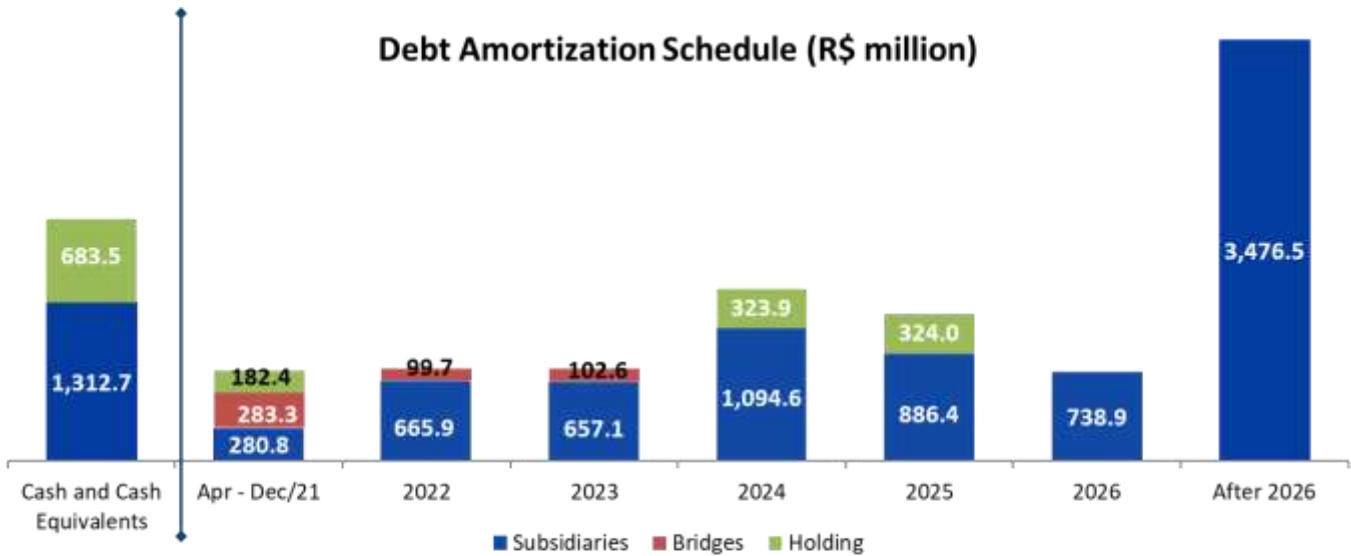


### Gross Debt Composition (R\$ MM)



Alupar's consolidated debt profile is quite lengthy, consistent with the Company's low-risk business nature, high predictability of revenues and strong operating cash generation from the transmission and generation of electric power segments.

### Debt Amortization Schedule (R\$ million)



BRIDGES (MM)	Apr - Dec/21	2022	2023
La Virgen / Alupar Inversiones	R\$ 102.6	R\$ 99.7	R\$ 102.6
TCE (Colombia)	R\$ 180.7		
<b>TOTAL</b>	<b>R\$ 283.3</b>	<b>R\$ 99.7</b>	<b>R\$ 102.6</b>

## Fitch Ratings

- ✓ Corporate (national scale) **AAA**
- ✓ International Scale **BB**



## Capital Markets

Alupar was listed on the São Paulo Stock Exchange - BM&FBOVESPA on April 23, 2013. Its UNITS are traded under code ALUP11 and include 1 common share and 2 preferred shares (1 UNIT = 1 ON + 2 PN).



In all trading sessions since our listing, Alupar's Units were traded, with an average daily volume of R\$ 10.3 million. We highlight that during the 01/01/2021 – 05/10/2021 the average daily volume was R\$ 21.9 million.

On May 10, 2021, the market value of Alupar was R\$ 7,845 billion.

## Environmental, Social and Governance Information (“ESG”)

### Commitments

Alupar is committed to sustainable development and its mission is to transmit and generate energy with corporate, social, and environmental responsibility, generating value for shareholders, bringing economic development and well-being for society. In addition, its strategy is based on a commitment with sustainable growth through the development of transmission systems and generation projects (SHPPs, wind farms and photo-voltaic plants).

### Environment

Aligned with its commitment towards sustainable development in the regions where it operates, all of Alupar's plants comply with environmental legislation and the instruments and rites of the Environmental Licensing process, pursuant to resolutions of the National Environment Council (CONAMA). Each project has unique characteristics that are respected and considered in their environmental assessments and feasibility analysis to generate the most efficient action plan for each location.

#### Environmental Programs

- Program to Protect Permanent Preservation and Forest Replacement Areas
- Recovery of Degraded Areas
- Monitoring and Management of Fauna and Flora
- Environmental Compensation Plan
- Monitoring and Control of Erosive Processes
- Environmental Education and Social Communication
- Management of Environmental Actions

#### Environmental Protection

The operating hydroelectric projects maintain and preserve more than 3 thousand hectares of Permanent Preservation Area (APP) and have, until now, planted more than 1.9 million seedlings of native species to recover their margins and form new environmental protection areas.

#### Carbon Credits

An action that corroborates the sustainability of Alupar's generation projects is the registration of projects to generate carbon credits, negotiated in the international market.

#### São Francisco Xavier Bird Project

Sponsored the “Aves de São Francisco Xavier” book, which was prepared during the implementation of the TSM - Transmissora Serra Mantiqueira S.A. project. This initiative illustrates Alupar's awareness of the biodiversity in the Serra da Mantiqueira region and its commitment to preserving it.

## Social

### Social Responsibility - Covid 19

We remain committed to supporting the communities where we operate and, during this pandemic, we promoted a Volunteer Program with Alupar's employees involving 4 projects, including the distribution of basic food baskets, helping pregnant women in socially vulnerable conditions, a health fund and an NGO that produced masks for the local community.

The Company has also made frequent donations of food, alcohol in gel, hygiene products, Personal Protective Equipment and masks;

Also, in partnership with other institutions, we supported the hiring of anesthesiologists for the Hospital das Clínicas and donated masks at CPTM train/subway stations, both in the city of São Paulo.

## Governance and Compliance

The development of Alupar's activities complies with the highest standards of corporate governance guidance, all of which are practiced by companies listed in the Level 2 corporate governance segment of B3, which include:

- Engagement of independent auditors to analyze balance sheets and financial statements, which are hired for this purpose only;
- Tag along rights to 100% of the shareholders of ON and PN shares;
- Shareholders of PN shares vote on specific agendas of the General Shareholders' Meeting;
- There are two Independent Members at the Company's Board of Directors;
- The Company has a Governance and Succession Committee, a Finance Committee, a Hiring of Related Parties Committee, as well as an Audit Committee;
- The Bylaws provides for the installation of a Fiscal Council;
- Alupar has a Code of Conduct, Ethics & Compliance policy to guide how the Company should carry out its operations in a responsible manner. The policy is on its website;
- Integrity Program
- Compliance Officer
- Whistle-blowing Channel

Fully committed to creating value for its shareholders and society as a whole, Alupar is a socially responsible company with substantial technical ability and strong financial discipline, enabling it to continue growing in a sustainable manner through the development of generation and transmission system.

## APPENDIX 01 – CORPORATE

	Holding		Consolidated	
	03/31/21	12/31/2020	03/31/21	12/31/2020
<b>ASSET</b>				
<b>CURRENT</b>	<b>1,104,245</b>	<b>1,221,435</b>	<b>4,024,296</b>	<b>4,084,394</b>
Cash and Cash Equivalents	126,076	189,784	523,159	674,609
Short-Term Investments	557,435	555,099	1,365,101	1,405,506
Marketable Securities	-	-	3,118	767
Trade Accounts Receivable	19,128	32,179	338,682	415,353
Dividends to be Received	344,691	390,119	75	75
Income tax and social contribution compensable	25,410	26,032	73,227	81,684
Other Taxes Recoverable	5,272	5,191	65,943	59,476
Inventories	-	-	7,969	7,856
Prepaid Expenses	53	63	4,979	5,828
Escrow and escrow deposits	-	-	384	384
Accounts Receivable - Concession Assets	-	-	1,499,674	1,290,362
Other Assets	26,180	22,968	141,985	142,494
<b>NON CURRENT</b>	<b>6,094,873</b>	<b>5,631,368</b>	<b>19,509,671</b>	<b>18,492,116</b>
<u>Long term achievable</u>	<u>96,335</u>	<u>104,459</u>	<u>14,415,382</u>	<u>13,486,495</u>
Trade Accounts Receivable	-	-	25,705	20,903
Marketable Securities	-	-	104,802	102,852
Income tax and social contribution compensable	-	-	3,187	3,187
Other Taxes Recoverable	-	-	3,640	3,640
Income tax and social contribution deferred	-	-	10,135	6,688
Prepaid Expenses	-	-	8,886	9,203
Escrow and escrow deposits	789	778	15,298	15,333
Accounts Receivable - Concession Assets	-	-	14,229,758	13,310,348
Advance for future capital increase	95,465	103,600	-	-
Other Assets	81	81	13,971	14,341
Investments in controlled companies	5,805,054	5,334,961	-	-
Investments in associates and controlled jointly	129,200	127,734	129,200	127,734
Property to investments	7,731	7,731	7,731	7,731
Fixed assets	2,062	2,189	4,756,788	4,672,156
Intangibles Assets	54,491	54,294	200,570	198,000
<b>Total Asset</b>	<b>7,199,118</b>	<b>6,852,803</b>	<b>23,533,967</b>	<b>22,576,510</b>

## LIABILITIES

### CURRENT

	Holding		Consolidated	
	03/31/21	12/31/2020	03/31/21	12/31/2020
<b>CURRENT</b>	<b>453,902</b>	<b>449,186</b>	<b>2,359,359</b>	<b>2,290,153</b>
Loans and Financing	-	-	576,435	363,798
Debentures	182,311	169,588	433,723	459,821
Suppliers	17,736	26,742	196,576	385,127
Salaries, vacation pay and social charges	7,028	6,007	57,887	57,783
Income and social contribution payable	-	-	25,513	63,642
Regulatory Charges	-	-	63,146	58,781
Other payable taxes	119	156	42,597	49,274
Leasing liabilities	526	514	9,107	7,392
Deferred social contributions and regulatory charges	-	-	118,567	100,012
Dividends payable	246,153	246,153	493,831	509,475
Advances from customers	-	-	2,064	1,456
Environmental liability accrual	-	-	13,619	13,720
Asset constitution provisions	-	-	296,479	180,958
Provision for litigation	-	-	-	2,712
Other liabilities	29	26	29,815	36,202

### NON CURRENT

<b>NON CURRENT</b>	<b>653,443</b>	<b>653,499</b>	<b>11,564,077</b>	<b>11,341,675</b>
Loans and Financing	-	-	2,021,324	2,155,652
Debentures	647,338	647,253	6,083,986	5,996,185
Leasing liabilities	991	1,132	29,628	28,300
Advance for future capital increase	-	-	293	292
Deferred Income tax and social contribution payable	-	-	2,111,989	1,925,824
Deferred social contributions and regulatory charges	-	-	1,238,088	1,155,830
Environmental liability accrual	-	-	19,180	19,213
Asset constitution provisions	-	-	9,227	9,227
Provision for litigation	5,114	5,114	15,055	15,750
Other liabilities	-	-	35,307	35,402

**Total Liabilities** **1,107,345** **1,102,685** **13,923,436** **13,631,828**

### EQUITY

<b>EQUITY</b>	<b>6,091,773</b>	<b>5,750,118</b>	<b>9,610,531</b>	<b>8,944,682</b>
Capital Subscribed and Paid	2,981,996	2,981,996	2,981,996	2,981,996
(-) Expenses on Issue of Shares	(65,225)	(65,225)	(65,225)	(65,225)
Capital Reserve	20,515	20,515	20,515	20,515
Income Reserves	2,727,377	2,727,379	2,727,377	2,727,379
Accumulated Earnings	323,416	-	323,416	-
Other Comprehensive Income	103,694	85,453	103,694	85,453

Non-controlling interest - - 3,518,758 3,194,564

**Total Liabilities and Equity** **7,199,118** **6,852,803** **23,533,967** **22,576,510**

	Holding		Consolidated	
	Period ended in		Period ended in	
	03/31/2021	03/31/2020 (Resubmitted)	03/31/2021	03/31/2020 (Resubmitted)
<b>GROSS OPERATING REVENUE</b>	<b>18,638</b>	<b>40,753</b>	<b>1,758,370</b>	<b>1,434,109</b>
Operating and maintenance revenue	-	-	94,801	63,524
Infrastructure Revenue	-	-	505,633	811,777
Financial remuneration of the concession asset	-	-	976,410	379,769
Energy Supply	18,638	40,753	181,526	179,039
	-	-	-	-
Deductions	(1,722)	(3,524)	(156,896)	(130,348)
<b>NET OPERATING REVENUE</b>	<b>16,916</b>	<b>37,229</b>	<b>1,601,474</b>	<b>1,303,761</b>
Energy Purchased for Resale	(18,153)	(40,688)	(26,695)	(32,699)
Charges for the use of the electricity grid - CUST	-	-	(7,965)	(7,976)
Financial compensation for the use of water resources - CFURH	-	-	(2,650)	(2,064)
Cost of Services Rendered	(438)	(492)	(68,357)	(61,219)
Infrastructure Cost	-	-	(393,249)	(500,082)
<b>Operating Costs</b>	<b>(18,591)</b>	<b>(41,180)</b>	<b>(498,916)</b>	<b>(604,040)</b>
<b>GROSS PROFIT</b>	<b>(1,675)</b>	<b>(3,951)</b>	<b>1,102,558</b>	<b>699,721</b>
<b>OPERATING INCOME (EXPENSES)</b>				
General and Administrative	(7,101)	(7,745)	(25,937)	(30,294)
Other Income	-	-	1,306	661
Other Expenses	-	-	(708)	(3)
Equity Pickup	325,728	232,891	1,466	645
	<b>318,627</b>	<b>225,146</b>	<b>(23,873)</b>	<b>(28,991)</b>
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>316,952</b>	<b>221,195</b>	<b>1,078,685</b>	<b>670,730</b>
Financial Expenses	(13,336)	(20,072)	(220,925)	(110,320)
Financial Income	19,800	10,491	10,815	18,050
<b>Financial Result</b>	<b>6,464</b>	<b>(9,581)</b>	<b>(210,110)</b>	<b>(92,270)</b>
<b>INCOME BEFORE TAXES</b>	<b>323,416</b>	<b>211,614</b>	<b>868,575</b>	<b>578,460</b>
Current income and social contribution taxes	-	-	(25,465)	(34,724)
Deferred income and social contribution taxes	-	-	(182,223)	(105,809)
Taxes on profit	-	-	(207,688)	(140,533)
<b>NET INCOME FOR THE PERIOD</b>	<b>323,416</b>	<b>211,614</b>	<b>660,887</b>	<b>437,927</b>
Attributed to Company Shareholders			323,416	211,614
Attributed to Non-Controlling Shareholders			337,471	226,313

## APPENDIX 02 – REGULATORY

	Holding		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
<b>ASSET</b>				
<b>CURRENT</b>	<b>1,104,244</b>	<b>1,221,437</b>	<b>2,520,794</b>	<b>2,790,240</b>
Cash and Cash Equivalents	126,076	189,785	523,159	674,610
Short-Term Investments	557,435	555,099	1,365,101	1,405,506
Marketable Securities	-	-	3,118	767
Trade Accounts Receivable	19,128	32,179	338,682	415,353
Receivables from related parties	2,998	-	-	-
Dividends to be received	344,690	390,119	74	75
Income tax and social contribution compensable	24,973	25,596	70,790	79,248
Other Taxes Recoverable	5,709	5,628	66,380	59,913
Inventory	-	-	7,969	7,856
Prepaid Expenses	53	63	4,979	5,828
Ongoing services	-	-	34,260	36,189
Other Assets	23,182	22,968	106,282	104,895
<b>NON CURRENT</b>	<b>3,609,957</b>	<b>3,400,141</b>	<b>12,911,581</b>	<b>12,467,311</b>
Trade Accounts Receivable	-	-	27,833	23,030
Advances for Future Capital Increases	95,464	103,598	-	-
Marketable Securities	-	-	104,802	102,852
Income tax and social contribution compensable	-	-	3,187	3,187
Taxes Recoverable	-	-	3,640	3,640
Deferred Income and Social Contribution Taxes	-	-	5,760	6,591
Advance for Suppliers	-	-	8,886	9,203
Collaterals and Judicial Deposits	788	778	15,297	15,333
Other Assets	81	81	12,037	14,342
Investments in associates and controlled jointly				
Investments in controlled companies	147,297	147,443	147,297	147,443
Property to investments	3,307,443	3,088,937	-	-
Fixed assets	7,731	7,731	7,731	7,731
Intangibles Assets	673	670	12,170,317	11,736,035
	50,480	50,903	404,794	397,924
<b>TOTAL ASSET</b>	<b>4,714,201</b>	<b>4,621,578</b>	<b>15,432,375</b>	<b>15,257,551</b>

	Holding		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
<b>LIABILITIES</b>				
<b>CURRENT</b>	<b>453,376</b>	<b>448,662</b>	<b>2,251,313</b>	<b>2,205,175</b>
Loans and Financing	-	-	576,435	363,798
Debentures	182,311	169,589	433,723	459,822
Lease	-	-	199	213
Suppliers	17,737	26,742	196,577	385,127
Salaries, vacation pay and social charges	7,027	6,007	57,886	57,783
Income and social contribution payable	-	-	25,432	63,563
Other payable taxes	120	156	43,359	50,035
Provision for assets built up	-	-	296,479	180,958
Dividends payable	246,153	246,153	493,831	509,475
Environmental liability accrual	-	-	13,619	13,720
Regulatory charges payable	-	-	63,146	58,781
Provision for litigation	-	-	-	2,712
Advances from customers	-	-	19,656	21,805
Other liabilities	28	15	30,971	37,383
<b>NON CURRENT</b>	<b>652,453</b>	<b>652,368</b>	<b>8,293,822</b>	<b>8,328,011</b>
Loans and Financing	-	-	2,021,324	2,155,652
Debentures	647,338	647,253	6,083,986	5,996,185
Lease	-	-	701	709
Suppliers	-	-	850	850
Advance for future capital increase	-	-	294	294
Deferred income and social contribution taxes	-	-	1,694	1,253
Provision for litigation	5,115	5,115	10,766	11,461
Advances from customers	-	-	80,833	67,896
Environmental liability accrual	-	-	19,180	19,213
Provision for assets built up	-	-	9,227	9,227
Provision for dismantling	-	-	10,545	10,545
Other liabilities	-	-	54,422	54,726
Provision to uncovered liability	-	-	-	-
<b>EQUITY</b>	<b>3,608,372</b>	<b>3,520,548</b>	<b>3,608,372</b>	<b>3,520,548</b>
Capital Subscribed and Paid	2,981,995	2,981,995	2,981,995	2,981,995
(-) Expenses on Issue of Shares	(65,225)	(65,225)	(65,225)	(65,225)
Capital Reserve	43,519	43,519	43,519	43,519
Income Reserves	476,049	1,194,472	476,049	1,194,472
Accumulated Earnings	68,340	(719,666)	68,340	(719,666)
Other Comprehensive Income	103,694	85,453	103,694	85,453
Non-controlling interest	-	-	1,278,868	1,203,817
<b>Equity + non-controlling interest</b>	<b>3,608,372</b>	<b>3,520,548</b>	<b>4,887,240</b>	<b>4,724,365</b>
<b>Total Liabilities</b>	<b>4,714,201</b>	<b>4,621,578</b>	<b>15,432,375</b>	<b>15,257,551</b>



	Holding		Consolidated	
	Period ended in		Period ended in	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
<b>GROSS OPERATING REVENUE</b>				
Transmission System	-	-	437,681	343,100
Generation System	18,638	40,753	181,526	179,039
Services	-	-	-	-
	<u>18,638</u>	<u>40,753</u>	<u>619,207</u>	<u>522,139</u>
<b>DEDUCTIONS</b>	<u>(1,722)</u>	<u>(3,524)</u>	<u>(56,085)</u>	<u>(44,230)</u>
<b>NET OPERATING REVENUE</b>	<b>16,916</b>	<b>37,229</b>	<b>563,122</b>	<b>477,909</b>
<b>OPERATING COSTS</b>				
<b>Cost of Energy</b>				
Energy Purchased for Resale	(18,153)	(40,689)	(26,695)	(32,700)
Charges of Electric Grid - CUST	-	-	(7,965)	(7,976)
Hydro Resources - CFURH	-	-	(2,650)	(2,064)
<b>Operating Costs</b>				
Cost of Services Rendered	(438)	(490)	(39,659)	(35,016)
infrastructure Cost	-	-	-	-
Depreciation / Amortization	-	-	(68,862)	(62,474)
	<u>(18,591)</u>	<u>(41,179)</u>	<u>(145,831)</u>	<u>(140,230)</u>
<b>GROSS PROFIT</b>	<b>(1,675)</b>	<b>(3,950)</b>	<b>417,291</b>	<b>337,679</b>
<b>OPERATING INCOME (EXPENSES)</b>				
General and Administrative	(8,909)	(9,261)	(29,428)	(34,779)
Equity Pickup	72,430	95,142	(145)	(185)
Other Income	-	-	1,306	661
Other Expenses	-	-	(708)	(3)
	<u>63,521</u>	<u>85,881</u>	<u>(28,975)</u>	<u>(34,306)</u>
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>61,846</b>	<b>81,931</b>	<b>388,316</b>	<b>303,373</b>
Financial Expenses	(13,306)	(20,025)	(219,827)	(109,264)
Financial Income	19,800	10,490	10,733	18,050
	<u>6,494</u>	<u>(9,535)</u>	<u>(209,094)</u>	<u>(91,214)</u>
<b>INCOME BEFORE TAXES</b>	<b>68,340</b>	<b>72,396</b>	<b>179,222</b>	<b>212,159</b>
Current income and social contribution taxes	-	-	(25,465)	(34,724)
Deferred income and social contribution taxes	-	-	(773)	673
	<u>-</u>	<u>-</u>	<u>(26,238)</u>	<u>(34,051)</u>
<b>NET INCOME FOR THE PERIOD</b>	<b>68,340</b>	<b>72,396</b>	<b>152,984</b>	<b>178,108</b>
Attributed to Company Shareholders	68,340	72,396	68,340	72,396
Attributed to Non-Controlling Shareholders	-	-	84,644	105,712

## APPENDIX 03 – IFRS x REGULATORY

	Quarter ended in 03/31/2021		
	IFRS Consolidated	Regulatory Consolidated	Variation
<b>Gross Operating Revenue</b>	<b>1,758,370</b>	<b>619,207</b>	<b>1,139,163</b>
Energy Transmission Revenue	96,688	439,568	(342,880)
Infrastructure Revenue	505,633		505,633
Concession Asset Remuneration	976,410		976,410
Energy Supply	181,526	181,526	-
(-) Variable Portion	(1,887)	(1,887)	-
<b>Deductions</b>	<b>(156,896)</b>	<b>(56,085)</b>	<b>(100,811)</b>
PIS / COFINS	(40,883)	(40,883)	-
Deferred PIS / COFINS	(93,774)	-	(93,774)
ICMS	(282)	(282)	-
ISS	(95)	(95)	-
IVA	-	-	-
Quota for Global Reversal Reserve	(7,973)	(7,973)	-
Deferred Quota for Global Reversal Reserve	(5,539)	-	(5,539)
Research & Development - R&D	(1,911)	(1,911)	-
National Develop. Fund and Tech. Develop	(1,831)	(1,831)	-
Ministry of Mines and Energy - MME	(917)	(917)	-
TFSEE	(2,193)	(2,193)	-
Deferred TFSEE	(1,498)	-	1,498
<b>Net Operating Revenue</b>	<b>1,601,474</b>	<b>563,122</b>	<b>1,038,352</b>
<b>Cost of Services</b>	<b>(498,916)</b>	<b>(145,831)</b>	<b>(353,085)</b>
Energy Purchase for Resale	(26,695)	(26,695)	-
Electric Grid Charges - CUST	(7,965)	(7,965)	-
Hydro Resources - CFURH	(2,650)	(2,650)	-
Cost of Services Rendered	(40,474)	(39,659)	(815)
Infrastructure Cost	(393,249)		(393,249)
Depreciation/Amortization	(27,751)	(68,730)	40,979
Use of Public Property - UBP	(132)	(132)	-
<b>Gross Income</b>	<b>1,102,558</b>	<b>417,291</b>	<b>685,267</b>
<b>Expenses and Operating Revenues</b>	<b>(23,873)</b>	<b>(28,975)</b>	<b>5,102</b>
General and Administrative	(9,712)	(10,854)	1,142
Personnel and Management	(14,672)	(14,671)	(1)
Equity Pickup	1,466	(145)	1,611
Depreciation/Amortization	(1,553)	(3,903)	2,350
Other Revenues	1,306	1,306	-
Other Expenses	(708)	(708)	-
<b>EBIT</b>	<b>1,078,685</b>	<b>388,316</b>	<b>690,369</b>
Depreciation/Amortization	(29,436)	(72,765)	43,329
<b>EBITDA</b>	<b>1,108,121</b>	<b>461,081</b>	<b>647,040</b>
<b>Financial Expenses</b>	<b>(220,925)</b>	<b>(219,827)</b>	<b>(1,098)</b>
<b>Financial Revenues</b>	<b>10,815</b>	<b>10,733</b>	<b>82</b>
	<b>(210,110)</b>	<b>(209,094)</b>	<b>(1,016)</b>
<b>EBT</b>	<b>868,575</b>	<b>179,222</b>	<b>689,353</b>
<b>Taxes</b>	<b>(207,688)</b>	<b>(26,238)</b>	<b>(181,450)</b>
Income Tax / Social Contribution	(25,465)	(25,465)	-
Deferred Income Tax / Social Contribution	(182,223)	(773)	(181,450)
<b>Consolidated Net Income</b>	<b>660,887</b>	<b>152,984</b>	<b>507,903</b>
Non - Controlling Participation	(337,471)	(84,644)	(252,827)
<b>Alupar Net Income</b>	<b>323,416</b>	<b>68,340</b>	<b>255,076</b>