

Individual and Consolidated Financial Statements

Comerc Participações Ltda.

(currently Comerc Participações S.A.)

December 31, 2020, 2019, and 2018
with Independent Auditor's Report

Comerc Participações S.A.

The Management of Comerc Participações S.A. ("Company") submits the Management's Report and the corresponding Parent Company and Consolidated Financial Statements, with the Independent Auditor's Report, for the fiscal year ended December 31, 2020.

1. Main Highlights

- Implemented the corporate reorganization to prepare Comerc Participações for long-term growth.
- Consolidated the platform in the Trading, Customer Services and Energy Solutions business verticals in the free energy market.
- Perfin Fund invested in Comerc Participações in early 2021, creating opportunities for new businesses and boosting results in current businesses with assets held by the Fund.
- New Centralized Generation and Self-Production (Infinito) initiatives from business partnerships established by Comerc Participações.
- Net Revenue reached R\$834.6 MM in 2020, up by 5.1% YoY.
- Trading Verticals: EBITDA reached R\$12.8 MM in 2020, down by 40.8% (R\$8.8 MM) over 2019, mainly due to the mark-to-market's negative impact on future energy agreements (R\$12.4 MM negative variation) partially offsetting NewCom's operational growth.
- Energy Solutions Vertical: Continued the long-term strategic vision of investing in new initiatives to provide better energy solutions for our customers.
- Considering the more mature business verticals (Trading and Customer Services) and business verticals in development (Energy Solutions), Comerc Participações' EBITDA reached R\$ 1.9 MM due to higher expenses to structure the businesses under development and the above negative mark-to-market in energy future agreements.

2. Message from the Management

2020 was a challenging year due to COVID, and, at the same time, it was a year to get Comerc Participações ready for long-term growth. This year, we made key organizational and strategic changes to get ready for this new growth cycle.

Contextualizing this new growth cycle, we must talk about the current transformations in the energy sector, mainly in the Free Energy Market.

2.1. The Free Energy Market

The Free Contracting Environment (Free Market) has grown significantly in recent years. Agents and consumers migrating to the free market grew at 2-digit rates recently, and even stronger growth is forecast for the next decade due to the regulatory agenda favoring a broader release scheduled for coming years.

Besides the regulatory release agenda, the Free Energy Market provides consumers with more benefits such as better schedule and consumption predictability, potentially reducing the cost to acquire energy, guaranteed supply, and access to renewable energy.

Finally, energy consumers are increasingly worried about sustainability matters (ESG), even translating them into goals and targets for the executives' compensation. Therefore, solutions and products with renewable energy, energy efficiency and efficient consumption management are even more interesting.

The Free Energy Market represented 32%¹ of the Brazilian energy market in 2020 and continues to gain increasing weight. We believe that this market will support most new generation projects, especially renewable ones.

1 Source CCEE

2.2. The Strategy of Comerc Participações

2.2.1. The Business Model of Comerc Participações: Integrated Platform

Comerc Participações is an integrated Energy Services and Solutions platform for its clients covering three main business verticals: Trading, Customer Services, and Energy Solutions.

Trading: Comerc Trading was one of the forerunners of the Free Energy Market and is currently the leading trader among independent traders. In 2018, we started operating NewCom, our second trader, focused on operations with market peers. When consolidating the volumes of the two operations, the operations' volume reached 1.9 MWm in 2020.

Customer Services: Here, we highlight the services to our customer base, consumers, generators, and distributors. The main highlight is the Free Market Consumer Management, pioneering this market and leading with 2,800 units under management in 2020. In this context, Comerc advises its clients on designing the energy purchase strategy according to their needs. The Management benefits from accessing free consumers and detailed consumption information with characteristics and costs, making it easier to objectively and assertively present many Energy Solutions and lower costs for customer acquisition (CAC).

As in-depth customer knowledge is key to the nature of our services, we have developed, in Group companies, copyrighted IoT (measuring equipment) equipment and management software (Zordon + PowerView) that make it possible to collect and process information and directly connect us to our customers.

Besides the Energy Consumer Management company, the Group offers management services to natural gas consumers through Comerc Gás since 2014 and Generators Management, expanding its customer base and creating knowledge and opportunities in this area.

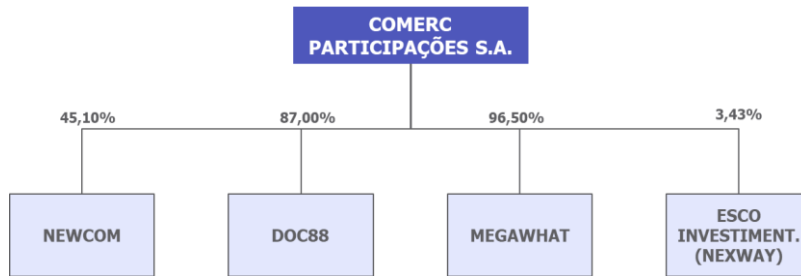
Energy Solutions: Besides betting on growing the free market, we have developed products to deliver energy to reach all types of free-market consumers, ranging from medium voltage consumers to large consumers via APE (Retail and Infinito). Additionally, we offer energy efficiency solutions (Nexway) and batteries (MicroPower). Below we detail these solutions:

- i. **Retail (Comerc Varejista):** Our retail trade business for the free market.
- ii. **Self-Production (Infinito Energy):** Partnership between Comerc Participações and Base Investimentos (see 2.2.3 Subsequent Events 2021) with a business model focused on developing solar generation projects with free consumers in the energy self-production model (the consumer generates and consumes their energy, which may partially or fully replace their demand or supply).
- iii. **Energy Efficiency (Nexway):** Company that seeks to invest in energy efficiency projects for its customers.
- iv. **Batteries (MicroPower):** Investee company of Comerc Participações, in partnership with Siemens, MicroPower and Equinor, seeks to invest in energy storage services to customers (B2B).

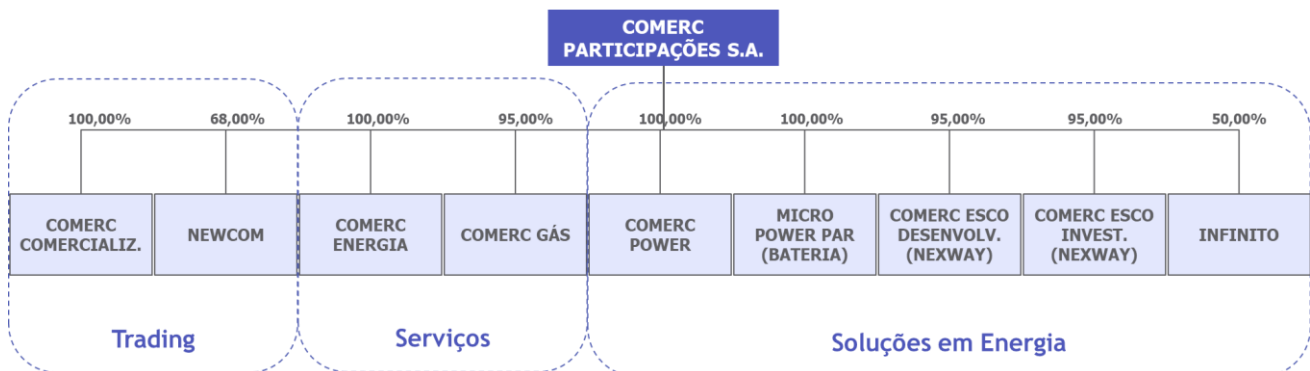
2.2.2. Corporate Reorganization:

The corporate reorganization of Comerc Participações is one of the key steps to get the Group ready for long-term growth. In December 2020, we consolidated most of the group's businesses under Comerc Participações, carried out the spin-off of Doc88 and MegaWhat, followed by the transformation of Comerc Participações into a Publicly Held Company in the first quarter of 2021.

The corporate structure of Comerc Participações before the corporate reorganization:



The corporate structure of Comerc Participações after the corporate reorganization:



¹Considers subsequent events of the corporate restructuring up to March 31, 2021.

2.2.3. 2021 Subsequent Events

2.2.3.1. Comerc Participações and Base Investimentos join forces to create Infinito

On March 31, 2021, Comerc partnered with Base Investimentos (created by Grupo SETA Engenharia's main shareholders) in Infinito Energy, a company focused on developing solar generation projects, self-production solutions for its customers and renewable energy distribution. In this partnership, both companies work complementing each other, leveraging their businesses, with Comerc Participações contributing with the expertise in consumer management, energy trade, and development of solutions for the free market. Base Investimentos' contributes to developing and building solar generation projects.

With this partnership, Comerc Participações adds, to its energy solutions platform, developing and implementing generation projects and self-production solutions for its customers

2.2.3.2. Perfin acquires equity interest in Comerc Participações

Perfin is an asset manager with great expertise in infrastructure, with currently around R\$18 billion under management, partnering with relevant companies in the electric energy sector and the largest infrastructure fund listed in the Brazilian market

The connection and mutuality between the Comerc and Perfin groups created opportunities for new businesses and additional value in current businesses. We have combined power generation skills and assets (GD and GC) of one of the largest infrastructure funds with the main platform for energy placement, products and solutions in Brazil's free market.

This combination makes it possible for energy customers to access and customize products and services as it integrates the generation platform (GD and GC), with trading companies working to adapt the purchase and sale processes between generator and consumer.

In this context, on April 1, 2021, Perfin became a partner of Comerc Group (Comerc Participações, in Doc 88 and MegaWhat), contributing with R\$200 MM¹, acquiring a 19.99% interest, starting a long-term partnership with many business opportunities and synergies.

¹ R\$175 MM at Comerc Participações, R\$15 MM at Doc88 and R\$10 MM at MegaWhat.

2.2.4. Andre Dorf became Comerc Group's Co-CEO

In this context, in April 2021, Andre Dorf joined Comerc Group as Co-CEO with the challenge to lead the Group with Christopher Vlavianos, Comerc Group's founder and controlling shareholder.

Andre Dorf is an executive with over 25 years of market experience. He was Suzano Energia Renovável's CEO. In 2013 he became CPFL Renováveis' CEO and, as of 2016, he became CPFL Energia's CEO. Since 2019, he was working at Arteris as CEO.

3. Comments on the Performance

In 2020, people's lives and business environments suffered deep changes due to the pandemic, bringing uncertainty and challenges to all economic segments. However, Comerc's results were not significantly impacted.

Comerc Participações ended 2020 with revenues totaling R\$835 million, up by 5.1% YoY, mainly due to NewCom's revenue growth during 2020

Comerc Participações' main input is electric energy, which has costs fluctuating based on energy generation sources. In 2020, the lower Gross Margin was mainly due to the variation in this input's price.

3.1. Operational Highlights

	2020	2019	Chg. 20x19 (%)	2018	Chg. 19x18 (%)
Operational Highlights					
Trading					
Gross Profit (R\$ '000)	18,386	26,784	-31.4%	3,625	638.9%
<i>Net Revenue from Energy Sales</i>	811,327	775,755	4.6%	220,777	251.4%
<i>Energy Sales Costs</i>	(784,594)	(753,004)	-4.2%	(222,157)	-239.0%
<i>Mark-to-Market of Financial Instruments</i>	(8,347)	4,033	-307.0%	5,005	-19.4%
Current Volume (GWh) ¹	4,420	3,553	24.4%	966	267.7%
Current Gross Margin (R\$/MWh) ²	6.0	6.4	-5.5%	(1.4)	548.4%
Fair Value Energy Portfolio (R\$ '000) ³	159,722	9,379	1603.0%	5,195	80.5%

1 - Energy consumed volume during the fiscal year. Disregards the portfolio of future energy agreements

2 - Current Gross Margin = (Net Revenue - Energy Sales Costs) / Current Volume

3 - Assets (-) Liabilities Position. In 2019 and 2018 includes New com's portfolio; in 2020 includes the New com's and Comerc Trading's portfolio due to corporate reorganization

Trading:

The Trading's Gross Profit fell by 31.4% in 2020, mainly due to the negative impact on the portfolio's mark-to-market fair value. This was due to a one-off event in the last quarter of 2020, an extreme and unexpected weather event that impacted the Company's positions.

On the other hand, a positive aspect was the growing volumes transacted in a year in which the sanitary crisis severely impacted the economy. We grew 24.4% year-on-year.

Finally, we had a significant growth in the energy portfolio's fair value because, in December 2020, due to the corporate reorganization, this represents the total portfolio of NewCom and Comerc Comercializadora.

3.2. Financial Highlights

Financial Highlights					
(R\$'000, except percentages)					
	2020	2019	Chg. 20x19 (%)	2018	Chg. 19x18 (%)
Trading					
Gross Profit ¹	18,386	26,784	-31.4%	3,625	638.9%
<i>Net Revenue from Energy Sales</i>	811,327	775,755	4.6%	220,777	251.4%
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<i>Mark-to-Market of Financial Instruments</i>	(8,347)	4,033	-307.0%	5,005	-19.4%
Energy Solutions					
Gross Profit	21,305	17,589	21.1%	2,166	712.0%
Comerc Group²					
Gross Profit ¹	39,690	44,373	-10.6%	5,791	666.2%
EBITDA ¹	1,352	23,927	-94.3%	2,609	817.1%
Net Income	(1,155)	16,369	-107.1%	1,841	789.1%

1 - Considers a R\$8.3 MM negative impact from mark-to-market (fair value of the energy agreements portfolio) in 2020

2 - Removes intercompany effects and parent company results not included in the Trading and Energy Solutions businesses

(a) *“Earnings Before Interest, Taxes, Depreciation and Amortization or EBITDA is a non-accounting measure disclosed by the Company according to CVM Instruction 527/12. EBITDA includes net income adjusted by the net financial result, by current and deferred income tax and social contribution, by depreciation and amortization expense.”*

Gross profit from energy trading operations fell by 31.4% in 2020 vs. 2019, mainly due to an adverse weather event in the last quarter of 2020 that negatively impacted the mark-to-market of the future agreements portfolio and, therefore, the Gross Profit.

Trading's EBITDA reached R\$12.75 MM, down by 40.8% (R\$8.8 MM) due to the negative variation in mark-to-market, but partially offset by NewCom's current result.

It should be noted that Comerc Participações' total EBITDA reflects the long-term strategy of investing in new initiatives focused on providing better energy solutions for our customers and, as they are still in development, negatively impact this indicator for the Company.

3.3. EBITDA Reconciliation

EBITDA Reconciliation					
(R\$'000, except percentages)					
	2020	2019	Chg. 20x19 (%)	2018	Chg. 19x18 (%)
Comerc Group²					
Net Income	(1,155)	16,369	-107.1%	1,841	789.1%
(-) Income Tax/Social Contribution	983	8,293	-88.1%	1,423	482.8%
(-/+) Financial Earnings (Loss)	90	(767)	111.7%	(657)	-16.7%
(+) Depreciation/Amortization	1,434	32	4381.3%	2	1500.0%
EBITDA¹	1,352	23,927	-94.3%	2,609	817.1%

1 - Considers a R\$8.3 MM negative impact from mark-to-market (fair value of the energy agreements portfolio) in 2020

2 - Removes intercompany effects and parent company results not included in the Trading and Energy Solutions businesses

(a) *“Earnings Before Interest, Taxes, Depreciation and Amortization or EBITDA is a non-accounting measure disclosed by the Company according to CVM Instruction 527/12. EBITDA includes net income adjusted by the net financial result, by the current and deferred income tax and social contribution, by the depreciation and amortization expense.”*

4. Covid's Impact on our Activities

The first COVID-19 cases occurred in the first quarter of 2020 and quickly spread throughout Brazil. Despite initiatives to slow down the pandemic, on April 30, 2021, Brazil had more than 14 million COVID-19 cases.

In mid-March, Comerc Participações internally organized several multidisciplinary committees to manage this impact on our operations, results and, mainly, on the safety and well-being of our employees.

On March 17, 2020, due to this preparation, we managed to implement a remote work system for 100% of the company, which remains that way until today. We structure weekly communication channels between the leadership and team in which Christopher Vlavianos (CEO and founder of Comerc Participações) talks with the company, passing on the main updates and directions to all employees.

Our main office was redesigned considering the new reality, observing security protocols adapted to a hybrid working system, going to the office only when necessary.

Despite the major negative impact on the global economy, the operations of the Company and its subsidiaries did not suffer material impacts due to the pandemic.

The pandemic's impacts are duly reflected in the financial statements, and the company is taking due measures to recover any losses.

The Company's Management continues to actively monitor the global situation in its financial, liquidity, operations, suppliers, sector and workforce conditions to ensure the employees' protection and operational and business continuity.

5. Relationship with the Independent Auditor

The Company does not have formal policies or procedures in order to avoid conflict of interest, loss of independency (autonomy) or to objectivity of its independent auditors according to CVM Instruction 381/03. However, all the services rendered by the auditors were analyzed by the Company's Management, which concluded that the Company adopts a formal procedure when hiring independent auditors to ensure that other services are related to audit. In addition, there was no relevant transfer of services or resources between the auditors and related parties to the Company according to CVM deliberation 642 of October 07, 2010 and CPC 05. In the fiscal year ended December 31, 2020, Ernst & Young Auditores Independentes did not provide services whose global compensation exceeded 5% (five percent) of the compensation for external audit services.

Comerc Participações Ltda.

Individual and Consolidated Financial Statements

December 31, 2020

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Independent Auditor's Report on the Individual and Consolidated Financial Statements

To the Management and Members of
Comerc Participações Ltda.
(currently Comerc Participações S.A.)
São Paulo, SP

Opinion

We have audited the individual and consolidated financial statements of Comerc Participações Ltda. ("Company"), identified as individual and consolidated, respectively, which comprise the statement of financial position at December 31, 2020, and the statement of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of Comerc Participações Ltda as at December 31, 2020, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion on the individual and consolidated financial statements. Therefore, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any comments on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section, of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the Company’s financial statements.

Revenue Recognition

At December 31, 2020, the Company’s consolidated operating revenue totaled R\$834,560 thousand, as disclosed in Note 13 of the financial statements, the mark-to-market of energy future agreements totals an expense of R\$8,347 thousand, as disclosed in Note 19 (c) of the financial statements, and the cost of energy purchase totals R\$783,654 thousand, as disclosed in Note 14 of the financial statements.

Subsidiaries’ revenues are mainly from electricity supply to free consumers, generators and traders, in addition to consulting services for consumers adapting to migrate to the free contracting environment (ACL). Electricity sales revenues and associated costs are recognized when the control over goods and services is transferred to the customer for a price that reflects the payment expected by the Company in exchange for these goods or services. Energy purchase and sale agreements have characteristics and are classified as financial instruments, as per IFRS 09/ CPC 48. Revenue is an important performance indicator for the Company and its management, which can create an incentive to recognize revenue before the performance obligation is met or postpone the cost recognition, especially in the period before the end of the year (“Sales Cut”). Additionally, measuring the mark-to-market of future energy agreements is an accounting estimate that requires management’s judgement. The matter’s monitoring process was considered significant for our audit, given the risks that the revenue is recognized before the transfer of risks and rewards to the client and the compliance with the performance obligation, along with the volume and specificity of energy trading agreements, processes that support such recognition and the associated internal controls.

How our audit conducted this matter

Our audit procedures included, among others:

- Assessing the adequacy of accounting policies adopted by the Company when recognizing revenues from energy sales and consulting services;
- Carrying out extensive revenue cut test procedures, with materiality allocation proportional to the test population;
- Assessing a sample of contracts to verify the data used to measure the revenue;
- Evaluating the subsequent settlement report issued by the Electricity Trading Chamber (CCEE) to corroborate the energy volume recognized by the Company;
- Testing subsequent invoices paid by sampling;
- With the help of our specialists, recalculating the mark-to-market of future energy agreements, discussing the assumptions used by the management and comparing them with external market information;
- Assessing the disclosures made by the Company on revenues included in Note 13 of the financial statements.

Based on the result of the audit procedures on revenue recognition, consistent with management's assessment, we consider that the criteria and assumptions used by management are acceptable and their disclosures, considering the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2020, prepared under the responsibility of the Company's management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria stated in Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the individual and consolidated financial statements

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

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

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluded on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

São Paulo, July 12, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC- 2SP034519/O-6

Adilvo França Junior
Accountant CRC-1BA021419/O-4-T-SP

A free translation from Portuguese into English of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Comerc Participações Ltda.

Statements of financial position
December 31, 2020, 2019, and 2018
(In thousand of Reais)

	Notes	Individual			Consolidated		
		December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
Assets							
Current assets							
Cash and cash equivalents	3	1,212	3	21	66,782	23,967	30,011
Receivables	4	-	-	-	319,872	73,869	36,578
Taxes and contributions recoverable		103	156	-	3,567	369	151
Derivative financial instruments	19	-	-	-	530,117	133,004	61,399
Related parties	5	1,600	-	-	22,994	12	429
Other assets		327	1	1	9,606	16,483	723
Total current assets		3,242	160	22	952,938	247,704	129,291
Noncurrent assets							
Related parties	5	-	-	-	-	325	-
Future capital contributions		613	-	-	613	-	-
Derivative financial instruments	19	-	-	-	260,315	34,232	6,394
Investments	6	180,290	24,101	17,639	13,645	-	-
Right-of-use assets	8	-	-	-	13,416	-	-
Property, plant and equipment	7	-	-	-	14,480	4,220	2,506
Intangible assets		537	-	-	11,683	1,180	12
Total noncurrent assets		181,440	24,101	17,639	314,152	39,957	8,912
Total assets		184,682	24,261	17,661	1,267,090	287,661	138,203

	Notes	Individual			Consolidated		
		December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
Liabilities and Equity							
Current liabilities							
Suppliers	9	-	-	-	307,098	68,986	35,100
Labor obligations		2	-	-	20,357	3,536	509
Advances from customers		-	-	-	7,935	182	-
Related parties	5	4,500	-	-	-	5,735	2,041
Derivative financial instruments	19	-	-	-	496,890	129,657	61,401
Lease liabilities	8	-	-	-	3,850	-	-
Dividends payable	10	-	117	-	22,000	117	-
Other liabilities		-	7	-	10,365	8	-
Total current liabilities		4,502	124	-	868,495	208,221	99,051
Noncurrent liabilities							
Deferred taxes	17.2	-	-	-	46,370	3,000	1,383
Lease liabilities	8	-	-	-	12,491	-	-
Accounts payable		-	-	-	623	-	-
Derivative financial instruments	19	-	-	-	133,820	28,200	1,197
Provision for contingencies	11	-	-	-	57	-	-
Total noncurrent liabilities		-	-	-	193,361	31,200	2,580
Equity							
Capital	12	172,065	17,420	17,420	172,065	17,420	17,420
Profit reserve	12.3	7,615	6,717	241	7,615	6,717	241
Total shareholders' equity		179,680	24,137	17,661	179,680	24,137	17,661
Future capital contributions	12.2	500	-	-	500	-	-
Equity of the parent Company (individual)		180,180	24,137	17,661	180,180	24,137	17,661
Non-controlling interests	12.5	-	-	-	25,054	24,103	18,911
Total equity		180,180	24,137	17,661	205,234	48,240	36,572
Total liabilities and equity		184,682	24,261	17,661	1,267,090	287,661	138,203

See accompanying notes.

Comerc Participações Ltda.

Statement of profit or loss

Years ended on December 31, 2020, 2019, and 2018

(In thousand of Reais)

	Notes	Individual			Consolidated		
		December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
Net operating revenue	13	-	-	-	834,560	794,304	222,947
Mark-to-market of financial instruments		-	-	-	(8,347)	4,033	5,005
Services and energy sales costs	14	-	-	-	(786,523)	(753,964)	(222,161)
Gross profit		-	-	-	39,690	44,373	5,791
Operating income (expenses)							
Selling, general and administrative expenses	15	(10)	(9)	(3)	(39,748)	(20,491)	(3,184)
Other operating (expenses) income, net		-	-	-	1	13	-
Equity pickup		2,902	8,744	455	(25)	-	-
Total operating income (expenses)		2,892	8,735	452	(39,772)	(20,478)	(3,184)
Finance income (costs)							
Finance income	16	20	1	1	1,049	1,414	742
Finance costs	16	(72)	(106)	-	(1,139)	(647)	(85)
Net finance income (costs)		(52)	(105)	1	(90)	767	657
Income (loss) before income taxes		2,840	8,630	453	(172)	24,662	3,264
Income tax and social contribution - Current	17.1	(147)	(5)	-	(7,715)	(6,830)	(229)
Income tax and social contribution - Deferred	17.2	-	-	-	6,732	(1,463)	(1,194)
Net income (loss) for the year		2,693	8,625	453	(1,155)	16,369	1,841
Attributed to non-controlling interests		-	-	-	(3,848)	7,744	1,388
Attributed to equity holders of the parent		2,693	8,625	453	2,693	8,625	453
Earnings per share attributed to equity holders of the parent (R\$ per Share)		0.1346	0.4413	0.0232	0.1346	0.4413	0.0232

See accompanying notes.

Comerc Participações Ltda.

Statements of comprehensive income (loss)
 Years ended December 31, 2020, 2019, and 2018
 (In thousand of Reais)

	Individual			Consolidated		
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
Net income (loss) for the year	2,693	8,625	453	(1,155)	16,369	1,841
Other comprehensive income (loss)	-	-	-	-	-	-
Total comprehensive income (loss) for the year	2,693	8,625	453	(1,155)	16,369	1,841
Total comprehensive income (loss) attributed to:						
Equity holders of the parent	2,693	8,625	453	2,693	8,625	453
Non-controlling interests	-	-	-	(3,848)	7,744	1,388

See accompanying notes.

Comerc Participações Ltda.

Statements of changes in equity
Years ended December 31, 2020, 2019, and 2018
(In thousand of Reais)

	Notes	Capital	Future capital contributions	Units of Interest held in Treasury	Capital reserve	Profit reserve	Net income (loss) for the year	Total	Non-controlling interests	Total Equity
Balances at January 1, 2018		20	-	-	-	23	-	42	4	46
Capital increase	12.1	17,400	-	-	-	-	-	17,400	16,821	34,221
Dividends paid related to previous years	12.2	-	-	-	-	(23)	-	(23)	-	(23)
Net income for the year		-	-	-	-	-	453	453	1,388	1,841
Dividends distributed	12.5	-	-	-	-	-	-	-	-	-
Capital reserve recognized		-	-	-	(211)	-	-	(211)	698	487
Income reserve (retained earnings) recognized	12.3	-	-	-	-	453	(453)	-	-	-
Balances at December 31, 2018		17,420	-	-	(211)	453	-	17,661	18,911	36,572
Capital increase	12.1	-	-	-	-	-	-	-	1,396	1,396
Net income for the Year	-	-	-	-	-	-	8,625	8,637	7,744	16,369
Interest on equity paid in the period	-	-	-	-	-	-	(890)	(890)	(1,113)	(2,003)
Dividends distributed	12.5	-	-	-	-	-	(1,075)	(1,088)	(4,191)	(5,266)
Capital reserve recognized		-	-	-	(184)	-	-	(184)	1,356	1,172
Income reserve recognized	12.3	-	-	-	-	6,660	(6,660)	-	-	-
Balances at December 31, 2019		17,420	-	-	(395)	7,113	-	24,137	24,103	48,240
Capital increase	12.1	154,645	-	(175)	-	-	-	154,470	1,001	155,471
Future capital contributions	12.2	-	500	-	-	-	-	500	-	500
Net income (loss) for the year	-	-	-	-	-	-	2,693	2,693	(3,848)	(1,155)
Dividends distributed	12.5	-	-	-	-	-	(877)	(877)	(7,463)	(8,340)
Capital reserve recognized		-	-	-	(743)	-	-	(743)	3,144	2,401
Income reserve recognized	12.3	-	-	-	-	1,816	(1,816)	-	-	-
Other non-controlling changes	12.5	-	-	-	-	-	-	-	8,117	8,117
Balances at December 31, 2020		172,065	500	(175)	(1,138)	8,929	-	180,180	25,054	205,234

See accompanying notes.

Comerc Participações Ltda.

Statements of cash flows
Years ended December 31, 2020, 2019, and 2018
(In thousand of Reais)

	Individual			Consolidated		
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
Operating activities						
Net income (loss) for the year	2,693	8,625	453	(1,155)	16,369	1,841
Adjustments to reconcile net income (loss) to net cash flows:						
Depreciation and amortization	-	-	-	1,562	331	4
Interest on lease liabilities	-	-	-	-	-	-
Amortization of the right-of-use assets	-	-	-	383	-	-
Equity pickup	(2,902)	(8,744)	(455)	25	-	-
Mark-to-market of energy agreements	-	-	-	8,347	(4,033)	(5,005)
Deferred PIS and COFINS over future electricity agreements	-	-	-	315	(151)	(190)
Deferred taxes	-	-	-	(7,047)	1,617	1,383
Allowance for expected losses on receivables	-	-	-	(568)	568	-
Provision for contingencies	-	-	-	-	-	-
Non-controlling interest change	-	-	-	98	(184)	(211)
Provision for operating expenses	-	(184)	-	3,144	1,356	698
Disposal of equity interest	-	-	-	(427)	-	-
Income tax and social contribution expenses	-	-	-	7,715	6,830	229
Decrease (increase) in assets						
Receivables	-	-	-	14,512	(37,859)	(36,578)
Taxes recoverable	53	(156)	-	(704)	(218)	(151)
Other assets	(326)	-	-	11,795	(15,760)	(723)
Transactions with related parties	-	-	-	617	-	-
Increase (decrease) in operating liabilities						
Suppliers	-	-	-	(19,318)	33,886	35,099
Labor obligations	2	-	-	798	2,512	392
Advances from customers	-	-	-	1,143	182	-
Other liabilities	(7)	7	-	4,466	8	-
Dividends payable	-	-	-	-	117	-
Transactions with related parties	-	-	-	146	-	359
Income tax and social contribution paid	-	-	-	(6,876)	(6,315)	(137)
Net cash flows from operating activities	(487)	(452)	(2)	18,971	(744)	(2,989)

Comerc Participações Ltda.

Statements of cash flows --Continued
 Years ended December 31, 2020, 2019, and 2018
 (In thousand of Reais)

	Individual			Consolidated		
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
Investing activities						
Future capital contributions	(613)	-	-	(5,170)	-	-
Acquisition of property, plant and equipment	-	-	-	(2,787)	(2,045)	(2,511)
Additions to investments	1,358	4	(17,380)	(171)	-	-
Acquisition of intangible assets	(537)	-	-	(5,013)	(1,168)	(6)
Decrease in cash from investment sold	-	-	-	(2,811)	-	-
Dividends received in the year	-	1,075	24	-	-	-
Transactions with related parties	-	-	-	4,500	(1,664)	-
Cash from corporate reorganization	-	890	-	28,128	-	-
Net cash flows used in investing activities	208	1,969	(17,356)	16,677	(4,877)	(2,517)
Financing activities						
Lease payments	-	-	-	(1,587)	-	-
Net cash flows from financing activities	-	-	-	(1,587)	-	-
Investing activities with shareholders						
Capital paid-up	-	-	17,400	1,001	1,396	34,221
Future capital contributions	500	-	-	18,956	-	-
Dividends paid in the year	(1,169)	(658)	(23)	(10,057)	(5,266)	(23)
Interest on equity paid in the year	-	(877)	-	-	(2,003)	-
Transactions with related parties	2,900	-	-	-	5,450	1,253
Non-controlling interest change	(743)	-	-	(1,146)	-	-
Net cash flows from (used in) financing activities	1,488	(1,535)	17,377	8,754	(423)	35,451
Increase (decrease) in cash and cash equivalents	1,209	(18)	19	42,815	(6,044)	29,945
Cash and cash equivalents						
At beginning of year	3	21	2	23,967	30,011	66
At end of year	1,212	3	21	66,782	23,967	30,011
Increase (decrease) in cash and cash equivalents	1,209	(18)	19	42,815	(6,044)	29,945

See accompanying notes.

Comerc Participações Ltda.

Statements of value added
 Years ended December 31, 2020, 2019, and 2018
 (In thousand of Reais)

	Individual			Consolidated		
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
1 – Revenues						
1.1) Sales of goods, products, and services	-	-	-	849,311	798,090	229,739
1.2) Other revenues	-	-	-	(8,347)	4,033	5,005
1.3) Revenues from building own assets	-	-	-	-	-	-
1.4) Allowance for doubtful accounts – reversal (recognition)	-	-	-	-	(568)	-
	-	-	-	840,964	801,555	234,744
2 - Inputs acquired from third parties (includes taxes - ICMS, IPI, PIS and COFINS)						
2.1) Costs of products, goods, and services sold	-	-	-	(786,361)	(753,661)	(228,828)
2.2) Materials, energy, third-party services, and others	-	-	-	(12,180)	(2,432)	(864)
2.3) Loss/recovery of assets	-	-	-	-	-	-
2.4) Others (specify)	-	-	-	-	-	-
	-	-	-	(798,541)	(756,093)	(229,692)
3 - Gross value added	-	-	-	42,423	45,462	5,052
4 - Depreciation, amortization, and depletion						
4.1) Depreciation	-	-	-	(1,434)	(32)	(2)
4.2) Amortization	-	-	-	-	-	-
4.3) Depletion	-	-	-	-	-	-
	-	-	-	(1,434)	(32)	(2)
5 - Net value added produced by the Company	-	-	-	40,989	45,430	5,050
6 - Value added received in transfer						
6.1) Equity pickup	2,902	8,744	455	(25)	-	-
6.2) Finance income	20	1	1	1,049	1,414	742
6.3) Others	(79)	(109)	-	(1,365)	(664)	(46)
	2,843	8,636	456	(341)	750	696

Comerc Participações Ltda.

Statements of value added --Continued
 Years ended December 31, 2020, 2019, and 2018
 (In thousand of Reais)

	Individual			Consolidated		
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020	December 31, 2019	December 31, 2018
7 - Total value added for distribution	2,843	8,636	456	40,648	46,180	5,746
8 - Value-added distribution						
8.1) Personnel						
8.1.1 - Direct compensation	-	-	-	(21,972)	(14,309)	(1,668)
8.1.2 – Benefits	-	-	-	(2,861)	(1,804)	(219)
8.1.3 – Unemployment compensation fund (FGTS)	-	-	-	(928)	(482)	(28)
	-	-	-	(25,761)	(16,595)	(1,915)
8.2) Taxes, fees, and contributions						
8.2.1 – Federal	(147)	(5)	-	(2,818)	(9,763)	(1,477)
8.2.2 – State	(1)	(6)	(3)	(12,164)	(1,833)	(40)
8.2.3 - Local	(2)	-	-	(798)	(559)	(71)
	(150)	(11)	(3)	(15,780)	(12,155)	(1,588)
8.3) Debt remuneration						
8.3.1 - Interest	-	-	-	-	-	-
8.3.2 – Rents	-	-	-	(81)	(81)	-
8.3.3 – Others	-	-	-	(181)	(980)	(402)
	-	-	-	(262)	(1,061)	(402)
8.4) Equity remuneration						
8.4.1 - Interest on equity	-	-	-	-	-	-
8.4.2 – Dividends	-	-	-	-	-	-
8.4.3 - Retained earnings (loss) for the year	(2,693)	(8,625)	(453)	(2,693)	(8,625)	(453)
8.4.4 - Non-controlling interest in retained earnings (only for consolidation)	-	-	-	3,848	(7,744)	(1,388)
	(2,693)	(8,625)	(453)	1,155	(16,369)	(1,841)

See accompanying notes.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

1. Operations

Comerc Participações Ltda. ("Company" or "Individual" or "Group" when including its subsidiaries), currently Comerc Participações S.A., incorporated on August 3, 2016, is primarily engaged holding equity interest in other civil-commercial companies, domestic or foreign, as a member or shareholder.

At December 31, 2020, due to the corporate reorganization described in Note 1.1, Comerc Participações S.A. will consolidate the main companies of the group, including the two main companies: (i) Comerc Comercializadora de Energia Elétrica Ltda, trader of electricity incorporated on October 20, 1987, and (ii) Comerc Energia Ltda, consumer manager in the free energy market, incorporated on February 18, 2005.

The Company trades electricity (purchase and sale), provides energy consumption management and representation services for its customers with the Electricity Trading Chamber (CCEE), provides energy consumption management services to consumers who can choose a supplier (free consumer), trades gas (purchase and sale), provides gas consumption management services, leases equipment generate better efficiency in the energy consumption for their customers and provides services that help the company reduce this consumption.

The Company is domiciled in Brazil, headquartered at Av. Presidente Juscelino Kubitschek, nº 1909 - 21º andar - Torre Norte, in the State of São Paulo, City of São Paulo.

1.1. Corporate Restructuring

On September 4, 2020, the Company became a direct shareholder in Comerc Esco Comércio e Prestação de Serviços em Energia Ltda. ("Esco Comércio"), receiving 170,581 units of interest due to the merger of its direct subsidiary Comerc Esco Instalações e Prestação de Serviços em Energia Ltda. ("Esco Instalações") by Esco Comércio. The merged net assets totaling R\$170,581 were valued at book value, as all Companies in the restructuring are under common control. The equity interest in Esco Instalações until the merger was 99%. Subsequently, the Company held 3.43% in Esco Comércio. As the Company already held an indirect interest in Esco Comércio, there was no effect on equity.

On February 3, 2020, the Company assigned and transferred, through a sale, 1,015,000 units of interest at a par value of R\$1.00 (one real) each, representing 2.90% of the capital of the subsidiary NewCom Comercializadora de Energia Elétrica Ltda. to individual partners. The transaction was unanimously approved and without qualifications by the partners, and there was a payment for this transfer with no gain or loss in the transaction.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

1. Operations --Continued

1.1. Corporate Restructuring --Continued

On December 31, 2020, the following corporate events took place:

- (a) Assigned and transferred by selling all its units of interest in the previously controlled company DOC 88 Desenvolvimento e Serviços Ltda. ("DOC 88") for individual partners, totaling 16,200 units of interest, with a par value of R\$1.00 (one real) each, thus withdrawing from the company on this date. There was no gain or loss on the transaction. The interest percentage and consolidation criteria are shown in Note 1.2. Equity Interest.
- (b) Assigned and transferred by selling all its units of interest in the previously controlled company MegaWhat Desenvolvimento e Serviços Ltda. ("MegaWhat") for individual partners, totaling 482,500 units of interest, with a par value of R\$1.00 (one real) each, thus withdrawing from the company. There was no gain or loss on the transaction. The interest percentage and consolidation criteria are shown in Note 1.2. Equity Interest.
- (c) Received 120,685,470 units of interest of the company Comerc Comercializadora de Energia Elétrica Ltda. ("Comerc Comercializadora") fully paid-in capital. The transaction was unanimously approved without qualifications by the Partners.
- (d) Received 21,075,334 units of interest of the company Comerc Energia Ltda. ("Comerc Energia") fully paid-in capital. The transaction was unanimously approved without qualifications by the partners.
- (e) Received 120,000 units of interest of the company Comerc Gás Comercializadora de Energia Ltda. ("Comerc Gás") fully paid-in capital. The transaction was unanimously approved without qualifications by the partners.
- (f) Receiving 5,134,456 units of interest of the company Comerc Power Trade Ltda. ("Comerc Power") fully paid-in capital. The transaction was unanimously approved without qualifications by the Partners.
- (g) Allocated R\$1,001, representing 1,001,020 units of interest with a par value of R\$1.00 (one real) each, using a loan turned into an advance for future capital increase (AFAC), and received 7,630,010 units of interest totaling 8,631,030 units of interest from the company Micropower Comerc Participações Ltda. ("Micropower") fully paid-in capital. The transaction was unanimously approved without qualifications by the partners.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

1. Operations --Continued

1.1. Corporate Restructuring --Continued

In the case of the companies mentioned in letters “a” and “b” above, first, there was a capital increase carried out by the non-controlling shareholders, resulting in the dilution of the participation of Comerc Participações in these companies. Next, 498,700 units of interest were assigned and transferred with the express consent of the other partners of these companies to an individual partner.

At December 31, 2020, the shareholders approved unanimously and without qualifications the increase in the Company's Capital by R\$154,645, issuing 154,645 new units of interest, which were subscribed for by the members by granting units of interest of the highlighted companies, as follows:

Company	Equity Interest % Held by the Company	Investment Now Held by the Company through a Capital Increase
Comerc Comercializadora de Energia Elétrica Ltda.	100%	120,685
Comerc Energia Ltda.	100%	21,075
Comerc Gás Comercializadora de Energia Ltda.	95%	120
Comerc Power Trade Ltda.	100%	5,134
Micropower Comerc Participações Ltda.	100%	7,630
Total		154,645

On the transaction date, the main accounting information of these companies is as follows:

	Assets					Total
	Comerc Comercializadora de Energia Elétrica Ltda.	Comerc Energia Ltda.	Comerc Gás Comercializadora de Energia Ltda.	Comerc Power Trade Ltda.	Micropower Comerc Participações Ltda.	
Current assets						
Cash and cash equivalents	21,878	3,876	111	2,178	87	28,130
Receivables	257,937	2,288	-	981	-	261,206
Derivative financial instruments	421,615	-	-	-	-	421,615
Other current assets	9,824	31,941	-	3,485	-	45,250
Total current assets	711,254	38,105	111	6,644	87	756,201
Noncurrent assets						
Derivative financial instruments	241,645	-	-	-	-	241,645
Right-of-use assets	13,298	-	-	-	-	13,298
Property, plant and equipment	13,882	-	-	-	-	13,882
Other noncurrent assets	4,279	8,013	1	17	8,548	20,858
Total noncurrent assets	273,104	8,013	1	17	8,548	289,683
Total assets	984,358	46,118	112	6,661	8,635	1,045,884

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

1. Operations --Continued

1.1. Corporate Restructuring --Continued

	Liabilities					Total
	Comerc Comercializadora de Energia Elétrica Ltda.	Comerc Energia Ltda.	Comerc Gás Comercializadora de Energia Ltda.	Comerc Power Trade Ltda.	Micropower Comerc Participações Ltda.	
Current liabilities						
Suppliers	257,739	140	-	869	-	258,748
Derivative financial instruments	394,544	-	-	-	-	394,544
Other current liabilities	41,841	24,903	-	658	-	67,403
Total current liabilities	694,125	25,043	-	1,527	-	720,695
Noncurrent liabilities						
Deferred taxes	46,729	-	-	-	-	46,729
Lease liabilities	12,429	-	-	-	-	12,429
Derivative financial instruments	109,709	-	-	-	-	109,709
Other noncurrent liabilities	681	-	-	-	-	681
Total noncurrent liabilities	169,548	-	-	-	-	169,549
Total net assets incorporated	120,685	21,075	112	5,134	8,635	155,641

1.2. Equity Interest

The Company has the following equity interests for the years presented:

Description	% of Interest in the Capital			Type of Investment		
	2020	2019	2018	2020	2019	2018
Comerc Comercializadora de Energia Elétrica Ltda. (a)	100%	-	-	Subsidiary	-	-
Comerc Energia Ltda. (b)	100%	-	-	Subsidiary	-	-
Comerc Gás Comercializadora de Energia Ltda. (c)	95%	-	-	Subsidiary	-	-
Comerc Power Trade Ltda. (d)	100%	-	-	Subsidiary	-	-
Micropower Comerc Participações Ltda. (e)	100%	-	-	Subsidiary	-	-
NewCom Comercializadora de Energia Elétrica Ltda. (f)	45.10%	48%	48%	Subsidiary	Subsidiary	Subsidiary
Comerc Esco Comércio e Prestação de Serviços em Energia Ltda. (g)	3.43%	-	-	Affiliate	-	-
Comerc Esco Instalações e Prestação de Serviços em Energia Ltda. (h)	(**)	99%	99%	(**)	Subsidiary	Subsidiary
Doc 88 Desenvolvimento e serviços Ltda (i)	(*)	87%	87%	(*)	Subsidiary	Subsidiary
MegaWhat Desenvolvimento e Serviços Ltda (j)	(*)	96.50%	96%	(*)	Subsidiary	Subsidiary
Comerc Esco Desenvolvimento Prest. Serviços em Energia Ltda (k)	95%	-	-	Subsidiary	-	-
Comerc Energy Trading Ltda. (k)	100%	-	-	Subsidiary	-	-
Comerc Financial Trading Ltda. (k)	100%	-	-	Subsidiary	-	-
NewCom Financial Trading Comercializadora de Energia Elétrica Ltda. (k)	100%	-	-	Subsidiary	-	-
NewCom EnergyTrading Comercializadora de Energia Elétrica Ltda. (k)	100%	-	-	Subsidiary	-	-

(*) As mentioned in Note No. 1.1., the companies DOC 88 and MegaWhat ceased to be part of the Company's corporate structure at December 31, 2020, as all the units of interest held in these two companies were assigned and transferred.

(**) As mentioned in Note No. 1.1., Esco Instalações ceased to be part of the Company's corporate structure on September 4, 2020, due to the merger originating the Company's equity interest in the company Esco Comércio.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

1. Operations --Continued

1.2. Equity Interest --Continued

- (a) The main purpose of Comerc Comercializadora de Energia Elétrica Ltda. is trading electricity (purchase and sale), providing energy consumption management services and representing its customers before the Electricity Trading Chamber (CCEE);
- (b) Comerc Energia Ltda's corporate purpose is to provide electricity consumption management services to consumers who choose their suppliers (free consumers). By developing positioning strategies and energy management structures, Comerc Energia seeks to maximize cost reduction for its customers and fully meet their needs in the short, medium and long term;
- (c) Comerc Gás Comercializadora Ltda's main purpose is to sell gas (purchase and sale) and provide gas consumption management services. The company is pre-operational;
- (d) The main purpose of Comerc Power Trading Ltda. is trading electricity (purchase and sale) in the retail and wholesale markets, providing energy consumption management services and representing its customers before the Electricity Trading Chamber (CCEE);
- (e) Micropower Comerc Participações Ltda. has as the main purpose holding an equity interest in other civil-commercial companies, domestic or foreign, as a partner or shareholder.
- (f) NewCom Comercializadora de Energia Elétrica Ltda. sells electricity in the wholesale market (purchase and sale). The Company has power over the investee through its majority interest as a shareholder is exposed to, or has rights to, variable returns from its interest in the investee and can use this power to affect those returns.
- (g) Comerc Esco Comércio e Prestação de Serviços em Energia Ltda. ("Esco Comércio"), has as its main purpose selling and leasing equipment to generate better efficiency in the energy consumption for customers and providing services to help the company reduce this consumption.
- (h) Comerc Esco Instalações e Prestação de Serviços em Energia Ltda. had as main purpose selling and leasing equipment to generate better efficiency in the energy consumption for customers and providing services to help the company reduce this consumption.
- (i) DOC 88 Desenvolvimento e Serviços Ltda. has as its main purpose providing consultancy in information technology, developing on-demand software, customizable or non-customizable, providing support and training in information technology and having an interest in other companies.
- (j) MegaWhat Desenvolvimento e Serviços Ltda. has as its main purpose disseminating information through portals and content providers on the internet and providing consultancy on the energy market.
- (k) The company is pre-operational.

1.3. Coronavirus ("Covid-19")

The first Covid-19 cases were identified in December 2019 in the city of Wuhan, China. Due to the fast increase in global cases, on March 11, 2020, the World Health Organization ("WHO") classified the Covid-19 outbreak as a pandemic. The first Covid-19 cases in Brazil occurred in the first quarter of 2020, quickly spreading.

In Brazil, as in other countries around the world, measures were announced to stimulate the economy, credit, job maintenance and ensure the stability of the national electricity segment.

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Notes to the individual and consolidated financial statements --Continued
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1. Operations --Continued

1.3. Coronavirus (“Covid-19”) --Continued

The main risks for the electricity segment in the country arose from the lower electricity load in the year ended in 2020. However, agents in the ACL (free contracting environment), especially final consumers, may eventually not comply with the energy purchase and sale agreements signed in the free market, based on legal grounds as an Act of God, excluding liability by force majeure, among others. It should be noted that the Company's portfolio in almost its entirety is focused on traders and free consumers, among which the above legal grounds generally do not prosper, reinforcing the concept that commitments to existing agreements should and will be respected.

By mid-March, Comerc Participações internally organized multidisciplinary committees to manage this impact on our operations, results and, mainly, on the safety and well-being of our employees.

On March 17, 2020, due to this preparation, 100% of employees migrated to the remote work system, which the vast majority of employees remain until now. The Company structured the weekly communication channels between the leadership and the teams to maintain frequent communication and updated teams.

Despite the negative impact on the global economy, the operations of the Company and its subsidiaries were not significantly impacted by the pandemic. The negative impact on the fair value of the portfolio was due to an extreme and unexpected weather event in the last quarter, unrelated to the pandemic. The Company's management continues to actively monitor the global situation in its financial conditions, liquidity, operations, suppliers, segment and workforce to ensure the protection of its employees, maintenance of its operations and continuity of its business.

Additionally, assuming that the pandemic does not worsen and economic activity resumes at previous levels, the Company does not expect significant effects that could aggressively impact its results or compromise its operational capacity and the implementation of its projects.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies

2.1. Statement of compliance

The Company's individual and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil, including the rules from the Brazilian Securities and Exchange Commission (CVM); the pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by Brazil's National Association of State Boards of Accountancy (CFC), and following the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Company is presenting, for the first time, individual and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil for large companies and with the IFRS.

The individual and consolidated financial statements were prepared under the assumption of normal continuity of business. Management assesses the capacity of the Company and its subsidiaries to continue operations as a going concern during the preparation of the financial statements. Management is not aware of any material uncertainty that could generate significant doubts about its ability to continue operating.

In these individual and consolidated financial statements, the Company presents the last two years compared to the year ended December 31, 2020, to allow wide comparability of its financial information following accounting practices adopted in Brazil and with IFRS.

All relevant information of the financial statements, and only that information is being evidenced and corresponds to that used by management in running the Company's activities, according to Accounting Guidance OCPC 07 - Disclosure of General Purpose Accounting and Financial Reports.

The members of the Company's management examined the individual and consolidated financial statements for the year ended December 31, 2020, 2019 and 2018, and concluded that these financial statements properly reflect its equity and financial position, and approve them on July 12, 2021.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.2. Basis of Measurement

The individual and consolidated financial statements were prepared based on historical cost, except for the valuation of certain assets and liabilities as financial instruments, measured at fair value.

Historical cost is usually based on the fair value of the price paid in exchange for goods and services.

2.3. Functional and Presentation Currency

These individual and consolidated financial statements are presented in reais, which is the functional currency of the Company and its subsidiaries. All financial information is presented in thousands of reais unless otherwise stated.

2.4. Use of Estimates and Judgments

The preparation of individual and consolidated financial statements requires Management to make judgment calls, estimates and assumptions that affect applying accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

2.5. Significant Accounting Policies

The accounting policies described in detail below have been consistently adopted to all years presented in these individual and consolidated financial statements.

2.5.1. Financial Instruments

CPC 48 (IFRS 09) Financial Instruments is valid for years ended January 1, 2018. This standard has three main categories for classifying and measuring financial assets: (i) Amortized cost; (ii) Fair Value recorded through Other Comprehensive Income (Loss); and (iii) Fair Value recorded through Profit or Loss for the Year (residual category).

The Company carried out a detailed impact assessment on the adoption of the new standard and identified the following aspects:

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.1. Financial Instruments --Continued

CPC 48 (IFRS 09) presents an approach to classifying and measuring financial assets that reflect the business model in which the assets are managed and their cash flow characteristics. For financial liabilities, it requires that the change in the fair value of the financial liability designated at fair value against profit or loss, which is attributable to changes in the credit risk of that liability, be presented in other comprehensive income (loss) and not in the statement of profit or loss, unless such recognition results in a mismatch in the statement of profit or loss.

Measurement

Financial assets and liabilities must initially be valued at fair value. The criteria to determine the fair value of financial assets and liabilities were (i) the price in an active market or, in the absence of this, and (ii) the use of valuation techniques that allow the estimation of fair value on the transaction date, taking into consideration the value that would be negotiated between independent and knowledgeable parties interested in carrying it out.

Depending on the category, the subsequent measurement of financial assets and liabilities follows the fair value or amortized cost method. The amortized cost corresponds to:

- The amount initially recognized for the financial asset or liability;
- Minus principal repayments; and
- More/less interest accrued using the effective interest rate method.

The effects of the subsequent measurement of financial assets and liabilities are directly allocated to profit or loss for the period. Long-term assets and liabilities with characteristics of financial instruments are initially recorded at their present value.

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Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.1. Financial Instruments --Continued

Recognition

Regular purchases and sales of financial assets are recognized on the trade date, that is, on the date, the Company commits to purchase or sell the asset. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to the statement of profit or loss. Loans and receivables are carried at amortized costs.

Gains or losses from changes in the fair value of future energy purchase and sale agreements are recorded in profit or loss for the year in a specific account. Gains or losses from changes in the value of other financial assets measured at fair value through profit or loss are recorded in the statement of profit or loss under "Revenues" or "Costs" respectively, in the period in which they occur.

Other Financial Liabilities

Other financial liabilities (including loans) are measured at amortized cost using the effective interest method.

The effective interest method calculates the amortized cost of a financial liability and allocates its interest expense over the respective period. The effective interest rate is the one that exactly discounts the estimated future cash flows (including fees and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the estimated life of the liability or, where appropriate, for a shorter period, for initial recognition of the net book value.

Impairment

CPC 48 (IFRS 09) replaced the incurred loss model with a prospective expected loss model. This new approach requires significant judgment about how changes in economic factors affect expected credit losses, determined based on weighted probabilities.

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Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.1. Financial Instruments --Continued

Impairment --Continued

The “Allowance for expected credit losses” is set up in an amount considered sufficient by Management to cover possible risks on the customer portfolio and other receivables existing at the reporting date. The criterion for setting up the provision considers assessing the risk associated with operations and securities overdue for more than 60 days.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and financial investments with an original maturity of three months or less from the contract date, subject to an insignificant risk of change in value and used to manage short-term obligations.

Receivables

These include the supply of electricity billed to free consumers, generators and traders and the revenue related to the energy provided and not billed until the statement of financial position date, accounted for on an accrual basis. They are recorded at fair value and classified as customers, as they represent fixed and determinable rights and are not quoted in an active market; are measured at amortized cost, for which there is no interest impact; as accounts receivable are normally settled within a period of less than 90 days, the book values substantially represent the present value at the statement of financial position date.

Future Energy Agreements (Purchase and Sale)

The Company has a portfolio of future energy agreements, encompassing the purchase and sale of energy to meet energy consumption or supply offers. The company has the flexibility to manage these agreements to obtain gains from variations in market prices, considering its internal policies and risk limits.

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Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.1. Financial Instruments --Continued

Future Energy Agreements (Purchase and Sale) --Continued

Futures agreements can be settled at the net cash value or by another financial instrument (for example, signing a clearing contract with the counterparty).

Such energy purchase and sale operations are transacted in an active market and meet the definition of a financial instrument since they are settled at the net cash value and are readily convertible into cash. Such agreements are accounted for as derivatives and are recognized in the Company's statement of financial position at their fair value on the date the derivative is signed and revalued at fair value on the reporting date.

The fair value of these derivatives is estimated partially based on prices published in active markets if such observable market data exist, and partially through valuation techniques, which consider internal assumptions to assess submarkets and their offers and demands, stress scenarios for high and low prices, new generators that may impact market prices, collateral raised in the last twelve months with the Electricity Trading Chamber (CCEE), among others. When the fair value on initial recognition for these agreements differs from the transaction price, a fair value gain or fair value loss is recognized on the base date. The effect of the fair value of energy purchase and sale agreements is disclosed in the fair value item.

Energy Suppliers

They include the purchase of electricity billed to the Company and the purchase of energy not billed until the end of the statement of financial position accounted for on an accrual basis. These are obligations recorded as financial liabilities at amortized cost, with no impact on interest.

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Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.2. Investments

In the individual financial statements, the Company's investments in its subsidiaries are accounted for using the equity method.

Based on the equity method, the investment is initially recognized at cost. The book value of the investment is adjusted to recognize changes in the Company's interest in equity from the acquisition date. The relative goodwill is in the investment's book value. However, it is not amortized or separately tested for impairment purposes.

The statement of profit or loss reflects the Company's interest in operating results. Any variation in other comprehensive income (losses) of these investees is presented as part of the Company's other comprehensive income (losses). Additionally, when there is a change recognized directly in equity, the Company will recognize its participation in any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses from transactions between the Company and the subsidiary are eliminated in proportion to the interest.

The sum of the Company's profit sharing is presented in the statement of profit or loss, representing the result after taxes and non-controlling interests in subsidiaries.

The financial statements are prepared for the same reporting period as those of the Company. When necessary, adjustments are made so that accounting policies are in line with those of the Company.

After applying the equity method, the Company determines whether it is necessary to recognize an additional loss on the recoverable amount of the Company's investment. At each reporting date, the Company ascertains objective evidence that the investment has suffered impairment. If so, the Company calculates the impairment loss as the difference between the recoverable amount and the book value and recognizes the loss in the statement of profit or loss.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.2. Investments --Continued

Upon losing significant influence over the investment, the Company measures and recognizes any investment held at fair value. Any difference between the book value at the time of loss of significant influence and the fair value of the investment retained and the proceeds from the sale are recognized in profit or loss.

2.5.3. Leases

Until 2018, the Company adopted the standard IAS 17/CPC 06(R1) - Lease Transactions, which established that to determine if an agreement is, or has, a lease is based on aspects related to the use of an asset or, also, to the right to use a certain asset, on the date of its execution begins.

In this context, based on these standards, finance leases are those that transfer substantially all risks and rewards relating to ownership of the leased item to the Company and are capitalized at the beginning of the lease at the fair value of the leased asset or, if lower, by the present value of minimum lease payments, including, where applicable, initial direct costs incurred in the transaction. Finance lease payments are allocated to finance charges and drop of finance lease liabilities to obtain a constant interest rate on the remaining balance of the liability. Financial charges are recognized in the statement of profit or loss.

Operating leases, which were leases substantially maintained by the Company, are those whose risks and rewards are not transferred to the lessee, with costs being recognized in income on a straight-line base on an accrual basis, as the asset is used. The differences between the amounts paid and those recognized as an expense in the result are recognized as prepaid expenses or provided for in the statement of financial position. Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of owning the asset for the lessee. All other leases that do not qualify under this rule are classified as operating lease.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.3. Leases --Continued

As of January 1, 2019, the Company adopted IFRS 16/CPC 06(R2), which replaced IAS 17/CPC 06(R1) and IFRIC 4 - Determining whether an Arrangement contains a Lease. IFRS 16/CPC 06(R2) sets out the principles for recognizing, measuring, presenting and disclosing leases and requires lessees to account for all leases under a single statement of financial position model, similar to accounting for finance leases under IAS 17/CPC 06(R1). Thus, on the start date of a lease, the lessee recognizes a liability for lease payments and an asset that represents the right to use the underlying asset during the lease term (i.e., the right-to-use asset). Lessees separately recognize interest expense on the liability during the lease period and amortization expense on the right-of-use asset.

Lessees must also reassess the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments due to a change in an index or rate used to determine such payments). In general, the lessee recognizes the revaluation amount of the lease liability as an adjustment to the right-of-use asset. There was no material change in the lessor's accounting under IFRS 16/CPC 06 (R2) from the current accounting under IAS 17/CPC 06 (R1). Lessors continue to classify all leases into two types: operating and finance leases.

The Company selected as the method for initial adoption the modified retrospective approach, with the cumulative effect of initial application on assets and liabilities, without restatement of comparative periods. The Company adopted the practical expedient regarding the definition of a lease agreement in transition. This means that it adopted IFRS 16/CPC 06 (R2) to all agreements executed before January 1, 2019, identified as leases following IAS 17/CPC 06 (R1) and IFRIC 4/ICPC 03.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.3. Leases --Continued

The Company as a Lessee

The Company adopts a single recognition and measurement approach to all leases, except for short-term leases and leases whose underlying asset is of low value. The Company recognizes lease liabilities to make lease payments and right-to-use assets representing the underlying assets' right to use.

As for short-term leases and low-value assets, the Company adopts the recognition exemption in the standard for short-term machinery and equipment leases, considering a lease term equal to or less than 12 months from the start date and without a call option and for leases with low-value underlying assets, regarding leases of low-value office equipment. It should be noted that short-term lease payments and low asset lease payments are recognized as an expense on the straight-line method over the lease term.

Right-of-use assets

The Company recognizes the right-of-use assets on the lease commencement date (i.e., on the date the underlying asset is available for the lessee). Right of use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any new remeasurement of lease liabilities. The cost of right-of-use assets includes recognized lease liabilities, initial direct costs incurred and lease payments made up to the start date, less any lease incentives received. Assets with the right of use are depreciated on a straight-line base for the shortest period between the lease term and the estimated useful life of the assets.

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Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.3. Leases --Continued

Lease Liabilities

On the start date of the lease, the Company recognizes the lease liabilities measured at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including fixed payments in essence) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a call option reasonably certain to be exercised by the Company and payments of penalties for termination of the lease if the lease term reflects the Company exercising the option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as expenses (unless incurred to produce inventory) in the period in which the event or condition gives rise to those payments occurs.

When calculating the present value of lease payments, the Company uses its incremental borrowing rate on the contract inception date, as the interest rate implicit in the lease agreements cannot be immediately determined. After the start date, the lease liability is increased to reflect the accrued interest and reduced due to the lease payments. In addition, the book value of the lease liability is remeasured if there is any modification, such as a change in the lease term, change in lease payments (for example, changes in future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the valuation of a call option on the underlying asset.

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Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.3. Leases --Continued

Lease Liabilities --Continued

The Company adopts the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., leases whose lease term is equal to or less than 12 months from the start date and do not contain an option to purchase). It also adopts the low-value asset recognition waiver to low-value office equipment leases. Payments for short-term leases and leases for low-value assets are recognized as an expense on the straight-line method over the lease term.

2.5.4. Property, Plant and Equipment

Recorded at acquisition or construction cost, less depreciation calculated on the straight-line method, based on rates that take into account the estimated useful life of the assets.

The book value of assets is adjusted to their recoverable amount whenever events or circumstances indicate that their book value may not be recoverable.

Below is a table with the depreciation rates, which substantially reflect the useful life of the assets:

	% Depreciation Rates		
	2020	2019	2018
Machinery and Equipment	10%	10%	10%
Furniture and Fixtures	10%	10%	10%
IT Equipment	20%	20%	20%
Vehicles	20%	20%	20%
Improvements (*)	7%	7%	7%

(*) Average Rate.

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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.4. Property, Plant and Equipment --Continued

At the end of each year, the Company reviews the book value of its tangible assets to determine any indication that such assets have suffered any impairment loss. If there is such an indication, the asset's recoverable amount is estimated to measure the loss, if any. When estimating the recoverable amount of an individual asset is rendered impracticable, the Company calculates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent allocation basis can be identified, corporate assets are also allocated to the individual cash-generating units or the smallest group of cash-generating units for which a reasonable and consistent allocation base can be identified.

2.5.5. Intangible Assets

Intangible assets acquired separately are measured at cost upon initial recognition. The cost of intangible assets acquired in a merger corresponds to the fair value on the acquisition date. After initial recognition, intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized, and the expense is reflected in the statement of profit or loss for the year in which it is incurred. The useful life of an intangible asset is assessed as finite or indefinite.

Below is the amortization rate adopted for the Company of intangible assets:

	% Amortization Rates		
	2020	2019	2018
Software and Use License	20%	20%	20%

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.5. Intangible Assets --Continued

Intangible assets with finite lives are amortized over their useful economic life and evaluated for impairment whenever there is an indication of loss of economic value of the asset. The amortization period and method for an intangible asset with a finite life are reviewed at least at the end of each year. Changes in the estimated useful life or expected consumption of future economic benefits from these assets are accounted for through changes in the amortization period or method, as the case may be, and are treated as changes in accounting estimates. Amortization of intangible assets with a finite life is recognized in the statement of profit or loss under the expense category consistent with the use of the intangible asset.

2.5.6. Provisions

A provision is recognized when the Company or its subsidiaries have a contractual obligation, or not formalized, due to a past event, which can be reliably estimated, and an economic resource will probably be required to settle the obligation. Finance costs incurred are recorded in income.

2.5.7. Statement of profit or loss

Revenue Recognition

Revenue from the sale of energy is recorded based on the supply of energy, agreed in bilateral agreements signed with market agents and duly registered with the Electricity Trading Chamber (CCEE).

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of any variable consideration, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items.

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Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.7. Statement of profit or loss --Continued

Revenue Recognition --Continued

The energy supply revenues come from selling energy to consumers, while electricity supply represents sales to energy resellers.

Energy Sales Costs

Purchases (cost of purchased energy) and sales (revenue from supply) are recorded on an accrual basis following information disclosed by the CCEE, the entity responsible for calculating energy purchase and sale operations. In the months in which this information is not made available on time by the CCEE, the amounts are estimated by the Company's management, using parameters available in the market.

Costs of sales and services are recognized and measured:

- Net of the respective tax credits, when applicable; and
- Based on direct revenue association.

The cost of electricity refers to the cost of electricity purchased for sale linked to the Company's operational activity.

2.5.8. Taxes

a) *Current Income and Social Contribution Taxes*

Current tax assets and liabilities for the last year and prior years are measured at the expected recoverable amount or payable to the tax authorities. Income and social contribution taxes are calculated following the criteria established by current tax legislation. Calculated at regular rates of 15%, plus an additional 10% for income tax and 9% for social contribution tax.

Management periodically assesses the tax position of situations in which tax regulations require interpretation and establishes provisions, when appropriate.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.8. Taxes --Continued

b) *Deferred Income and Social Contribution Taxes*

Deferred tax is generated by temporary differences at the statement of financial position date between tax bases of assets and liabilities and their book values.

Deferred taxes are recognized for all temporary tax differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a merger and, at the date of the transaction, it does not affect accounting profit or taxable profit or loss.
- Deferred tax assets are recognized for all temporary deductible differences, to the extent that taxable profits are likely to be available for the deductible temporary differences to be recognized, except when the deferred tax asset related to the temporary deductible difference is generated on the initial recognition of the asset or liability in a transaction that is not a business combination and, at the transaction's date, does not affect accounting profit or tax profit or loss.
- On temporary deductible differences recognized only to the extent that the temporary differences will probably be reversed shortly and taxable profit is available so that the temporary differences can be used.
- The Company accounts for current tax assets and liabilities net if, and only if, the above entities have the legally enforceable right to make or receive a single net payment and the entities intend to make or receive such net payment or recover the asset and settle the passive simultaneously. The accounting of net deferred tax assets and liabilities, in turn, is carried out if, and only if, the entity has the legally enforceable right to offset current tax assets against current tax liabilities and if the deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax authority.

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Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.9. Fair Value Base and Measurement

The individual and consolidated financial statements were prepared at historical cost, except for certain financial assets and liabilities measured at fair value, as shown in the explanatory notes.

In preparing the individual and consolidated financial statements, in accordance with the practices adopted in Brazil and international financial reporting standards, the Company's management is required to be based on estimates for recording certain transactions that affect assets, liabilities, revenues and expenses. The results of these transactions and information, upon their effective recognition in subsequent years, may differ from these estimates due to inaccuracies inherent in the process of their determination. The Company regularly reviews estimates and assumptions at least quarterly.

The main estimate representing a significant risk likely to cause material adjustments to the set of financial statements in the coming years refers to the fair value measurement of financial instruments.

2.5.10. Impairment Test of Non-Financial Assets

Management annually reviews the net book value of its main assets to assess events or changes in economic, operating, or technological circumstances that may indicate deterioration or impairment loss. When this evidence is identified and the net book value exceeds the recoverable amount, a provision for impairment is established, adjusting the net book value to the recoverable amount.

2.5.11. Adjustment to Present Value - Assets and Liabilities

Long-term cash assets and liabilities are restated and, therefore, adjusted to their present value. The adjustment to the present value of short-term cash assets and liabilities is calculated and only recorded if considered relevant for the financial statements taken as a whole. For recording and determining materiality, the adjustment to present value is calculated considering contractual cash flows and the explicit, implicit interest rate of the respective assets and liabilities in certain cases.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.12. Profit-Sharing

The Company recognizes a liability for paying dividends when this distribution is authorized and is no longer an option or even when provided for by Law. Under current corporate law, a distribution is authorized when approved by the shareholders, and the corresponding amount is directly recognized in equity. Pursuant to the Company's Articles of Incorporation, the profits and results will be allocated as decided by the partners, by a vote of the partner(s) representing more than half of the capital.

2.5.13. Information by Segment

For purposes of analysis and management of operations, the Group is divided into business verticals, based on products and services, with 3 (three) operating segments subject to the disclosure of information:

- Trading;
- Services; and
- Energy Solutions.

The Company's management separately monitors the operating results of the business verticals to make decisions and evaluate their performance.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.13. Information by Segment --Continued

The information regarding the results of each segment that are reported is presented below:

a) 2020 Information

	Trading	Services	Solutions	Individual	Eliminations	Total
	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020
Net operating revenue	811,327	-	23,233	-	-	834,560
Mark-to-market of financial instruments	(8,347)	-	-	-	-	(8,347)
Costs	(784,594)	-	(1,928)	-	-	(786,523)
Gross profit	18,386	-	21,305	-	-	39,690
Selling, general and administrative expenses	(5,634)	-	(32,671)	(10)	-	(38,314)
Depreciation and amortization	(98)	-	(1,336)	-	-	(1,434)
Other income (expenses)	-	-	1	-	-	1
Equity pickup	-	-	-	2,902	(2,927)	(25)
Finance costs	(507)	-	(560)	(72)	-	(1,139)
Finance income	983	-	46	20	-	1,049
Profit (loss) by segment before income taxes	13,130	-	(13,215)	2,840	(2,927)	(172)
Income tax and social contribution - Current	(7,425)	-	(143)	(147)	-	(7,715)
Income tax and social contribution - Deferred	3,027	-	3,705	-	-	6,732
Net income (loss) for the year	8,732	-	(9,653)	2,693	(2,927)	(1,155)
Total assets	1,237,649	46,119	15,408	184,683	(216,769)	1,267,090
Total liabilities and equity	1,237,649	46,119	15,408	184,683	(216,769)	1,267,090

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.13. Information by Segment --Continued

b) 2019 Information

	Trading	Services	Solutions	Individual	Eliminations	Total
	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019
Net operating revenue	775,755	-	18,549	-	-	794,304
Mark-to-market of financial instruments	4,033	-	-	-	-	4,033
Costs	(753,004)	-	(960)	-	-	(753,964)
Gross Profit	26,784	-	17,589	-	-	44,373
Selling, general and administrative expenses	(5,232)	-	(15,218)	(9)	-	(20,459)
Depreciation and amortization	-	-	(32)	-	-	(32)
Other operating income (expenses)	-	-	13	-	-	13
Equity pickup	-	-	-	8,744	(8,744)	-
Finance costs	(135)	-	(406)	(106)	-	(647)
Finance income	1,410	-	3	1	-	1,414
Income (loss) by segment before income taxes	22,827	-	1,949	8,630	(8,744)	24,662
Income tax and social contribution - Current	(6,203)	-	(621)	(5)	-	(6,830)
Income tax and social contribution - Deferred	(1,463)	-	-	-	-	(1,463)
Net income (loss) for the year	15,161	-	1,328	8,625	(8,744)	16,369
Total assets	277,763	-	9,821	24,261	(24,184)	287,661
Total liabilities and equity	277,763	-	9,821	24,261	(24,184)	287,661

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
 December 31, 2020, 2019 and 2018
 (In thousands of reais, unless otherwise stated)

2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.13. Information by Segment --Continued

c) 2018 Information

	Trading	Services	Solutions	Individual	Eliminations	Total
	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018
Net operating revenue	220,777	-	2,170	-	-	222,947
Mark-to-market of financial instruments	5,005	-	-	-	-	5,005
Costs	(222,157)	-	(4)	-	-	(222,161)
Gross profit	3,625	-	2,166	-	-	5,791
Selling, general and administrative Expenses	(1,545)	-	(1,634)	(3)	-	(3,182)
Depreciation and amortization	-	-	(2)	-	-	(2)
Equity pickup	-	-	-	455	(455)	-
Finance costs	(42)	-	(43)	-	-	(85)
Finance income	740	-	1	1	-	742
Income (loss) by segment before income tax and social contribution	2,778	-	488	453	(455)	3,264
Income tax and social contribution - Current	-	-	(229)	-	-	(229)
Income tax and social contribution - Deferred	(1,194)	-	-	-	-	(1,194)
Net income (loss) for the year	1,584	-	259	453	(455)	1,841
Total assets	134,696	-	3,486	17,661	(17,640)	138,203
Total liabilities and equity	134,696	-	3,486	17,661	(17,640)	138,203

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.13. Information by Segment --Continued

Comerc Energia Ltda. is the entity providing electricity consumption management services to free-market consumers. Since this Company became part of Comerc Participações as at December 31, 2020 (see Note 1.1), it did not contribute results to the consolidated financial statements as of December 31, 2020, of Comerc Participações.

2.5.14. Statements of cash flows

The statement of cash flows was prepared and is presented following Accounting Pronouncement CPC 03 (IAS 7) - Cash Flow Statements, issued by the Accounting Pronouncements Committee (CPC) and reflects the changes in cash and cash equivalents that occurred in the presented years.

2.5.15. Statement of Value Added ("SVA")

Prepared based on accounting records and following Accounting Pronouncement CPC 09 - Statement of Value Added, approved by CVM through Resolution No. 557/08. This demonstrates the wealth generated by the Company and its distribution, as required by Brazilian Corporation Law for open groups as part of its individual and consolidated financial statements. As IFRS does not require them, this statement is treated as supplementary accounting information.

2.5.16. Consolidation Principles

The following accounting policies are adopted in preparing the consolidated financial statements.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.16. Consolidation Principles --Continued

Subsidiaries

Subsidiaries are all entities directly or indirectly controlled by the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Consolidation is interrupted from the date on which the Company no longer has control.

The consolidation process of the statement of financial position and profit or loss accounts follow its nature, complemented by the elimination of the following:

- Parent company (Individual) interest in the capital, reserves and accumulated results of the consolidated companies;
- Asset and liability account balances held between consolidated companies;
- Revenue and expense balances from transactions carried out between consolidated companies.

2.5.17. New Accounting Standards and Interpretations

Maintaining the permanent process of reviewing accounting standards, the IASB and, consequently, the CPC issued new standards and revised existing standards. The main amended regulations issued are shown below:

Amendments to CPC 15 (IFRS 3) (R1): Business Definition

The amendments to CPC 15 (R1) clarify that, to be considered a business, an integrated set of activities and assets must include, at a minimum, an input of resources and a substantive process that, together, contribute significantly to the ability to generate an output of resources. Furthermore, this clarified that a business could exist without including all the inputs and processes necessary to create outputs. These changes had no impact on the Company's individual and consolidated financial statements but may impact future periods if the Company enters into any business combinations.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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(In thousands of reais, unless otherwise stated)

2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.17. New Accounting Standards and Interpretations --Continued

Amendments to CPC 38 (IAS 39), CPC 40 (IFRS 7) (R1) and CPC 48 (IFRS 9): Reform of the Reference Interest Rate

The amendments to Pronouncements CPC 38 and CPC 48 provide exemptions that apply to all hedging relationships directly affected by the interest rate benchmark reform. A hedging relationship is directly affected if the reform raises uncertainty about the timing or amount of cash flows based on the reference interest rate of the hedged item or hedging instrument. These changes have no impact on the Company's individual and consolidated financial statements, as it does not have interest rate hedging relationships.

Amendments to CPC 26 (IAS 1) (R1) and CPC 23 (IAS 8): Material Definition

The amendments provide a new definition of material that states, "Information is material if its omission, misstatement or obscurity may reasonably influence decisions that primary users of general purpose financial statements make on the base of these financial statements, which they provide entity-specific reporting financial information". The amendments clarify that materiality will depend on the nature or magnitude of information, individually or in combination with other information, in the context of the financial statements. Distorted information is material if it could reasonably be expected to influence the decisions made by primary users. These changes had no impact on the individual and consolidated financial statements, nor is it expected to have any future impact.

Review in CPC 00 (R2): Conceptual Framework for Financial Reporting

The revised statement provides new concepts, updated definitions and recognition criteria for assets and liabilities, and clarifies important concepts. These changes had no impact on the Company's individual and consolidated financial statements.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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2. Basis of Preparation and Presentation of Financial Statements, including Accounting Policies --Continued

2.5. Significant Accounting Policies --Continued

2.5.17. New Accounting Standards and Interpretations --Continued

Amendments to CPC 06 (IFRS 16) (R2): Covid-19-Related Benefits Granted to Lessees in Lease Agreements

These amendments provide a concession to lessees in applying CPC 06 (R2) guidelines on the modification of the lease agreement by recording the benefits related to the direct consequence of the Covid-19 pandemic.

As a practical expedient, a lessee may choose not to assess whether a Covid-19-related benefit provided by the lessor is a modification of the lease. The lessee who makes this option must account for any change in the lease payment resulting from the benefit granted in the lease agreement related to Covid-19 in the same way as it would account for the change applying CPC 06 (R2) if the change were not a modification of the agreement of lease.

The amendments that came into effect on January 1, 2020, described above, did not have a material impact on these financial statements. Regarding the regulations under discussion at the IASB or with effective date established in future years, the Company is monitoring the discussions and has not identified the possibility of significant impacts.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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3. Cash and Cash Equivalents

Description	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Cash and Banks	6	3	21	3,277	4,664	428
Marketable securities	1,206	-	-	63,505	19,303	29,583
	1,212	3	21	66,782	23,967	30,011

The Company's and its subsidiaries' cash and cash equivalents are made up of the balance of bank deposits in demand and are maintained to meet short-term cash commitments and not for investment or other purposes.

The short-term investments (marketable securities) correspond to Bank Deposit Certificates (CDB), backed by the issuer's buyback commitment, with immediate liquidity and insignificant risk of change in value, which are recorded at cost, plus income earned through the reporting dates, which do not exceed their market or realization value at rates between 96% and 104% of the variation of the Interbank Deposit Certificate - CDI for periods ended 2020, 2019 and 2018.

4. Receivables - Consolidated

Including basically amounts to become due from the sale of electricity.

Description	Consolidated		
	2020	2019	2018
Receivables - Billed	-	774	6,958
Receivables - Measured and Unbilled (a)	320,114	72,361	29,577
Other Receivables from Services	3,770	1,302	43
(-) Allowance for Expected Losses on Receivables	(4,012)	(568)	-
	319,872	73,869	36,578

(a) The balances of "unbilled" customers are comprised of energy sales from short, medium and long-term agreements for the sale of conventional electricity and incentivized in the free contracting environment (ACL), whose energy consumption occurred until December 31 and billing occurred in the following month with a receipt until the 9th business day of January of the year following consumption.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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4. Receivables - Consolidated --Continued

Breakdown by maturity of amounts overdue and to fall due:

Description	Consolidated		
	2020	2019	2018
Falling due	318,952	73,845	36,578
Overdue up to 30 days	711	24	-
Overdue from 31 to 90 days	209	-	-
Overdue for more than 90 days	4,012	568	-
(-) Allowance for expected losses (a)	(4,012)	(568)	-
	<u>319,872</u>	<u>73,869</u>	<u>36,578</u>

The change in the allowance for expected losses on accounts receivable is as follows:

Description	Consolidated		
	2020	2019	2018
Opening Balances	(568)	-	-
(-) Balance from the restructuring (a)	(4,012)	-	-
(-) Additions to the provision	-	(568)	-
(+) Reversals	568	-	-
Overdue for more than 90 days	<u>(4,012)</u>	<u>(568)</u>	<u>-</u>

(a) The allowance for expected losses presented belongs to the companies Comerc Comercializadora de Energia (R\$3,512) and Comerc Energia (R\$500).

CPC 48 replaced the incurred loss model with an expected loss model. Thus, the Company recognizes expected credit losses based on assessing the risk associated with the operations.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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5. Related Parties

The main transactions and balances are presented below:

Assets	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Comerc Esco Com. e Prest. de Serv. em Energia Ltda. (c)	-	-	-	20,368	-	-
Shareholders Comerc Participações Ltda. (b)	1,600	-	-	1,600	-	-
DOC 88 Desenvolvimento e Serviços Ltda (a)	-	-	-	480	-	-
NewCom Comercializadora de Energia Elétrica Ltda. (b)	-	-	-	-	-	429
MegaWhat Desenvolvimento e Serviços Ltda. (a)	-	-	-	344	-	-
MPC Energia S.A. (a)	-	-	-	106	12	-
Comerc Esco Com. e Prest. de Serv. em Energia Ltda. (a)	-	-	-	55	-	-
YAM Tecnologia e Desenvolvimento Humano SPE - Ltda. (a)	-	-	-	41	-	-
Pax Tecnologia (c)	-	-	-	-	325	-
Total Current	1,600	-	-	22,994	12	429
Total Noncurrent	-	-	-	-	325	-

Liabilities	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Comerc Energia Ltda. (c)	4,500	-	-	-	4,003	370
Comerc Esco Com. e Prest. de Serv. em Energia Ltda. (c)	-	-	-	-	1,441	360
Comerc Comercializadora de Energia Elétrica Ltda. (a)	-	-	-	-	291	1,311
Total Current	4,500	-	-	-	5,735	2,041

Revenues	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Comerc Comercializadora de Energia Elétrica Ltda. (d)	-	-	-	136,247	137,677	67,717
Comerc Esco Com e Prest. de Serv. em Energia Ltda. (e)	-	-	-	96	-	-
Micropower Comerc Energia S.A. (e)	-	-	-	104	-	-
Comerc Energia Ltda. (e)	-	-	-	17,592	5,738	-
	-	-	-	154,039	143,415	67,717

Costs	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Comerc Comercializadora de Energia Elétrica Ltda. (d)	-	-	-	(148,929)	(125,451)	(61,056)
	-	-	-	(148,929)	(125,451)	(61,056)

Expenses	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Comerc Comercializadora de Energia Elétrica Ltda. (a)	-	-	-	(4,672)	(1,497)	(787)
	-	-	-	(4,672)	(1,497)	(787)

- (a) Operating expenses common to all companies allocated to Comerc Comercializadora and pending reimbursement by Group companies;
(b) Advance of dividends to executives;
(c) Loan operations with companies of the same group are remunerated at 100% of the CDI.
(d) Energy purchase and sale transactions between companies of the same Group.
(e) Services between companies of the same Group.

The Company considers that all related-party transactions reflect market conditions.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
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6. Investments

6.1. The table below shows the breakdown of investments:

	Individual		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2020
Comerc Comercializadora de Energia Elétrica Ltda.	120,685	-	-	-
Comerc Energia Ltda.	21,075	-	-	-
Comerc Esco Comércio e Prestação de Serviços em Energia Ltda.	3,934	-	-	3,934
NewCom Comercializadora de Energia Elétrica Ltda.	20,721	22,404	17,223	-
Comerc Esco Instalações e Serviços Ltda.	-	1,293	104	-
Comerc Power Trading Ltda.	5,134	-	-	-
Comerc Gás Comercializadora Ltda.	106	-	-	-
MicroPower Comerc Participações Ltda.	8,635	-	-	-
Interest MPC Serviços Energéticos 1B S.A. (*)	-	-	-	3,200
Interest MPC Serviços Energéticos 1C S.A. (*)	-	-	-	4,462
Interest MPC Serviços Energéticos 1A S.A. (*)	-	-	-	887
MegaWhat Desenvolvimento e Serviços Ltda.	-	227	295	-
Doc88 Desenvolvimento e Serviços Ltda.	-	177	17	-
BBCE - Balcão Brasileiro de Comercialização de Energia S.A.	-	-	-	1,162
	180,290	24,101	17,639	13,645

(*) Interests held indirectly through MicroPower Comerc Participações Ltda.

6.2. The main information about the investees is presented below:

Company	Control	December 31, 2020		Company's Interest
		Units of Interest held by the Company	Total Shares/Units of Interest	
Comerc Comercializadora de Energia Elétrica Ltda.	Control	120,685	120,685	100.00%
Comerc Energia Ltda.	Control	21,075	21,075	100.00%
NewCom Comercializadora de Energia Elétrica Ltda.	Control	15,785	35,000	45.10%
Comerc Financial Trading Ltda.	Control	1,000	1,000	99.99%
NewCom Energy Trading Comercializadora de Energia Ltda.	Control	1,000	1,000	99.99%
Comerc Esco Desenvolv., Com. e Prest. de Serviços em Energia Ltda.	Control	95	100	95.00%
Comerc Power Trading Ltda.	Control	5,134	5,134	100.00%
Comerc Gás Comercializadora Ltda.	Control	114	120	95.00%
MicroPower Comerc Participações Ltda.	Control	8,631	8,631	100.00%
Comerc Energy Trading Ltda.	Control	1,000	1,000	99.99%
NewCom Financial Trading Comercializadora de Energia Elétrica Ltda.	Control	1,000	1,000	99.99%
BBCE - Balcão Brasileiro de Comercialização de Energia S.A.	Investee	4,000	96,796	4.13%
Comerc Esco Comércio e Prestação de Serviços em Energia Ltda.	Investee	171	4,972	3.43%
Interest MPC Serviços Energéticos 1B S.A. (*)	Indirect Affiliate	156	5,200	3%
Interest MPC Serviços Energéticos 1C S.A. (*)	Indirect Affiliate	9.99	10	99.9%
Interest MPC Serviços Energéticos 1A S.A. (*)	Indirect Affiliate	806	26,874	2.88825%

(*) Interests held indirectly through MicroPower Comerc Participações Ltda.

Comerc Participações Ltda.

Notes to the individual and consolidated financial statements --Continued
December 31, 2020, 2019 and 2018
(In thousands of reais, unless otherwise stated)

6. Investments --Continued

6.3. Summarized Financial Information:

Company	Individual					
	December 31, 2020		December 31, 2019		December 31, 2018	
	Equity	Income (Loss)	Equity	Income (Loss)	Equity	Income (Loss)
Comerc Comercializadora de Energia Elétrica Ltda. (*)	120,685	-	-	-	-	-
Comerc Energia Ltda. (*)	21,075	-	-	-	-	-
Comerc Esco Comércio e Prestação de Serviços em Energia Ltda.	5,256	(2,797)	-	-	-	-
NewCom Comercializadora de Energia Elétrica Ltda.	45,576	8,731	46,676	15,160	35,882	1,584
Comerc Esco Instalações e Serviços Ltda.	-	-	1,306	1,201	105	5
Comerc Power Trading Ltda. (*)	5,134	-	-	-	-	-
Comerc Gás Comercializadora Ltda. (*)	112	-	-	-	-	-
MicroPower Comerc Participações Ltda. (*)	8,635	-	-	-	-	-
MegaWhat Desenvolvimento e Serviços Ltda.	-	(3,385)	235	(72)	307	(193)
Doc88 Desenvolvimento e Serviços Ltda.	-	(6,906)	203	402	273	464

(*) Companies invested at December 31, 2020. For this reason, there is no profit and loss contribution for the Parent Company (Individual).

Company	Consolidated			
	December 31, 2020			
	Total Assets	Total Liabilities	Equity	Income (Loss)
Comerc Esco Comércio e Prestação de Serviços em Energia Ltda.	37,209	31,953	5,256	(2,797)
Interest MicroPower Comerc Energia S.A.	15,731	975	14,756	(13,341)
Interest MPC Serviços Energéticos 1B S.A.	5,326	2	5,324	129
Interest MPC Serviços Energéticos 1C S.A.	10	8	2	(8)
Interest MPC Serviços Energéticos 1A S.A.	26,922	161	26,761	(83)
BBCE - Balcão Brasileiro de Comercialização de Energia S.A.	53,412	5,273	48,139	1,538

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

6. Investments --Continued

6.4. Changes in Investments

a) Changes in 2020

Company	Balance in 2019	Equity Pickup	Capital Allocation	AFAC	Investment Sale	Incorporation of Investees	Dividends and Interest on Equity Received	Capital Reserve	Gain/ Loss of Interest	Loss due to Disproportionate Distribution	Balance in 2020
Comerc Comercializadora de Energia Elétrica Ltda.	-	-	120,685	-	-	-	-	-	-	-	120,685
Comerc Energia Ltda.	-	-	21,075	-	-	-	-	-	-	-	21,075
Comerc Esco Comércio e Prestação de Serviços em Energia Ltda.	-	(20)	-	3,887	-	170	-	-	-	(103)	3,934
NewCom Comercializadora de Energia Elétrica Ltda.	22,404	3,745	-	-	(1,015)	-	(3,869)	843	(96)	(1,291)	20,720
Comerc Esco Instalações e Serviços Ltda.	1,293	618	-	-	-	(170)	-	-	-	(1,741)	-
Comerc Power Trading Ltda.	-	-	5,134	-	-	-	-	-	-	-	5,134
Comerc Gás Comercializadora Ltda.	-	(8)	120	-	(6)	-	-	-	-	-	106
MicroPower Comerc Participações Ltda.	-	4	8,631	-	-	-	-	-	-	-	8,635
MegaWhat Desenvolvimento e Serviços Ltda.	227	(1,037)	-	-	-	-	-	-	-	-	-
Doc88 Desenvolvimento e Serviços Ltda.	177	(400)	-	-	-	-	-	-	-	-	-
Total	24,101	2,902	155,645	3,887	(1,021)	-	(3,869)	843	(96)	(3,135)	180,290

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

6. Investments --Continued

6.4. Changes in Investments --Continued

b) Changes in 2019

Company	Balance in 2018	Equity Pickup	Capital Allocation	Capital Reserve	Dividends and Interest on Equity Received	Loss due to Disproportionate Distribution	Balance in 2019
NewCom Comercializadora de Energia Elétrica Ltda.	17,223	7,277	-	928	(2,103)	(921)	22,404
Comerc Esco Instalações e Serviços Ltda.	104	1,189	-	-	-	-	1,293
MegaWhat Desenvolvimento e Serviços Ltda.	295	(71)	3	-	-	-	227
Doc88 Desenvolvimento e Serviços Ltda.	17	349	1	-	-	(190)	177
Total	17,639	8,744	4	928	(2,103)	(1,111)	24,101

c) Changes in 2018

Company	Balance in 2017	Equity Pickup	Capital Allocation	Capital Transaction	Dividends and Interest on Equity Received	Loss due to Disproportionate Distribution	Balance in 2018
NewCom Comercializadora de Energia Elétrica Ltda.	-	423	16,800	-	-	-	17,223
Comerc Esco Instalações e Serviços Ltda.	-	5	100	(1)	-	-	104
MegaWhat Desenvolvimento e Serviços Ltda.	-	(185)	480	-	-	-	295
Doc88 Desenvolvimento e Serviços Ltda.	41	212	-	-	(24)	(212)	17
Total	41	455	17,380	(1)	(24)	(212)	17,639

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

7. Property, Plant and Equipment

7.1. Breakdown of Consolidated Property, Plant and Equipment

Description	Annual Rate %	December 31,	December 31,	December 31,
		2020	2019	2018
		Net	Net	Net
Furniture and Fixtures	10	2,298	-	-
Data Processing Equipment	20	3,840	107	133
Leasehold Improvements	4 to 10	6,508	-	-
Machinery and Equipment	10	1,163	3,830	249
Property, Plant and Equipment in Progress	-	671	282	2,124
		14,480	4,220	2,506

7.2. Changes in Consolidated Property, Plant and Equipment in 2020

Description	December 31, 2019	Additions	Capital Allocation (Note 1.1)	Write-Off (*)	Transfer (*)	Disposal of Equity Interest	December 31, 2020
Furniture and Fixtures	-	3	3,556	-	63	(9)	3,613
Data Processing Equipment	137	15	9,618	-	256	(249)	9,777
Leasehold Improvements	-	-	13,141	-	398	-	13,539
Machinery and Equipment	4,136	-	1,601	-	1,235	(5,347)	1,625
Property, Plant and Equipment in Progress	282	2,768	670	(103)	(2,067)	(879)	671
(-) Depreciation	(335)	(359)	(14,703)	-	-	652	(14,745)
	4,220	2,427	13,883	(103)	(115)	(5,832)	14,480

(*) R\$115 was reclassified to intangible assets in progress, and R\$103 was written down to profit or loss.

7.3. Changes in Consolidated Property, Plant and Equipment in 2019

Description	December 31, 2018	Additions	Transfer (**)	December 31, 2019
Data Processing Equipment	136	1	-	137
Machinery and Equipment	251	37	3,849	4,137
Property, Plant and Equipment in Progress	2,124	3,619	(5,462)	282
(-) Depreciation	(5)	(331)	-	(336)
	2,506	3,326	(1,612)	4,220

(**) R\$261 was transferred to intangible assets in progress, R\$899 was transferred to intangible assets in progress, and R\$452 was reclassified to prepaid expenses.

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

7. Property, Plant and Equipment --Continued

7.4. Changes in Consolidated Property, Plant and Equipment in 2018

Description	December 31, 2017	Additions	December 31, 2018
Furniture and Fixtures	-	-	-
Data Processing Equipment	-	136	136
Leasehold Improvements	-	-	-
Machinery and Equipment	-	251	251
Property, Plant and Equipment in Progress	-	2,124	2,124
	-	2,511	2,511
(-) Depreciation	-	(5)	(5)
	-	2,506	2,506

8. Right-of-Use Assets and Lease Liabilities

The Company has leases with the nature of substantially leasing properties using normal market clauses for cancellation and/or extension of agreements.

The nominal incremental loan rate (discount) used to calculate the present value of the agreements was based on the price made with financial institutions for acquiring assets under conditions similar to those of lease agreements.

The incremental funding rate, applicable to the leased assets portfolio. Through this methodology, the Company obtained an average rate of 10.0% p.a. for the properties used at December 31, 2020:

i) Right of Use (*)

Assets	2020
Comerc Comercializadora de Energia Elétrica Ltda.	13,299
NewCom Comercializadora de Energia Elétrica Ltda.	117
Total	13,416

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued
December 31, 2020, 2019 and 2018
(All figures in thousands of reais, unless otherwise stated)

8. Right-of-Use Assets and Lease Liabilities --Continued

ii) Lease Liabilities (*)

<u>Liabilities</u>	<u>2020</u>
Comerc Comercializadora de Energia Elétrica Ltda.	16,224
NewCom Comercializadora de Energia Elétrica Ltda.	117
Total	16,341
Current	3,850
Noncurrent	12,491

(*) The balances of right of use and lease liability were incorporated from the corporate restructuring at December 31, 2020. Therefore, in 2020 there are no effects of updates, amortizations and payments of principal/interest.

Additional Information

According to the IASB conclusion base 161 and 162, references to IFRS 16/CPC 06 (R2) and Circular Letter CVM/SNC/SEP 02/19, management used the incremental rate as a criterion for the calculation of assets and liabilities under the scope of the IFRS 16/CPC 06 (R2) and as such are presented in the Company's statement of financial position. The effects from the calculations following the above letter are not material for disclosure.

Management understands that the rate used represents the cash flow closest to the real and is in line with the characteristics of its agreements.

The cash flows from lease agreements are mostly adjusted by reference to the IPCA annually.

9. Suppliers

<u>Liabilities</u>	<u>Consolidated</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Energy Suppliers – Accrual Provision (a)	306,184	68,638	34,253
Other Suppliers	914	348	847
	307,098	68,986	35,100

(a) The balance of "Energy Suppliers - Accrual Provision", referring to the purchase of electricity from short, medium and long-term agreements for the commercialization of conventional energy and encouraged in the Free Contracting Environment (ACL), whose energy consumption occurred until December 31, and the respective Invoice is issued in the month following consumption (January).

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

10. Dividends Payable

	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Dividends Payable (a)	-	117	-	22,000	117	-
Total Current	-	117	-	22,000	117	-

(a) In 2020, R\$22,000 refers to dividends payable by Comerc Energia Ltda. to its former shareholders since it became controlled by Comerc as at December 31, 2020.

10.1. Key Management Personnel Compensation

Key Management Personnel overall compensation for years 2020, 2019 and 2018 is shown below:

	2020	2019	2018
Fixed Annual Compensation	5,042	1,365	216
Total	5,042	1,365	216

11. Estimate for Contingent Losses

11.1. Provision for Contingencies

In the ordinary course of its business, the Company is subject to tax, social security, labor, and civil lawsuits. Supported by the opinion of its legal counsel, management set up a provision considered sufficient to cover the probable losses expected on the outcome of the actions in progress. The amount provisioned, at R\$57, referring to labor and social security claims, reflects the best current estimate of the Company's management.

The assessment of the probability of loss includes the analysis of available evidence, the hierarchy of laws, current case law, the most recent court decisions on each subject matter, and the assessment of external legal counsel. The Company reviews its estimates and assumptions on an ongoing basis.

Classification of Contingencies to Possible Losses

As at December 31, 2020, contingencies classified as a possible loss (the chance of one or more future events occurring is less than probable and greater than remote) and, therefore, were not accounted for in the individual and consolidated financial statements are presented as follows:

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued
December 31, 2020, 2019 and 2018
(All figures in thousands of reais, unless otherwise stated)

11. Estimate for Contingent Losses --Continued

11.1. Provision for Contingencies --Continued

Classification of Contingencies to Possible Losses --Continued

<u>Nature</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax (a)	507	4,024	4,367
Civil (b)	2,723	-	-
Related to Covid-19 (c)	8,802	-	-
	<u>12,032</u>	<u>-</u>	<u>-</u>

(a) In 2019 and 2018, it refers to lawsuits related to alleged untimely payment of ICMS/ST, and in 2019 the Company joined the REFAZ with payment in a single installment. In 2020, it referred to the notification of an isolated fine on non-approved PER/DCOMPs.

(b) This refers to the collection of invoices judged to be improper and action to confirm the exit of the companies.

(c) This refers to customer actions requesting recognition of an act of God or force majeure.

11.2. Tax Calculation Review

As per current legislation, the Company's operations are subject to review by the tax authorities for five years regarding taxes (corporate income tax - IRPJ, social contribution tax on net profit - CSLL, contribution taxes on gross revenue for Social Integration Program - PIS and Social Security Funding - COFINS, Social Security contribution - INSS and Unemployment Compensation Fund - FGTS).

Due to these reviews, transactions and payments may be questioned, and the amounts identified are subject to fines, interest charges and monetary restatement.

12. Equity

12.1. Capital

At December 31, 2020, the Company's paid-in capital is R\$172,065 (R\$17,420 in 2019 and 2018), including 172,065 units of interest (17,420 units of interest in 2019 and 2018), with a par value of R\$1.00 each.

At December 31, 2020, a capital increase totaling R\$154,645 through units of interest was received, as mentioned in Note 1.1.

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

12. Equity --Continued

12.2. Future Capital Contributions

In 2020, the partners made a future capital contribution of R\$500 in cash. This AFAC was paid up to the capital in 2021 by issuing 500 units of interest, with a par value of R\$1 each.

12.3. Income Reserve

Refers to the Company's profits that have not financially materialized yet, distributed after the financial recognition. For 2020, an income reserve of R\$1,037 was created.

12.4. Dividend Payment

Under the terms of the Company's Articles of Incorporation, the amount to be distributed to shareholders as dividends must be resolved by the Partner or Partners representing the majority of the capital.

12.5. Earnings (Loss) per Share

The basic and diluted net income per share is calculated by dividing the Company's net income by the weighted average number of units of interest existing in the year.

As mentioned in Note 20, the shareholders approved on March 16, 2021, the Company's conversion from a limited liability company to a publicly held company. All the Company's units of interest were converted into shares in the proportion of 1 (one) unit of interest to 1.121792687 common shares.

The Company did not have instruments to dilute earnings (loss) for the year ended December 31, 2020, 2019 and 2018.

	Consolidated					
	2020		2019		2018	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net Income (Loss) for the Year Attributed to Controlling Shareholders	2,693	2,693	8,625	8,625	453	453
Weighted Average Number of Units of Interest Issued (in thousands)	20,016	20,016	19,542	19,542	19,542	19,542
Earnings per Unit of Interest - Basic and Diluted (R\$ per unit of interest)	0.1346	0.1346	0.4413	0.4413	0.0232	0.0232

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

13. Net Operating Revenue

The breakdown of net operating revenue is presented below for the years indicated:

Description	Consolidated		
	2020	2019	2018
Energy Sales Revenue	824,127	778,287	227,415
(-) Deduction from Energy Sales - Taxes Levied and Others (i)	(12,800)	(2,532)	(6,638)
Net Revenue from Energy Sales	811,327	775,755	220,777
Revenue from Services	25,184	19,803	2,324
(-) Deduction for Services - Taxes Levied and Others (i)	(1,950)	(1,254)	(154)
Net Revenues from Services	23,234	18,549	2,170
	834,560	794,304	222,947

(i) Taxes levied on revenue are PIS, COFINS and ICMS/ST.

14. Services and Energy Sales Costs

Description	Consolidated		
	2020	2019	2018
Energy Purchase	(783,654)	(752,714)	(222,161)
Other Costs	(2,869)	(1,250)	-
	(786,523)	(753,964)	(222,161)

15. Selling, General and Administrative Expenses

Description	Consolidated		
	2020	2019	2018
Personnel Expenses	(25,593)	(16,419)	(1,875)
Outsourced Services	(10,897)	(1,904)	(787)
Depreciation and Amortization	(1,945)	(331)	(4)
Other Administrative Expenses	(1,313)	(1,937)	(518)
	(39,748)	(20,491)	(3,184)

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Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

16. Finance Income (Costs)

	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Finance Income						
Income from Financial Investments	-	1	1	813	1,411	742
Other Finance Income	20	1	-	236	3	-
	20	2	1	1,049	1,414	742
Finance Costs						
Surety Letters	-	-	-	(181)	(15)	(43)
Other Finance Costs	(72)	(106)	-	(958)	(632)	(42)
	(72)	(106)	-	(1,139)	(647)	(85)
	(52)	(104)	1	(90)	767	657

17. Current and Deferred Income Tax (IRPJ) and Social Contribution (CSLL) Expense

17.1. Current Income and Social Contribution Taxes

Income and Social Contribution Taxes are calculated and recorded based on taxable income, including tax incentives recognized as taxes are paid and considering the rates provided for by current tax laws.

We demonstrate below the calculations of Income and Social Contribution Taxes expenses for the indicated years:

	Individual			Consolidated		
	2020	2019	2018	2020	2019	2018
Income (Loss) before Income Tax	2,840	8,630	241	(172)	24,662	3,264
(-) Income before Income and Social Contribution Taxes - Companies in the "Deemed Profit" Taxation Regime	-	-	-	(781)	(1,505)	(681)
Income (Loss) before Income Tax - "Companies in the Taxable Profit" Taxation Regime	2,840	8,630	241	(952)	(23,157)	(2,583)
Current combined rate of 34%	(966)	(2,934)	(82)	324	(7,873)	(878)
Interest on Equity (Received)/Paid	(256)	(47)	-	308	681	-
Equity Pickup	997	2,973	83	(9)	-	-
Other Non-Deductible Additions/Exclusions for Tax Purposes	-	-	-	(779)	(662)	(249)
Deferred Income Tax/Social Contribution Not Recognized, Net	64	-	(1)	(971)	(180)	(66)
	(171)	(8)	-	(1,126)	(8,036)	(1,194)
Tax Incentives	24	2	-	285	46	-
	(147)	(5)	-	(840)	(7,989)	(1,194)
Effective Income and Social Contribution Taxes - Current	(147)	(5)	-	(7,572)	(6,525)	-
Effective Income and Social Contribution Taxes - Deferred	-	-	-	6,732	(1,463)	(1,194)
Deemed Income and Social Contribution Taxes - Current	-	-	-	(143)	(305)	(229)
	(147)	(5)	-	(983)	(8,293)	(1,423)
Effective Tax Rate	-5%	0%	0%	-570%	-34%	-44%

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued
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18. Insurance Coverage

The Company's policy is to take out insurance coverage for civil liability, insurance for certain vehicles and other needs, for amounts considered sufficient by the Company's management to cover losses, if any, and consider the nature of its activity and the degree of risk involved.

Below is a summary of current policies at December 31, 2020:

Type	Principal	Term	
		Start	End
Liability Insurance	1,000	October 1, 2020	September 17, 2021
Guarantee Insurance	35,428	January 1, 2021	January 31, 2022
Guarantee Insurance	835	February 1, 2021	January 31, 2022
Guarantee Insurance	1,055	August 7, 2020	January 31, 2022
Guarantee Insurance	2,028	December 1, 2020	January 14, 2022
Safety Deposit Insurance	14	January 20, 2021	January 20, 2022
Safety Deposit Insurance	28	January 21, 2021	January 21, 2022
Safety Deposit Insurance	535	February 1, 2021	August 19, 2021

19. Financial Instruments

Risk Management

The Company has transactions with financial instruments. These instruments are managed through operating strategies and internal controls aimed at liquidity, profitability and security. The control policy consists of permanent monitoring of contracted conditions versus prevailing market conditions. The Company does not make speculative investments in derivatives or any other risky assets. The results obtained from these operations are consistent with the policies and strategies defined by its management. The Company's transactions are subject to the following risk factors:

Financial Instruments through Fair Value and Book Value

The book value of the main financial instruments at amortized cost does not materially differ from their respective fair values and are classified as follows:

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Notes to the Parent Company and Consolidated Income Statements --Continued

December 31, 2020, 2019 and 2018

(All figures in thousands of reais, unless otherwise stated)

19. Financial Instruments --Continued

Financial Instruments through Fair Value and Book Value --Continued

	Consolidated			Fair Value Measurement
	2020	2019	2018	
Measured at Fair Value through Income (Expenses)				
Fair Value of Energy Agreements (Assets)	790,432	167,236	67,793	Level 2
Fair Value of Energy Agreements (Liabilities)	630,710	157,857	62,598	Level 2
Amortized Costs (Financial Assets)				
Cash and Cash Equivalents	66,782	23,967	30,011	Level 1
Receivables	319,872	73,869	36,578	Level 2
Related Parties	22,994	96	429	Level 2
Amortized Costs (Financial Liabilities)				
Suppliers	307,098	68,986	35,100	Level 2
Related Parties	-	5,819	2,041	Level 2

a) Risk Considerations

Hierarchy

The classification of financial assets and liabilities at amortized cost or fair value through profit or loss is based on the business model and the cash flow characteristics expected by the Company for each instrument.

The fair value of security corresponds to its maturity value (redemption value) brought to present value by the discount factor (relating to the security's maturity date) obtained from the market yield curve in reais. The three levels of fair value hierarchy are:

- Level 1: Prices in an active market for identical instruments;
- Level 2: Observable information other than quoted prices in an active market that are observable for the asset or liability, directly (such as prices) or indirectly (derived from prices); and
- Level 3: instruments whose relevant factors are not observable market data.

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued
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19. Financial Instruments --Continued

a) Risk Considerations --Continued

i) *Credit Risk*

The Company restricts exposure to credit risks associated with cash and cash equivalents, making its investments in financial institutions rated as first-class, without concentration of investments in a single economic group.

Concerning accounts receivable from customers, the Company restricts its exposure to credit risks through customer selectivity and continuous credit analysis.

Additionally, there are no relevant loss histories, through monitoring of parent company (Individual) position limits, to minimize eventual default problems with these accounts receivable.

ii) *Interest Rate Risk*

This arises from the possibility of the Company incurring gains or losses from fluctuations in interest rates on its financial assets and liabilities. The Company does not have transactions with derivatives to protect against interest rate variation. Contracted interest rates on financial investments (bonds and securities) are mentioned in Note 3.

iii) *Exchange Rate Risk*

The associated risk arises from the possibility that the Company may incur losses due to fluctuations in exchange rates, which increase the amounts raised in the market.

The Company's management periodically monitors the net exposure of assets and liabilities in foreign currency; however, it does not have derivative transactions to hedge against exchange rate fluctuations.

iv) *Capital Structure Risk (or Financial Risk)*

This results from the choice between own capital (capital contributions and profit retention) and third-party capital that the Company makes to finance its transactions. To mitigate liquidity risks and optimize the weighted average cost of capital, management permanently monitors indebtedness levels following its internal policy.

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Notes to the Parent Company and Consolidated Income Statements --Continued
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19. Financial Instruments --Continued

b) Valuation of Financial Instruments

The main financial assets and liabilities are described below, as well as the criteria for their valuation:

i) *Cash and Cash Equivalents*

The market value of these assets does not differ from the amounts presented in the financial statements. The agreed rates reflect usual market conditions.

ii) *Receivables*

Receivables balances from customers are initially valued at present value, when applicable, and deducted from the allowance for doubtful accounts.

c) Future Energy Trade Agreements

Fair Value Future Energy Trade Agreements	Consolidated		
	2020	2019	2018
Current Assets	530,117	133,004	61,399
Noncurrent Assets	260,315	34,232	6,394
Current Liabilities	(496,890)	(129,657)	(61,401)
Noncurrent Liabilities	(133,820)	(28,200)	(1,197)
Subtotal	159,722	9,379	5,195
(-) Deferred PIS and COFINS	(5,830)	(341)	(190)
Total	153,892	9,038	5,005
Additions from Corporate Reorganization	153,202	-	-
Fair value futures agreements excluding additions from corporate reorganization	690	9,037	5,005
Effect on Statement of Profit or (Loss) for the Year	(8,347)	4,033	5,005

The Company has future energy agreements expiring until 2038. The actual result of the financial instruments (futures agreements) may vary since the markings of these agreements were carried out considering the base date of December 31, 2020.

The fair value of the Company's energy purchase and sale agreements was determined using information available in the market and appropriate valuation methodologies. We used the prices defined internally by the Company in the last week of December, which represented the best estimate of the futures market price. The discount rate used is based on the market risk-free rate of return, adjusted by the inflation index of each contract.

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Notes to the Parent Company and Consolidated Income Statements --Continued
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19. Financial Instruments --Continued

d) Sensitivity Analysis on Financial Instruments

The Company and its subsidiaries performed sensitivity tests based on the net exposure to variable rates of relevant financial assets and liabilities, derivatives and non-derivatives, outstanding at the end of the reporting period, assuming that the assets and liabilities below were open for the entire period, adjusted based on estimated rates for a likely scenario of risk behavior that, if occurring, could generate adverse results.

Sensitivity Analysis on Energy Purchase and Sale Operations

The main risk factor is exposure to changes in energy market prices. The variation in the discount rate does not materially impact the calculated fair value.

Sensitivity analyses were prepared considering, for scenarios 1 and 2, the increase or decrease of 25% and 50% in futures prices adopted to market prices at December 31, 2020. The Company understands that the probable scenario is reflected in the amounts recorded at December 31, 2020, since these agreements are marked to market based on available prices. The results are shown below:

Description	Price Changes	Base	Projected Scenarios	
		December 31, 2020	Scenario 1	Scenario 2
Unrealized gains on energy purchase and sale operations in an active market	Increase	153,892	141,127	133,587
	Decrease	153,892	166,658	179,423

Sensitivity Analysis of Interest Rate and Cash Variations Risk

The Company developed a sensitivity analysis to measure the impact of floating interest rates and cash variations on its financial assets and liabilities exposed to such risks.

The balances existing in the respective accounts on December 31, 2020 were considered for the base scenario. For the probable scenario, the balances with the variation of the indicators were considered (CDI/Selic: 3.5%) predicted in the median of market expectations for 2021 of the Focus Report of Bacen of January 29, 2021.

For scenarios I and II, deteriorations of 25% and 50% were considered, respectively, in the main risk indicator of the financial instrument for the level used in the probable scenario; in scenarios III and IV, increases of 25% and 50% were considered, respectively, on the same base.

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued
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(All figures in thousands of reais, unless otherwise stated)

19. Financial Instruments --Continued

d) Sensitivity Analysis on Financial Instruments --Continued

Sensitivity Analysis of Interest Rate and Cash Variations Risk --Continued

		Position on December 31, 2020	Scenario I (50%)	Scenario II (25%)	Probable Scenario	Scenario III 25%	Scenario IV 50%
Assets	Risk						
Cash and Cash Equivalents	CDI	66,782	1,169	1,753	2,337	2,922	3,506
Related Parties (loan)	CDI	20,368	356	535	713	891	1,069
Estimated Net Effect on Statement of Profit or (Loss)		-	1,525	2,288	3,050	3,813	4,575

Liquidity Risk

The liquidity risk evidences the Company's ability to settle the obligations assumed. The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows, combining the maturity profiles of financial assets and liabilities, and maintaining close relationships with financial institutions.

As at December 31, 2020, 2019 and 2018, the Company does not have liabilities with liquidity risk.

The balances of financial liabilities of suppliers and related parties mature in less than one year. Future energy agreements have a maturity profile until 2038.

Capital Management

When managing its capital, the Company's purposes are to safeguard the ability to continue operations to offer returns to shareholders and benefits to other stakeholders and maintain an ideal capital structure to reduce costs and maximize resources for application in new technologies, process improvements, and advanced management methods. The Company's capital structure consists of financial liabilities, cash and cash equivalents and marketable securities.

Management periodically reviews the capital structure and its ability to settle its liabilities, taking the necessary actions when the relationship between these balances presents significant mismatches.

Comerc Participações S.A.

Notes to the Parent Company and Consolidated Income Statements --Continued
December 31, 2020, 2019 and 2018
(All figures in thousands of reais, unless otherwise stated)

20. Subsequent Events

Corporate Changes

Capital Increases

On March 15, 2021, the Company increased its capital from R\$172,065 to R\$178,385 by issuing 6,320,079 new units of interest, with a par value of R\$1 (one real), an increase totaling R\$6,320.

On March 31, 2021, the Company increased its capital from R\$178,385 to R\$187,009 by issuing 8,014,995 new shares, with a par value of R\$1.0759 (one real and seven hundred and fifty-nine hundredths of cents of a real), increasing a total of R\$8,623.

On April 1, 2021, the Company issued 52,031,593 new shares, totaling R\$175,000. Of this amount: (i) R\$5,000 was allocated to increase the capital, which increased from R\$187,009 to R\$192,009; and (ii) R\$170,000 was allocated to a capital reserve. These shares were subscribed and paid in by the company Perfin Administração de Recursos Ltda.

Transformation into a Closed Corporation

On March 16, 2021, the Company was transformed from a limited liability company to a closed corporation, changing its name from Comerc Participações Ltda. to Comerc Participações S.A. Due to the transformation event, all units of interest representing the Company's capital were converted into registered common shares with no par value, at the rate of 1 (one) unit of interest for 1.121792687 common shares. Thus, the Company's capital, R\$178,385, is now represented by 200,111,380 registered common shares with no par value distributed among the shareholders.

Acquisition of Units of Interest in NewCom Comercializadora de Energia Elétrica Ltda.

On June 30, 2021, the Company acquired 11,200,005 units of interest of NewCom Comercializadora de Energia Elétrica Ltda. (NewCom), becoming the holder of all NewCom's units of interest. For the acquisition, the Company will pay in cash R\$17,597 (R\$10,545 in cash and R\$7,052 within 24 months) plus the contingent price linked to NewCom's future performance after four years.