Notice to the Market - 43/21

Copel Distribuição's grid market grows 8.3% in 3Q21

Companhia Paranaense de Energia – Copel ("Company"), a company that generates, transmits, distributes, and sells power, with shares listed on B3 S.A. – Brasil, Bolsa, Balcão (CPLE3, CPLE5, CPLE6, CPLE11), NYSE (ELP), and LATIBEX (XCOP, XCOPO, XCOPU), hereby informs its shareholders and the market in general of Copel's energy market performance in 3Q21.

Grid Market (TUSD)

Copel Distribuição's grid market, composed of the captive market, the supply of power to concessionaires and permissionaires in the State of Paraná, and all the free consumers in its concession area, recorded an 8.3% growth in energy consumption in 3Q21 and an accumulated growth of 7.5% in the year, as shown in the following table:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Sep-21	Sep-20	Var. %	3Q21	3Q20	Var. %	9M21	9M20	Var. %
Captive Market	4,902,991	4,797,523	2.2	4,596	4,445	3.4	14,420	14,179	1.7
Concessionaries and Licensees [1]	7	7	-	236	214	10.4	699	644	9
Free Customers [2]	2,241	1,756	27.6	2,896	2,476	17.0	8,600	7,236	18.9
Grid Market	**4,905,239**	**4,799,286**	**2.2**	**7,729**	**7,135**	**8.3**	**23,719**	**22,059**	**7.5**

[1] Total grid supply in the captive market (concessionaires and licensees) and free market.

[2] All free customers served by Copel GeT, Copel Mercado Livre and other suppliers at the Copel Distribuição concession area.
Adjusted by removing consumers connected at 230 kV from Basic Grid, according to Aneel's Normative Resolution no. 722/2016.

The result observed is due to: (i) the good performance of industrial production in Paraná, which grew by 8.2% in July and 8.7% in August 2021 compared to the previous year, above the national average in the accumulated in the year (which is 15.1% in the state, against 9.2% in Brazil), with emphasis on the food, cellulose and paper and wood products; (ii) the resumption of electricity consumption in the commercial segment for the sixth consecutive month, and (iii) the 3.4% increase in the consumption of the captive market, mainly due to the performance residential and commercial segments.

The increase in the number of free market consumers, of 27.6%, is justified by: (i) the changes brought by MME Ordinance 465/2019, which allowed the entry of more consumers into the free contracting environment; and (ii) the migration of commercial class customers, which currently represent 54% of free consumers served within Copel Distribuição's concession area.

Although the positive variations in consumption reflect the low comparative base of the same period of the previous year, due to the effects of the Covid-19 pandemic from the second half of March 2020, it is verified, when considering the year 2019 as a comparative base (pre-pandemic period), a solid growth in the grid market, with an increase of 5.3% in 3Q21 and 4.7% in 9M21, as shown in the table below.

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	Energy Sold (GWh)					
	3Q21	3Q19	Var. %	9M21	9M19	Var. %
Captive Market	4,596	4,667	(1.5)	14,420	14,748	(2.2)
Concessionaries and Licensees [1]	236	215	10.0	699	629	11.2
Free Customers [2]	2,896	2,460	17.7	8,600	7,288	18.0
Grid Market	**7,729**	**7,342**	**5.3**	**23,719**	**22,665**	**4.7**

[1] Total grid supply in the captive market (concessionaires and licensees) and free market.

[2] All free customers served by Copel GeT, Copel Mercado Livre and other suppliers at the Copel Distribuição

Adjusted by removing consumers connected at 230 kV from Basic Grid.

Captive Market

Energy sales to Copel Distribuição's captive market totaled 4,596 GWh in 3Q21, an increase of 3.3% compared to 3Q20. The following table shows captive market trends by consumption segment:

	Number of Customers			Energy sold (GWh)					
	Sep-21	Sep-20	Var. %	3Q21	3Q20	Var. %	9M21	9M20	Var. %
Residential	4,016,423	3,911,289	2.7	1,940	1,878	3.3	6,021	5,793	3.9
Industrial	70,823	70,936	(0.2)	575	574	0.2	1,720	1,719	-
Commercial	419,800	407,324	3.1	954	909	5.0	3,055	3,080	(0.8)
Rural	343,663	348,453	(1.4)	548	537	2.0	1,865	1,828	2.0
Other	52,282	59,521	(12.2)	579	547	5.8	1,759	1,759	-
Captive Market	**4,902,991**	**4,797,523**	**2.2**	**4,596**	**4,445**	**3.3**	**14,420**	**14,179**	**1.7**

The residential segment consumed 1,940 GWh between July and September 2021, recording a growth of 3.3%, mainly influenced by the 2.7% increase in the number of consumers and the 0.3% increase in average consumption, reaching 161 kWh/month. In the third quarter of 2021, this segment accounted for 42.2% of the captive market's consumption, totaling 4,016,423 consumers at the end of September 2021.

The industrial segment registered growth of 0.3% in the period between July and September 2021, totaling 575 GWh, mainly due to the gradual resumption of economic activities. This result was partially offset by the migration of customers to the free market, which would represent an average consumption of approximately 10 GWh in the quarter. At the end of September 2021, this segment accounted for 12.5% of the captive market's consumption, with 70,823 consumers.

The commercial segment consumed 954 GWh in 3Q21, an increase of 5.0%, reflecting the gradual resumption of economic activity in this segment in the State, for the 6th consecutive month, with emphasis on the retail and food trade. This result was partially offset by the migration of customers to the free market, which would represent an average consumption of approximately 7 GWh in the quarter. At the end of the third quarter of 2021, this segment accounted for 20.8% of the captive market's consumption, with 419,800 consumers.

The rural segment registered an increase of 1.9% in energy consumption in 3Q21, totaling 548 GWh as a result of the expansion of agribusiness, a sector that, even in a pandemic period, has shown signs of growth. The 1.4% reduction in the number of consumers is partially justified by the migration of this class to the free market and the reclassification of clients. At the end of September 2021, this segment accounted for 11.9% of the captive market's consumption, with 343,663 consumers.

The other segments (governments, public lighting, public services, and own consumption) totaled 579 GWh consumed between July and September 2021, with an increase of 5.8%, mainly due to the consumption performance of 20.1% by "governments", motivated in part by the return to face-to-face activities and services in public buildings. The 12.2% reduction in the number of group customers was mainly due to the re-registration/census of public lighting poles. Together, these segments accounted for 12.6% of the captive market's consumption, with 52,282 consumers at the end of 3Q21.

Copel's Consolidated Market

Electricity Sales to Final Customers

Electricity Sales to Final Customers, which represent the volume of energy sold to final consumers and comprises Copel Distribuição's sales in the captive market and Copel Geração e Transmissão's and Copel Mercado Livre's sales in the free market, grew by 8.7% between July and September 2021. The following table shows the breakdown of energy by consumption segment:

Segment	Market	Energy Sold (GWh)					
		3Q21	3Q20	Var. %	9M21	9M20	Var. %
Residential		**1,940**	**1,878**	**3.3**	**6,021**	**5,793**	**3.9**
Industrial	**Total**	**2,690**	**2,443**	**10.1**	**7,795**	**7,056**	**10.5**
	Captive	575	574	0.2	1,720	1,719	-
	Free	2,115	1,869	13.2	6,075	5,337	13.8
Commercial	**Total**	**1,303**	**1,092**	**19.3**	**4,044**	**3,557**	**13.7**
	Captive	954	909	5.0	3,055	3,080	(0.8)
	Free	349	183	90.7	988	477	107.2
Rural		**548**	**537**	**2.0**	**1,318**	**1,828**	**(27.9)**
Other		**579**	**547**	**5.8**	**1,759**	**1,759**	**-**
Energy Supply		**7,060**	**6,497**	**8.7**	**20,937**	**19,993**	**4.7**

Total Energy Sold

Total energy sold by Copel, composed of sales in all markets by Copel Distribuição, Copel Geração e Transmissão, Wind Farms, and Copel Mercado Livre totaled 16,985 GWh in 3Q21, an increase of 21.8%. The following table shows Copel's total energy sales, broken down by Copel Distribuição, Copel Geração e Transmissão, Wind Farms, and Copel Mercado Livre:

	Number of Customers / Agreements			Energy Sold (GWh)					
	Sep-21	Sep-20	Var. %	3Q21	3Q20	Var. %	9M21	9M20	Var. %
Copel DIS									
Captive Market	4,902,991	4,797,523	2.2	4,596	4,445	3.4	14,420	14,179	1.7
Concessionaries and Licensees	2	2	-	21	17	20.7	64	56	13.5
CCEE (Assigments MCSD EN)	456	244	87	323	174	85.6	672	518	29.7
CCEE (MVE)	29	12	142	158	110	44	363	328	11
CCEE (MCP)	-	-	-	520	773	(32.7)	1,256	1,743	(27.9)
Total Copel DIS	**4,903,478**	**4,797,781**	**2.2**	**5,618**	**5,519**	**1.8**	**16,775**	**16,824**	**(0.3)**
Copel GeT									
CCEAR (Copel DIS)	3	3	-	30	30	-	91	90	1.1
CCEAR (other concessionaries)	101	101	-	534	546	(2.2)	1,647	1,649	(0.1)
Free Customers	17	35	(51.4)	352	851	(58.6)	983	2,462	(60.1)
Bilateral Agreements (Copel Mercado Livre)	131	39	235.9	3,377	2,029	66.4	9,726	5,338	82.2
Bilateral Agreements [1]	12	46	(73.9)	174	815	(78.7)	522	2,219	(76.5)
CCEE (MCP) [2]	-	-	-	-	-	-	-	264	-
Total Copel GeT	**264**	**224**	**17.9**	**4,467**	**4,271**	**4.6**	**12,969**	**12,022**	**7.9**
Wind Farms Complex									
CCEAR (Copel DIS)	6	6	-	8	8	-	23	24	(4)
CCEAR (other concessionaries)	328	328	-	325	325	-	964	965	(0.1)
CER	10	10	-	231	231	-	685	687	(0.3)
Bilateral Agreements (Copel Mercado Livre)	-	-	-	2	36	(94.4)	2	37	(94.6)
Total Wind Farm Complex	**344**	**344**	**-**	**566**	**600**	**(5.7)**	**1,674**	**1,713**	**(2.3)**
Copel Mercado Livre									
Free Customers	1,327	870	52.5	2,112	1,201	75.9	6,081	3,351	81.5
Bilateral Agreements (Group Companies)	74	21	252	1,194	318	275.5	2,504	318	687.4
Bilateral Agreements	221	117	88.9	2,983	1,918	55.5	8,504	5,202	63.5
CCEE (MCP) [2]	-	-	-	45	123	-	81	227	(64.3)
Total Copel Mercado Livre	**1,622**	**1,008**	**60.9**	**6,334**	**3,560**	**77.9**	**17,170**	**9,098**	**88.7**
Total Copel Consolidated	**4,905,708**	**4,799,357**	**2.2**	**16,985**	**13,950**	**21.8**	**48,588**	**39,657**	**22.5**

Note: Not considering the energy from MRE (Energy Relocation Mechanism).

[1] Includes Short Term Sales Agreements and CBR

[2] Assured Power allocated in the period, after impact of the GSF.

CCEE: Electric Power Trade Chamber / CCEAR: Energy Purchase Agreements in the Regulated Market / MCP: Short Term Market / CER: Agreements Reserve Energy / MCSD EN - Mechanism for Compensation of Surpluses and Deficits of New Energy / MVE - MVE - Sale of energy to the free market through the Surplus Selling Mechanism.

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TPP Araucária

TPP Araucária continued to be dispatched in the third quarter of this year, due to the hydrological conditions and the reduction of energy available in the system. The amount of energy produced by the thermoelectric plant compared to 2020 is shown in the table below:

GWh

TPP Araucária - UEGA	3Q21	3Q20	Var. %	9M21	9M20	Var. %
Own Generation[1]	641	75	755	1,835	428	329

Font: CCEE

[1] Value of generation accounted for with losses from the CCEE.

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