



EDP – Energias do Brasil S.A.

Interim Accounting Information

Period ended June 30, 2021

EDP - ENERGIAS DO BRASIL S.A.
BALANCE SHEETS AT
(In thousands of reais)



		Parent Company		Consolidated	
	Note	06/30/2021	12/31/2020	06/30/2021	12/31/2020
ASSETS					
Current assets					
Cash and cash equivalents	5	154,665	907,204	1,535,985	2,735,859
Securities	6			107,799	153,990
Accounts receivable	7			2,309,189	2,958,032
Recoverable income tax and social contribution	9	51,943	25,389	202,294	206,929
Other recoverable taxes	9	7,399	45,354	542,892	633,670
Deferred taxes	10			195,674	7,701
Dividends	13	169,976	430,004	17,666	35,686
Inventories	12			313,838	183,080
Pledges and restricted deposits		572	222	10,416	4,876
Sectorial financial assets	8			488,335	226,899
Concession assets	18			137,213	33,855
Future commitments	14			1,472,554	76,621
Other receivables	15	17,987	19,666	275,363	211,881
Total current assets		402,542	1,427,839	7,609,218	7,469,079
Non-current assets					
Concession assets	18			5,685,281	4,844,304
Indemnifiable financial assets	19			3,877,390	3,486,960
Accounts receivable	7			110,363	82,987
Securities	6			2,500	1,750
Recoverable income tax and social contribution	9		34,320	65,698	95,909
Other recoverable taxes	9	57,330	61,043	1,175,694	1,479,728
Deferred taxes	10			725,440	710,558
Loans receivable	11	481,013	502,074	5,356	4,518
Advance for future capital increase	11	53,430	70,100		
Pledges and restricted deposits		9,304	9,218	440,677	433,037
Sectorial financial assets	8			109,648	318,585
Future commitments	14			704,747	349,330
Other receivables	15	41,912	46,483	35,134	39,449
		642,989	723,238	12,937,928	11,847,115
Investments	16	10,110,844	9,207,716	2,190,529	2,032,259
Investment properties		9,484	9,484	11,387	11,393
Property, plant and equipment	20	44,932	19,317	6,267,547	6,271,823
Intangible assets	21	34,811	36,307	2,704,800	2,659,590
		10,200,071	9,272,824	11,174,263	10,975,065
Total non-current assets		10,843,060	9,996,062	24,112,191	22,822,180
TOTAL ASSETS		11,245,602	11,423,901	31,721,409	30,291,259

See the accompanying notes to the interim accounting information.

EDP - ENERGIAS DO BRASIL S.A.
BALANCE SHEETS AT
(In thousands of reais)



		Parent Company		Consolidated	
	Note	06/30/2021	12/31/2020	06/30/2021	12/31/2020
LIABILITIES					
Current liabilities					
Suppliers	22	17,050	24,792	1,559,977	2,251,446
Income tax and social contribution payable	9			91,640	100,260
Other taxes payable	9	21,516	68,110	397,918	531,516
Deferred taxes	10			199,869	11,550
Dividends	13	2,943	360,362	63,399	514,171
Debentures	23	243,551	238,423	909,557	1,260,750
Loans, financing and debt charges	24			1,434,762	2,053,615
Post-employment benefits	25	4	47	45,292	45,538
Sectorial charges	26			111,329	111,251
Use of Public Property				39,113	35,609
Refund for unavailability				3,205	5,307
Provisions	27			109,440	102,915
Sectorial financial liabilities	8			530,517	626,801
Future commitments	14			1,450,066	57,060
Other accounts payable	15	68,705	66,362	338,408	351,293
Total current liabilities		353,769	758,096	7,284,492	8,059,082
Non-current liabilities					
Other taxes payable	9	13,966	21,883	302,486	326,422
Deferred taxes	10	206,762	206,366	1,299,565	1,109,341
Debentures	23	60,175	204,107	5,450,581	3,955,451
Loans, financing and debt charges	24	102,216	100,934	1,836,247	1,765,076
Post-employment benefits	25			845,142	850,931
Sectorial charges	26			3,154	
Use of Public Property				461,905	407,226
Provisions	27	8,692	8,186	565,767	552,212
Provision for unsecured liabilities	16			3,731	
Sectorial financial liabilities	8			1,437,995	1,770,600
Future commitments	14			446,863	141,445
Other accounts payable	15	12,475	3,249	127,803	97,200
Total non-current liabilities		404,286	544,725	12,781,239	10,975,904
SHAREHOLDERS' EQUITY					
Capital	28.1	5,502,716	5,502,716	5,502,716	5,502,716
Capital reserves	28.2	139,542	141,069	139,542	141,069
Profit reserves	28.2	5,162,038	5,365,110	5,162,038	5,365,110
Other comprehensive income	28.3	(670,993)	(741,827)	(670,993)	(741,827)
Treasury shares	28.4	(486,028)	(145,988)	(486,028)	(145,988)
Retained earnings		840,272		840,272	
		10,487,547	10,121,080	10,487,547	10,121,080
Non-controlling shareholders	28.5			1,168,131	1,135,193
Total shareholders' equity		10,487,547	10,121,080	11,655,678	11,256,273
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		11,245,602	11,423,901	31,721,409	30,291,259

See the accompanying notes to the interim accounting information.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF INCOME
PERIODS ENDED JUNE 30

(In thousands of reais, unless otherwise indicated)



	Note	Parent Company				Consolidated			
		Changes in the period		Accumulated in the period		Changes in the period		Accumulated in the period	
		04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020
Revenue	29	683	640	1,418	1,345	3,954,428	2,984,316	7,947,221	6,589,610
Costs	30								
Electricity services cost						(2,130,772)	(1,678,013)	(4,095,668)	(3,835,368)
Cost of production for electricity						(116,975)	(6,143)	(258,537)	(63,717)
Cost of operation						(341,254)	(278,985)	(645,894)	(569,980)
Cost of service rendered to third-parties						(544,523)	(385,261)	(1,050,340)	(720,317)
		-	-	-	-	(3,133,524)	(2,348,402)	(6,050,439)	(5,189,382)
Gross profit		683	640	1,418	1,345	820,904	635,914	1,896,782	1,400,228
Operating expenses and income	30								
Estimated loss from allowance for doubtful accounts - PECLD						(34,050)	(39,575)	(58,981)	(73,804)
General and administrative expenses		(32,601)	(22,155)	(61,012)	(46,870)	(139,888)	(148,874)	(286,513)	(300,577)
Other operating expenses and income		4,408	19	4,138	341	(23,596)	(27,512)	(47,924)	(62,905)
		(28,193)	(22,136)	(56,874)	(46,529)	(197,534)	(215,961)	(393,418)	(437,286)
Income (loss) from equity interest	16	372,649	260,653	914,201	573,228	52,953	41,924	121,303	41,568
Income before financial result and taxes		345,139	239,157	858,745	528,044	676,323	461,877	1,624,667	1,004,510
Financial result	31								
Financial income		10,967	6,924	18,085	17,437	80,009	72,729	163,413	167,747
Financial expenses		(10,663)	(9,381)	(36,166)	(38,300)	(216,102)	(158,042)	(509,488)	(353,731)
		304	(2,457)	(18,081)	(20,863)	(136,093)	(85,313)	(346,075)	(185,984)
Income before income taxes		345,443	236,700	840,664	507,181	540,230	376,564	1,278,592	818,526
Income taxes	32								
Income tax and social contribution - current			(24)		(24)	(113,493)	(84,574)	(253,736)	(187,699)
Deferred income tax and social contribution		(953)	562	(392)	1,116	(45,987)	(19,897)	(118,804)	(56,047)
		(953)	538	(392)	1,092	(159,480)	(104,471)	(372,540)	(243,746)
Net income for the period		344,490	237,238	840,272	508,273	380,750	272,093	906,052	574,780
Attributable to controlling shareholders		344,490	237,238	840,272	508,273	344,490	237,238	840,272	508,273
Attributable to non-controlling shareholders						36,260	34,855	65,780	66,507
Earnings per share attributable to shareholders	33								
Basic earnings per share (reais/shares)									
Common shares		0.59286	0.39221	1.43004	0.84029	0.59286	0.39221	1.43004	0.84029
Diluted earnings per share (reais/shares)									
Common shares		0.59057	0.39234	1.42342	0.83628	0.59057	0.39234	1.42342	0.83628

See the accompanying notes to the interim accounting information.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF COMPREHENSIVE INCOME
PERIODS ENDED JUNE 30
(In thousands of reais)



	Parent Company				Consolidated			
	Changes in the period		Accumulated in the period		Changes in the period		Accumulated in the period	
	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020
Net income for the period	344,490	237,238	840,272	508,273	380,750	272,093	906,052	574,780
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Actuarial gains - Post-employment benefit					15,236	62,587	15,280	62,587
Equity accounting on other comprehensive income of subsidiaries	13,292	40,199	70,834	(114,974)	(2)		56,284	(155,173)
Deferred income tax and social contribution					(5,181)	(21,279)	(5,196)	(21,279)
	13,292	40,199	70,834	(114,974)	10,053	41,308	66,368	(113,865)
Items that will be reclassified to profit or loss								
Cash flow hedge					4,907	(1,680)	6,766	(1,680)
Deferred income tax and social contribution					(1,668)	571	(2,300)	571
	-	-	-	-	3,239	(1,109)	4,466	(1,109)
Comprehensive income for the period	357,782	277,437	911,106	393,299	394,042	312,292	976,886	459,806
Attributable to controlling shareholders	357,782	277,437	911,106	393,299	357,782	277,437	911,106	393,299
Attributable to non-controlling shareholders					36,260	34,855	65,780	66,507

See the accompanying notes to the interim accounting information.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of reais)



6-month period ended June 30

	Capital	Capital reserves	Profit reserves	Treasury shares	Other comprehensive income	Retained earnings	Total parent company	Non-controlling shareholders	Total consolidated
Balances at December 31, 2019	4,682,716	139,578	5,059,602	(32,155)	(620,694)	-	9,229,047	1,102,550	10,331,597
Advance for future capital increase – AFAC							-	10,000	10,000
Equity valuation adjustment		(799)					(799)	799	-
Dividends to non-controlling shareholders							-	(29,906)	(29,906)
Stock options granted		456					456		456
Disposal of treasury shares		70		1,121			1,191		1,191
Net income for the period						508,273	508,273	66,507	574,780
Profit retention reserve			251,314				251,314		251,314
Reversal of reserve for allocation of dividends	820,000		(820,000)				-		-
Complementary dividends			(251,314)				(251,314)		(251,314)
Other comprehensive income					(114,974)		(114,974)		(114,974)
Equity accounting on other comprehensive income of subsidiaries									
Balances at June 30, 2020	5,502,716	139,305	4,239,602	(31,034)	(735,668)	508,273	9,623,194	1,149,950	10,773,144

6-month period ended June 30

	Capital	Capital reserves	Profit reserves	Treasury shares	Other comprehensive income	Retained earnings	Total parent company	Non-controlling shareholders	Total Consolidated
Balances at December 31, 2020	5,502,716	141,069	5,365,110	(145,988)	(741,827)	-	10,121,080	1,135,193	11,256,273
Capital increase in subsidiaries							-	3,800	3,800
Equity valuation adjustment		(797)					(797)	797	-
Dividends to non-controlling shareholders							-	(37,439)	(37,439)
Stock options granted		(730)		2,025			1,295		1,295
Repurchase of treasury shares				(342,065)			(342,065)		(342,065)
Net income for the period						840,272	840,272	65,780	906,052
Complementary dividends			(203,072)				(203,072)		(203,072)
Other comprehensive income					70,834		70,834		70,834
Equity accounting on other comprehensive income of subsidiaries									
Balances at June 30, 2021	5,502,716	139,542	5,162,038	(486,028)	(670,993)	840,272	10,487,547	1,168,131	11,655,678

See the accompanying notes to the interim accounting information.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF CASH FLOWS
SIX-MONTH PERIODS ENDED JUNE 30
(In thousands of reais)



	Parent Company		Consolidated	
Note	2021	2020	2021	2020
Cash flow from operating activities				
Income before income taxes	840,664	507,181	1,278,592	818,526
Adjustments for reconciliation of income to cash from operating activities				
Deferred taxes	4	5	1,664	54,520
Estimated loss from allowance for doubtful accounts - PECLD			58,981	73,646
Remuneration of concession assets			(312,200)	(185,008)
Fair value of indemnifiable financial assets			(121,476)	(28)
Depreciation and amortization	9,102	8,595	344,225	322,134
Residual value of property, plant and equipment and intangible assets written off	387	330	40,339	23,781
Gains and losses in the disposal/decommission of assets and rights			(1,257)	4,631
Interest and inflation adjustments of Loans receivable	(6,830)	(5,096)	(8,608)	(5,283)
Concession right - GSF			(23,296)	
Sectorial financial assets and liabilities			(25,948)	25,311
Suppliers - inflation adjustment - Free Energy			4,916	2,218
Debt charges, inflation adjustments and adjustment to present value on loans, financing and debentures	34,407	25,096	255,979	207,623
Use of Public Property - inflation adjustment and adjustment to present value			76,487	22,853
Leases and rentals - inflation adjustment and adjustment to present value	304	(447)	4,513	(1,542)
Provision for post-employment benefit plan			31,975	34,619
Provisions (reversals) and inflation adjustments for civil, tax and labor contingencies	1,660	831	60,902	39,725
Provisions for environmental permits - inflation adjustment and adjustment to present value			3,693	7,944
Future commitments			(52,926)	
Income (loss) from equity interest	(914,201)	(573,228)	(121,303)	(41,568)
Gains on investments	(4,465)		(4,465)	
Sectorial charges – provision and inflation adjustment			15,482	17,433
Pledges and restricted deposits linked to lawsuits - inflation adjustment	(77)	(106)	(4,771)	(6,499)
Taxes and social contributions - inflation adjustment		(1,874)	26,049	(43,034)
Recognition (reversal) of provision – Reimbursement due to Unavailability			(1,739)	(30,715)
Inflation adjustment – GSF			52,050	16,015
Other	(537)	2,252	(26,085)	(11,538)
	<u>(39,582)</u>	<u>(36,461)</u>	<u>1,551,773</u>	<u>1,345,764</u>
(Increase) decrease in operating assets				
Accounts receivable			742,746	359,439
Sectorial financial assets			(37,540)	14,502
Concession assets			30,094	16,088
Recoverable income tax and social contribution	295	61,360	121,747	201,471
Other recoverable taxes	(2,525)	(3,113)	225,974	(174,091)
Inventories			(127,680)	(66,924)
Pledges and restricted deposits	(359)	(173)	(2,271)	(7,618)
Income receivable			1,859	3,879
Other operating assets	5,900	7,954	(45,222)	39,742
	<u>3,311</u>	<u>66,028</u>	<u>909,707</u>	<u>386,488</u>
Increase (decrease) in operating liabilities				
Suppliers	(7,742)	5,038	(1,034,613)	(691,956)
Sectorial financial liabilities			(416,189)	(64,560)
Income tax and social contribution payable		(61,355)	(141,459)	(146,941)
Other taxes payable	(424)	8,817	38,653	150,898
Post-employment benefits			(22,891)	(21,468)
Sectorial charges			(12,250)	(11,251)
Provisions	(1,154)	(803)	(39,081)	(33,520)
Use of Public Property			(18,304)	(15,129)
Other operating liabilities	10,419	(7,408)	2,103	(29,255)
	<u>1,099</u>	<u>(55,711)</u>	<u>(1,644,031)</u>	<u>(863,182)</u>
Cash (invested in) received from operating activities	<u>(35,172)</u>	<u>(26,144)</u>	<u>817,449</u>	<u>869,070</u>
Income tax and social contribution paid			(249,493)	(141,014)
Net cash (invested in) received from operating activities	<u>(35,172)</u>	<u>(26,144)</u>	<u>567,956</u>	<u>728,056</u>
Net cash from investing activities				
Acquisition of investment			(78,355)	
Dividends and interest on own capital received	495,686	38,177	36,867	19,823
Securities			45,441	(193,106)
Advance for future capital increase	(126,330)			
Capital increase in subsidiaries	(8,700)	(72,423)		(8,220)
Additions to concession assets			(809,188)	(619,123)
Additions to indemnifiable financial assets	(30,189)	(3,016)	(30,189)	(3,491)
Additions to Property, plant and equipment and intangible assets			(37,064)	(35,158)
Disposal of assets and rights			11	13
Loans receivable	27,891	(141,253)	1,649	(3,046)
Cash and cash equivalents - Investments acquired			631	
Net cash from (invested in) investment activities	<u>358,358</u>	<u>(178,515)</u>	<u>(870,197)</u>	<u>(842,308)</u>
Cash flow from financing activities				
Pledges and restricted deposits			(6,040)	(1,092)
Accounts received	2,167			
Dividends and interest on own capital paid	(562,914)	(4)	(693,700)	(12,240)
Funding of loans, financing and debentures			2,350,798	1,548,554
Amortization of principal of loans, financing, derivatives and debentures	(154,019)		(1,979,248)	(935,635)
Payment of debt charges, net of derivatives	(17,910)	(20,126)	(211,721)	(207,977)
Payment of principal and interest from leases	(984)	(947)	(19,456)	(14,782)
Capital increase in subsidiaries for non-controlling shareholders			3,800	
Repurchase of treasury shares	(342,065)	70	(342,065)	70
Net cash (invested in) financing activities	<u>(1,075,725)</u>	<u>(21,007)</u>	<u>(897,632)</u>	<u>376,898</u>
Net decrease (increase) in cash and cash equivalents	<u>(752,539)</u>	<u>(225,666)</u>	<u>(1,199,873)</u>	<u>262,646</u>
Cash and cash equivalents at the end of the period	154,665	422,813	1,535,985	2,935,648
Cash and cash equivalents at the beginning of the period	907,204	648,479	2,735,858	2,673,002
	<u>(752,539)</u>	<u>(225,666)</u>	<u>(1,199,873)</u>	<u>262,646</u>

See the accompanying notes to the interim accounting information.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF ADDED VALUE
SIX-MONTH PERIODS ENDED JUNE 30
(In thousands of reais)



	Parent company		Consolidated	
	2021	2020	2021	2020
Generation of added value	28,309	4,622	12,804,069	9,271,597
Operating revenue	1,427	1,360	11,037,274	8,274,335
Estimated loss from allowance for doubtful accounts - PECLD			(58,981)	(73,804)
Revenue related to the construction of company assets	22,416	3,016	80,221	36,750
Revenue from construction			1,163,801	766,021
Remuneration of concession assets			255,327	185,008
Restatement of indemnifiable financial assets			121,476	28
Other revenue	4,466	246	204,951	83,259
(-) Inputs acquired from third parties	(45,408)	(24,641)	(7,987,460)	(5,443,227)
Costs of purchased energy			(5,502,068)	(3,703,334)
Electricity network utilization charges			(712,498)	(531,091)
Materials	(746)	(815)	(46,900)	(44,286)
Raw material and inputs for production of electric power			(262,391)	(65,330)
Third-party services	(39,180)	(19,281)	(293,333)	(255,540)
Infrastructure construction cost			(1,039,546)	(713,467)
Other operating costs	(5,482)	(4,545)	(130,724)	(130,179)
Gross added value	(17,099)	(20,019)	4,816,609	3,828,370
Retentions				
Depreciation and amortization	(9,106)	(8,585)	(356,371)	(332,685)
Net generated value added	(26,205)	(28,604)	4,460,238	3,495,685
Added value received through transfers				
Financial income	18,700	18,215	176,944	190,183
Income (loss) from equity interest	914,201	573,228	121,303	41,568
Total added value payable	906,696	562,839	4,758,485	3,727,436
Distribution of added value				
Personnel				
Direct remuneration	19,395	12,683	167,574	157,692
Benefits	3,809	1,357	53,885	50,173
FGTS	1,449	724	14,885	12,763
Taxes, rates and contributions				
Federal	3,310	1,226	1,504,815	1,257,792
State	72	1	1,397,477	1,213,324
Municipal	791	131	11,888	10,770
Third-party capital remuneration				
Interest	36,166	38,300	701,002	445,994
Rentals	1,432	144	907	4,148
Remuneration of own capital				
Non-controlling interests			65,780	66,507
	66,424	54,566	3,918,213	3,219,163
Retained earnings	840,272	508,273	840,272	508,273
	906,696	562,839	4,758,485	3,727,436

See the accompanying notes to the interim accounting information.



1 Context

1.1 Operating

EDP - Energias do Brasil S.A. (Company, Parent company or EDP - Energias do Brasil), corporation, publicly traded, incorporated on July 24, 2000, with head office in the municipality of São Paulo, has as its corporate purpose: (i) To participate in other companies as shareholder, or quotaholder, as well as render services in business and projects of the energy sector, in Brazil and/or abroad; (ii) managing energy generation, transmission, distribution and trading assets, in their various forms and categories; (iii) to study, plan, develop, and implement projects in distribution, generation, transmission, and sales of electricity in all of its forms and descriptions; and (iv) to provide services for the electrical industry in Brazil or overseas. The Company's shares, under code "ENBR3", are recorded in the New Market, in the highest level of Corporate Governance of B3 S.A. - Brasil, Bolsa, Balcão. In addition, the Company's shares are part of portfolios of the following B3: Bovespa Index – Ibovespa and Electrical Energy Index – IEE. The Company has the following interests in subsidiaries, joint ventures and associated companies:

Companies	Classification	Consolidation	% interest			
			06/30/2021		12/31/2020	
			Direct	Indirect	Direct	Indirect
Distribution						
EDP Espírito Santo Distribuição de Energia S.A. (EDP Espírito Santo)	Subsidiary	full	100.00	-	100.00	-
EDP São Paulo Distribuição de Energia S.A. (EDP São Paulo)	Subsidiary	full	100.00	-	100.00	-
Generation						
Energest S.A. (Energest)	Subsidiary	full	100.00	-	100.00	-
Enerpeixe S.A. (Enerpeixe)	Subsidiary	full	60.00	-	60.00	-
Investco S.A. (Investco)	Subsidiary	full	-	40.78	-	40.78
Lajeado Energia S.A. (Lajeado)	Subsidiary	full	55.86	-	55.86	-
Porto do Pecém Geração de Energia S.A. (Porto do Pecém)	Subsidiary	full	100.00	-	100.00	-
Resende Engenharia e Assessoria Ltda. (Resende)	Subsidiary	full	100.00	-	100.00	-
Companhia Energética do Jari - (CEJA)	Joint venture	by the equity method	50.00	-	50.00	-
Empresa de Energia Cachoeira Caldeirão S.A. (Cachoeira Caldeirão)	Joint venture	by the equity method	50.00	-	50.00	-
Empresa de Energia São Manoel S.A. (São Manoel)	Joint venture	by the equity method	33.334	-	33.334	-
Sales						
EDP Comercialização E Serviços de Energia S.A. (EDP Comercializadora)	Subsidiary	full	100.00	-	100.00	-
EDP Smart Energia Ltda. (EDP Smart Energia) (Note 1.1.1)	Subsidiary	full	100.00	-	100.00	-
Transmission						
EDP Transmissão S.A. (EDP Transmissão)	Subsidiary	full	100.00	-	100.00	-
EDP Transmissão Aliança SC S.A. (EDP Transmissão Aliança)	Subsidiary	full	90.00	-	90.00	-
EDP Transmissão Litoral Sul S.A. (EDP Transmissão Litoral Sul)	Subsidiary	full	-	100.00	-	100.00
EDP Transmissão MA I S.A. (EDP Transmissão MA I)	Subsidiary	full	100.00	-	100.00	-
EDP Transmissão MA II S.A. (EDP Transmissão MA II)	Subsidiary	full	100.00	-	100.00	-
EDP Transmissão SP-MG S.A. (EDP Transmissão SP-MG)	Subsidiary	full	100.00	-	100.00	-
Mata Grande Transmissora de Energia Ltda. (Mata Grande Transmissora)	Subsidiary	full	100.00	-	-	-
Services						
EDP Smart Serviços S.A. (EDP Smart Serviços) (Note 1.1.1)	Subsidiary	full	100.00	-	100.00	-
EDP Smart Soluções S.A. (EDP Smart Soluções) (Note 1.1.1)	Subsidiary	full	-	100.00	-	100.00
UFV SP V Equipamentos Fotovoltaicos LTDA. (UFV SP V Equipamentos)	Subsidiary	full	-	100.00	-	-
AES Inova Soluções de Energia Ltda. (Inova Soluções de Energia) (Note 4.5)	Subsidiary	full	-	100.00	-	-
AES Tietê Inova Soluções de Energia I Ltda. (Inova Soluções de Energia I) (Note 4.5)	Subsidiary	full	-	100.00	-	-
AES Tietê Inova Soluções de Energia II Ltda. (Inova Soluções de Energia II) (Note 4.5)	Subsidiary	full	-	100.00	-	-
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A. (Pecém OM)	Joint venture	by the equity method	50.00	-	50.00	-
Porto do Pecém Transportadora de Minérios S.A. (Pecém TM)	Joint venture	by the equity method	50.00	-	50.00	-
Blue Sol Participações S.A. (BlueSol) (Note 4.6)	Associated Company	by the equity method	-	28.05	-	-
Other						
Centrais Elétricas de Santa Catarina S.A. (CELESC)	Associated company with	by the equity method	29.90	-	29.90	-
EDP Ventures Brasil S.A. (EDP Ventures)	Subsidiary	full	100.00	-	100.00	-
Mabe Construções e Administração de Projetos Ltda. (Mabe)	Joint venture	by the equity method	50.00	-	50.00	-
Comercializadora de equipamentos y materiales Mabe Ltda. (Mabe Chile)	Joint venture	by the equity method by Mabe Construções	-	50.00	-	50.00

1.1.1 Changes in company names

At the Special and Annual Shareholders' Meeting held as at April 30, 2021, changes were deliberated in the following corporate names:

Old name	Current name
EDP Comercialização Varejista Ltda. (EDP Varejista)	EDP Smart Energia Ltda. (EDP Smart Energia)
EDP GRID Gestão de Redes Inteligentes de Distribuição S.A. (EDP GRID)	EDP Smart Serviços S.A. (EDP Smart Serviços)
EDP Soluções em Energia S.A. (EDP Soluções)	EDP Smart Soluções S.A. (EDP Smart Soluções)

1.2 ESG (Environmental, Social, Governance) Strategies

For 15 years the Company has been part of the Corporate Sustainability Index (ISE) of B3 S.A. - Brasil, Bolsa, Balcão, and a benchmark in the portfolio performance in levels such as General, Nature of the Product, Economic, Environmental and Social, indicating the solidity of its sustainability strategy. The ISE is a comparative analysis tool that reflects the return of a portfolio consisting of shares of companies with the best performance in aspects of ESG, serving as a benchmark for socially responsible investment. ESG consists of a set of environmental, social and governance practices, which can be used to guide investments and consumption choices focusing on sustainability. The Company maintains its commitment to contribute toward 9 of the 17 UN Sustainable Development Goals (SDGs), which are: Gender equality; Affordable and clean energy; Decent work and economic growth; Industry, innovation and infrastructure; Sustainable cities and communities; Responsible consumption and production; Action to fight global warming; Life on land; Partnerships and means of implementation. The Grupo EDP - Energias do Brasil vision of being a global energy company, a leader in the energy transition with a view to creating higher value, reflects the intrinsic relationship between business and sustainability. This vision was reinforced in the 2019–2022 Strategic Plan, which consists of five pillars, namely: (i) accelerated and focused growth; (ii) ongoing portfolio optimization; (iii) solid balance and low risk profile; (iv) efficient and digital; and (v) attractive remuneration to shareholders. In addition to goals and targets for 2022 in such a way as to continue the 2020 Goals — establishes a clear ambition for 2030, focused on decarbonization and a leadership position in the accelerated energy transition.



2 Grants

The concessions, records and authorizations, the companies have considerable independence in the management of their businesses, which includes measures related to investments, personnel, materials and technology, provided that they comply with the provisions of the Concession Agreements, the standards of the electric power industry and the instructions of the Concession Grantor and Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica - ANEEL).

According to Articles 63 and 64 of Decree 41019/57, the infrastructure assets used in power generation, distribution and in transmission, are related to these services and cannot be disposed, sold, assigned or mortgaged without the prior and formal authorization of the Regulatory Agency.

It is also established that, once the concession term has ended, the authorization or the record, the reversal of the Concession Grantor will be fully performed, regarding the assets and facilities linked to the rendering of services, and the analyses and assessments required by the regulatory body ANEEL Resolution 691/15 regulates the removal of assets from the Power Public Service concessions, granting prior authorization to separate assets not of use to the concession, when intended for donation of social interest or disposal, determining that the amount from the sale should be deposited in a specific bank account for reinvestment in the concession.

On June 30, 2021, the Company's subsidiaries and jointly-controlled subsidiaries have the right to explore the following power generation, transmission and distribution permits:

In operation

					Installed capacity (MWm)	Assured energy (MWm)				
Companies	Power Plant	Description	Grant	State			Inception	End	Extension	Indemnity
Distribution										
EDP Espírito Santo		Public service	Concession	ES			07/17/1995	07/17/2025	It may be extended at the discretion of the Concession Grantor	(i)
EDP São Paulo		Public service	Concession	SP			10/23/1998	10/23/2028	It may be extended at the discretion of the Concession Grantor	(i)
Generation										
Cachoeira Caldeirão	UHE Cachoeira Caldeirão	Independent producer	Concession	AP	219.00	129.70	05/29/2013	05/29/2048	No extension of provision in the current legislation	(ii)
CEJA	UHE Santo Antônio do Jari	Independent producer	Concession	PA/AP	392.95	222.00	12/21/1987	12/31/2044	20 years	(i)
Energest	UHE Mascarenhas	Public service	Concession	ES/MG	198.00	134.80	07/14/1995	07/16/2025	At Aneel's discretion, this may be extended for another 20 years	(i)
Enerpeixe	UHE Peixe Angical	Independent producer	Concession	TO	498.75	280.50	11/07/2001	11/07/2036	It may be extended at the discretion of the Concession Grantor	(i)
Investco	UHE Luiz Eduardo Magalhães	Independent producer	Concession	TO	902.50	505.10	01/15/1998	01/15/2033	It may be extended at the discretion of the Concession Grantor	(i)
Porto do Pecém	UTE Porto do Pecém I	Independent producer	Authorization	CE	720.27	645.30	07/01/2008	07/01/2043	No extension of provision in the current legislation	(iii)
São Manoel	UHE São Manoel	Independent producer	Concession	PA	735.84	430.40	04/10/2014	04/10/2049	No extension of provision in the current legislation	(ii)
Transmission										
Companies	Line extension	Description	Grant	State	Line description		Inception	End	Extension	Indemnity
EDP Transmissão	113 Km	Public service	Concession	ES	LT230kV; SE 230/138-3.8 kV		02/10/2017	02/09/2047	It may be extended at the discretion of the Concession Grantor	(ii)
EDP Transmissão MA II	203 Km	Public service	Concession	MA	2 LT 230 kV; SE 230/69 kV		08/11/2017	08/11/2047	It may be extended at the discretion of the Concession Grantor	(ii)

Partial operation (Note 4.7)

Companies	Line extension	Description	Grant	State	Line description	Inception	End	Extension	Indemnity
Transmission									
EDP Transmissão MA I	123 Km	Public service	Concession	MA	2 LT 500 kV; SE 500/230/69 kV; SE 500/230 kV	08/11/2017	08/11/2047	It may be extended at the discretion of the Concession Grantor	(ii)
EDP Transmissão Aliança	484.5 km	Public service	Concession	SC	3 LT 525kV; 2 LT 230kV; SE 525/230 kV	08/11/2017	08/11/2047	It may be extended at the discretion of the Concession Grantor	(ii)
EDP Transmissão Litoral Sul	142 km	Public service	Concession	SC/RS	3 LT 230kV; SE 230/69 kV; SE 230/138/69 kV	06/27/2016	06/27/2046	It may be extended at the discretion of the Concession Grantor	(ii)

Under project/construction phase

Companies	Line extension	Description	Grant	State	Line description	Inception	End	Extension	Indemnity
Transmission									
EDP Transmissão SP-MG	375 Km	Public service	Concession	SP/MG	LT 500 kV	08/11/2017	08/11/2047	It may be extended at the discretion of the Concession Grantor	(ii)
Mata Grande Transmissora (Note 4.4)	113 km	Public service	Concession	MA	LT 230 kV	09/20/2018	09/20/2048	It may be extended at the discretion of the Concession Grantor	(ii)

(i) At the end of the Concession Agreement period, all assets and facilities linked will be incorporated into the Brazilian Federal Government's assets, and the concessionaires will be refunded for any investments made and not yet amortized, provided that the latter have been authorized by Brazilian Electricity Regulatory Agency - ANEEL and subjected to an ANEEL audit.

(ii) Upon the advent of the expiry date of the Concession Agreement, all the assets and facilities will become an integral part of the Property of the Federal Government, against the indemnity of subsequent investments, not provided for in the original project and not yet amortized or depreciated, which have been realized so as to ensure the continuity and timeliness of the service granted. The amount will be determined through an Audit by the Concession Grantor.

(iii) Indemnity is not expected.

In addition, the associated company CELESC, in which the Company holds minority interest with significant influence, has control over the following granting:

Companies	Power Plant	Description	Grant	State	Installed capacity (MWm)	Assured energy (MWm)	End of Concession
Distribution							
Celelesc Distribuição S.A. – Celelesc D		Public service	Concession	SC			07/07/2045
Natural gas							
Companhia de Gás de Santa Catarina S.A. – SCGÁS		Public service	Concession	SC			03/28/2044
Generation							
	UHE Garcia	Independent producer	Concession	SC	8.92	7.10	07/07/2045
	UHE Pery	Independent producer	Concession	SC	30.00	14.08	07/09/2047
	UHE: Palmeiras, Bracinho, Cedros and Salto	Independent producer	Concession	SC	54.28	36.24	11/07/2046
	PCH Celso Ramos	Independent producer	Concession	SC	5.62	3.80	03/17/2035
	CGH: Caveiras, Ivo Silveira, Piral, São Lourenço and Rio do Peixe	Independent producer	Concession	SC	8.15	5.97	(i)
Total					106.97	67.19	

Other expansion projects of the wholly owned associated company CELESC G are under review for expansion and reactivation, as shown in the following table:

Description	Location	End of the concession	Installed power (MW)	Increase of power (MW)	Final power (MW)	Status
PCH Celso Ramos	Faxinal dos Guedes/SC	03/17/2035	5.62	8.30	13.92	Under construction
Usina Salto Weissbach	Blumenau/SC	11/07/2046	6.28	23.00	29.28	Environmental licensing
Usina Cedros Etapas 1 e 2	Rio dos Cedros/SC	11/07/2046	8.40	4.50	12.90	Review of basic project
Usina Palmeiras	Rio dos Cedros/SC	11/07/2046	24.60	0.75	25.35	Review of basic project
CGH Marum	São José/SC	(i)		1.00	1.00	Environmental licensing
CGH Caveiras	Lages/SC	(i)	3.83	10.00	13.83	Inventory study
Total			48.73	47.55	96.28	

The information above was extracted from financial statements as of March 31, 2021, disclosed to the market on May 07, 2021.
(i) Plants with installed capacity below 5MW are exempt from the Concession Act (Law 13360/16).

3 Preparation basis

3.1 Statement of conformity

The interim accounting information has been prepared in accordance with Technical Pronouncement CPC 21 (R1) – Interim Statement and with the international accounting standard IAS 34 – *Interim Financial Reporting*, issued by the International Accounting Standards Board - IASB, consistently presented with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of Quarterly Information – ITR and specific laws of the Brazilian Electricity Regulatory Agency - ANEEL, when they do not conflict with the accounting practices adopted in Brazil and/or with international accounting practices.

The presentation of a Statement of Added Value, prepared according to the CPC 09 - Statement of Added Value, is required by Brazilian Corporate Law and by the accounting practices adopted in Brazil applicable to Publicly-Held Companies. International Financial Reporting Standards (IFRS) do not require the presentation of this statement. As a result, under IFRS this statement is presented as supplementary information, without prejudice to the set of interim accounting information.

Management evaluated the ability of the Company and of its subsidiaries to continue operating normally and it is convinced that the Company and its subsidiaries have the ability to continue as a going concern. In addition, the Management of the Company and its subsidiaries is not aware of any material uncertainty that could raise significant doubts related to their ability to continue as a going concern. Accordingly, this interim accounting information has been prepared based on the going concern assumption.

The Company's Management states that all the relevant information inherent to the interim accounting information, and them only, is being evidenced and corresponds to that used by the company in its management.

The Executive Board of the Company and its subsidiaries authorized the completion of the interim accounting information on July 12, 2021. After this date, changes can only be made by the Board of Directors.

This interim accounting information was prepared according to the uniform principles, methods and criteria in relation to those adopted upon the closing of the last fiscal year on December 31, 2020.

Some notes are not presented to avoid repetition of information already disclosed in annual financial statements on December 31, 2020. Consequently, this interim accounting information should be read together with the annual financial statements disclosed to Brazilian Securities Commission (CVM) disclosed on February 19, 2021. Notes in this situation are as follows:

Number of Note at 12/31/2020	Name of the Note	Justification
2.1	Distribution, Generation and Transmission concession agreements	(a)
3.8	New effective and not effective standards and interpretations	(b)
9.6	Installments	(b)
13	Pledges and restricted deposits	(b)
16.8	Securities receivable	(b)
24.2	Free Energy	(a)
29	Use of Public Property - UBP	(b)
30	Refund for unavailability	(b)
32.6.1	Founders' shares	(b)
36.2	SUDAM and SUDENE	(b)
38.1.1.1	Financial assets	(c)
38.1.1.2	Financial liabilities	(c)
38.1.2	Fair value	(c)
38.1.2.1	Measurement at fair value	(c)
41	Insurance coverage	(b)

(a) Note identical to that disclosed in the financial statements of December 31, 2020.

(b) There were no changes in the context of the note, and the changes in the amounts related to the period ended June 30, 2021, in relation to the year ended December 31, 2020, were considered immaterial by Company's Management.

(c) There was no change in note context, accordingly, texts are not being presented.

3.2 Accounting practices

The significant accounting policies of the Company and its subsidiaries are presented in their own notes to the items to which they are related.

3.3 Basis of measurement

The individual and consolidated interim accounting information was prepared based on the historical cost as base value except: (i) certain financial assets and liabilities were measured at fair value as stated in Note 34.1.1.; and (ii) net defined benefit assets and liabilities that are recognized at fair value, with limitation of the recognition of actuarial surplus (Note 25).

3.4 Use of estimates and judgment

In the preparation of individual and consolidated interim accounting information in accordance with Brazilian accounting practices and international accounting practices, it is required by the Management of the Company and its subsidiaries to make estimated to record certain transactions that affect assets, liabilities, Income and expenses.

The final results of these transactions and information, at the time of their effective realization in subsequent years, may differ from these estimates, due to the lack of precision inherent to the process of their determination. The Company and its subsidiaries review the estimates and assumptions at least quarterly, except for the Post-employment benefit plan which is reviewed on a 6-month basis and yearly for impairment losses described in Note 3.7.

The main estimates that carry a significant risk of causing material adjustments to the set of interim accounting information, in the next years are related to the recording of the effects arising from: Analysis of asset impairment test (Note 3.7); Unbilled supply (Note 7); Transactions realized in the in the sphere of the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) (Note 7); Estimated loss from allowance for doubtful accounts - PECLD (Note 7.8); Sectoral financial assets and liabilities (Note 8); Recovery of deferred income tax and social contribution on tax loss carryforward, negative basis and temporary differences (Note 10); Future commitments (Note 13); Concession assets (Note 18); Indemnifiable financial assets (Note 19); Evaluation of the useful life of Property, plant and equipment and Intangible assets (Notes 20 and 21); Post-employment benefit plans (Note 25); Provisions for contingencies (Note 27.1); Provisions necessary for costs related to environmental permits (Note 27.2); and measurement at fair value of financial instruments.

3.5 Functional and presentation currency

The functional currency of the Company and its subsidiaries is the Brazilian real and the individual and consolidated interim accounting information is presented in Brazilian Reais, rounded to the nearest thousand, unless otherwise indicated.

3.6 Consolidated interim accounting information

The consolidated interim accounting information was prepared in accordance with the standards established by CPC 36 (R3) - Consolidated Statements, approved by CVM Resolution No. 698/12 covering the Company and its subsidiaries (Note 16).

Direct and indirect subsidiaries are consolidated from their acquisition dates, which correspond to the dates on which the Company obtained control, and they will be consolidated until the date on which this control ceases.

The main consolidation practices had been adopted were as follow:

- Elimination of the investment of the Parent company in its subsidiaries.
- Elimination of the balances of accounts between the Parent Company and its subsidiaries and of the accounts maintained among these subsidiaries.
- Recognition of non-controlling shareholders in the balance sheets and in the statements of income and statements of comprehensive income.
- Business combinations are considered at the time of acquisition of control of a business, and the amounts recognized are measured at fair value based on appraisal reports prepared by independent appraisers.
- Consolidation of entities with an investment lower than 50%: the Company is the indirect parent company of Investco, with an interest of 40.78% that is due to the direct control of Lajeado with 55.86%, which in turn, holds 73% of the voting capital, guaranteeing the power of Investco activities, and its total consolidation in financial statements;
- Associated company with significant influence: the Company holds a 29.90% interest in the total capital and a 33.11% interest in the voting capital of CELESC, with 3 seats on the Board of Directors and 1 seat on the Fiscal Council (Note 17.2) and 28.05% interest in the total capital of Blue Sol (Note 4.6).
- The dates of financial statements of the subsidiaries and jointly-controlled subsidiaries used to calculate the equity accounting and for consolidation are consistent with those of the Company. With regard to the associated company CELESC, corporation with shares traded at B3 and pursuant to CVM standards, the calculation of equity in the earnings of associates uses the financial statements with a lag in relation to the base date presented, since the Company's financial statements' reporting calendar precedes the Associated Company's financial reporting calendar.
- Shared control agreements: the Company holds 50% of the voting rights in projects, Pecém TM, Pecém OM, CEJA and Cachoeira Caldeirão and 33.334% in São Manoel. The Company holds joint control of those projects because, pursuant to the terms of the arrangements, decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company's joint arrangements are structured as closed companies and, pursuant to the terms of the arrangements, the Company and the other parties to the arrangements are granted rights to these closed corporations' net assets. For this reason, these arrangements are classified as joint ventures and are not consolidated in the interim accounting information.

3.7 Impairment

The Management of the Company and its subsidiaries reviews the book value, net of its assets to determine events or changes under economic, operating or technological circumstances if there is any indication that those assets have suffered any impairment loss. If there is such indication, the asset recoverable value is estimated for the purpose of measuring the amount of this loss, and recognized as a counterparty for income (loss).

Previously recognized impairment loss can be reversed in case of change in assumptions used to determine the asset's recoverable value, and losses are also recognized in result.

• Financial assets and contractual assets

They are evaluated at initial recognition based on study of expected losses and when there are evidences of impairment. Assets are considered non-recoverable when there is evidence that one or more events occurred after the initial recognition of the asset that resulted in adverse effects on the estimated future cash flow from the investment. The line item that currently presents relevant PECLD (estimated loss from bad debts) balances is that of Accounts receivable. For further information about the criteria and assumptions used in the numerical estimates, please see note 7.8.

• Non-financial assets

Company's non-financial assets are at least reviewed manually, or more often in case the Management of the Company and its subsidiaries identifies whether there were any indications of unrecoverable losses in the book value of non-financial assets, or evidence of the occurrence of events or alterations in the circumstances indicating that the book value might not be recoverable.

The recoverable value is determined based on the assets' value in use and are calculated using evaluation methodologies, backed by discounted cash flow techniques, considering market conditions, time value, and business risks.

The Company's Management assessed the possible impacts arising from the COVID-19 pandemic (Note 4.10) regarding its financial position, aiming to identify the existence of factors requiring the performance of a test to estimate the recoverable value of its non-financial assets. As a result of this assessment, the Company's Management concluded, based on its analysis, that currently there are no factors that would require a new test to be performed and, consequently, there are no indications regarding the need to record a provision for impairment of its non-financial assets.

Moreover, in relation to the aforementioned, the Company's Management analyzed the risk of going concern for all its investments, considering mainly the financial and economic balance clauses of the distribution subsidiaries, the guarantee of transmission companies' income, the protection against reduction due to Force Majeure of the generation's regulated contracts, as well as the legal actions that have been taken by the Federal Government and ANEEL, thus concluding for the security of going concern of the Company and its subsidiaries.



4 Significant events in the period

4.1 Release of funds and funding

During 1S21, subsidiaries and raised funds as follows:

Consolidated						
Company	Source	Release date	Maturity	Amount	Debt cost	Purpose
In domestic currency						
EDP Espírito Santo	Bill of Exchange - MFUG	Jan-21	Jan-23	300,000	CDI + 1.13% p.a.	Working capital
	Debentures – 10th issue	Feb-21	Jul-25	500,000	CDI + 1.15% p.a. (*)	2019, 2020 and 2021 Investment Plan
EDP São Paulo	Debentures – 11th issue	Feb-21	Jan-26	700,000	CDI + 1.50% p.a. (*)	
Enerpeixe	Debentures – 4th issue	Mar-21	Mar-26	275,000	CDI + 1.75% p.a.	Working capital
EDP Transmissão MA I	BNB - Banco do Nordeste do Brasil	3rd release	Jan-21	15,237	IPCA+2.7877%	Investment in the Lot 07 Project
			Jul-43	14,919	IPCA+2.2809%	
		4th release	Mar-21	16,376	IPCA+2.7877%	
			Jul-43	16,034	IPCA+2.2809%	
EDP Transmissão MA II	BNB - Banco do Nordeste do Brasil	5th release	Jun-21	1,678	IPCA+2.5707%	Investment in the Lot 11 Project
EDP Comercializadora	Bill of Exchange - MUFG	Apr-21	Apr-22	200,000	CDI + 0.65% p.a.	Implementation of the transmission project for Q Lot
EDP Transmissão SP-MG	Bill of Exchange - MUFG - Addendum	Jun-21	Dec-21	150,000	CDI + 0.75% p.a.	Investment in the Lot 18 Project
Lajeado	Debentures – 5th issue	Jun-21	Jun-24	150,000	CDI + 1.05% p.a.	Working capital
Mata Grande Transmissora (Note 4.4)	CCB	May-21	Aug-21	24,500	CDI + 1.30% p.a.	Investment in Project
				2,363,744		
In foreign currency						
EDP Smart Serviços (Note 1.1.1)	4131 Scotiabank - Swap	Apr-21	Apr-22	USD 17,986	USD + 0.62% p.a.	Working capital

For further information on the aforementioned resources received, see notes 23 and 24.

(*) The debentures of the subsidiaries EDP Espírito Santo and EDP São Paulo were raised at IPCA + 3.26% and IPCA + 3.91% respectively and swaps were made for CDI, as shown above. For further information, see note 34.1.2.

4.2 EDP Energias do Brasil - ESG Agenda

• On January 5, 2021, the Company issued a Notice to the Market informing that was part of B3's Carbon Efficient Index ("ICO2") for the first time. The new ICO2 portfolio was effective as of January 4, 2021, being rebalanced every four months, following the updates of the IBRX 100. The index gathers 62 actions of 58 companies listed on the B3 stock exchange, which together represent R\$ 3.3 trillion in market value.

ICO2 was created in 2010 with the aim of being an instrument to induce discussions on climate change in Brazil. Up to 2019, companies that were members of the IBRX 50 were invited to participate in the process. Starting in 2020, in a process of revising the methodology, B3 started to invite IBRX 100 companies to compose portfolios as from 2021.

The adhesion to ICO2 by EDP - Energias do Brasil reinforces the commitments that the Company had already assumed in June 2020 with the UN initiatives "1.5°C Business Ambition" and "Recover Better", which reiterate its goals in the quest to reduce greenhouse gas emissions and aim to contain the effects of global warming, thus strengthening its commitment to the ethical and sustainable development of its businesses.

• In February, the Company was the first company in the energy sector in Latin America and of large size in Brazil to have its goal of reducing CO2 emissions approved by the international initiative *Science Based Targets* (SBTi), an entity that mobilizes companies to assume commitments to reduce emissions of greenhouse gases in a science-based manner.

• In April, the Company was certified with the *Women on Board* seal, an initiative that has the support of UN Women to encourage the increase of gender equality in senior leadership. This recognition was the result of the Inclusion and Diversity strategy, one of the goals set for 2022 (Note 1.2).

• In May, the Company was elected the best company in the utilities sector in the ESG Best Company Awards, formerly Guia EXAME de Sustentabilidade. The companies were evaluated based on strategic and managerial criteria regarding the capital used in their operations: financial, manufactured, intellectual, human, social and environmental.

4.3 EDP – Energias de Portugal - Board of Directors

On January 19, 2021, the Company issued a Release to the Market informing that, on that date, its Parent Company EDP - Energias de Portugal, S.A. held its Annual Shareholders' Meeting electing the members that will compose its Executive Board of Directors (CAE) for the 2021–2023 term, having elected Engineer Miguel Stilwell de Andrade as CAE Chairman, Engineer Miguel Nuno Simões Nunes Ferreira Setas, Engineer Rui Manoel Rodrigues Lopes Teixeira, Dr. Vera Pinto Pereira and Dr. Ana Paula Garrido Pina Marques for the aforementioned term of office. The Company resolved on the following at the Extraordinary General Meeting - AGE held on February 19, 2021:

- (i) appointment, for the current term, of Mr. Miguel Nuno Simões Nunes Ferreira Setas to the position of Chairman of the Board of Directors (replacing Mr. António Luis Guerra Nunes Mexia);
- (ii) appointment, for the current term, of Mr. João Manuel Veríssimo Marques da Cruz as Company CEO and Vice-Chairman of the Board of Directors;
- (iii) increasing the number of members of the Company's Board of Directors, for the current term of office, from eight to nine members;
- (iv) electing Mr. Rui Manoel Rodrigues Lopes Teixeira (replacing Mr. Miguel Stilwell de Andrade), Ms. Vera Pinto Pereira, and Ms. Ana Paula Garrido Pina Marques for the three vacancies on the Company's Board of Directors deliberated at the Annual Shareholders' Meeting; and
- (v) amendment to the Company's Articles of Organization to increase the maximum number of Company Officers to six Statutory Officers and to establish the position of Vice-President of ESG (Environmental, Social and Governance).

Company Management records that the strategic guidance remains in place, as approved by its governing bodies, maintaining its commitment to creating value for all its shareholders and the ethical and sustainable development of its businesses.



4.4 EDP – Energias do Brasil - Acquisition of Transmission Line in Maranhão

On February 11, 2021, the Company issued a Release to the Market informing that on February 10, 2021 it signed a purchase and sale agreement with the consortium consisting of IG Distribuição e Transmissão de Energia S.A. and ESS Energias Renováveis LTDA, to acquire 100% of the shares of Mata Grande Transmissora de Energia LTDA ("MGTE").

The consortium won the bidding on Lot 18, in the Auction for Concession of the Public Electricity Transmission Service 002/2018, held by ANEEL on June 28, 2018, with a 23.63% discount over the maximum Permitted Annual Revenue (RAP).

MGTE consists of a 113-km long 230-kV transmission line in the state of Maranhão. The project already has an installation license and is expected to start operating ahead of ANEEL's schedule, in September 2022. The line is near Lots 11 and 7, currently in the final stage of development, which will allow for synergies in construction and operation.

The estimated total investment is R\$ 88.5 million, considering the acquisition value and the total CAPEX, as well as tax benefits. Permitted Annual Revenue (RAP) is R\$ 8.4 million, representing a 9.4% RAP/CAPEX ratio. Leverage was estimated at approximately 80%, and MGTE will use the "presumed profit" tax regime.

On May 11, 2021, the Company issued a Notice to the Market communicating that it acquired Mata Grande Transmissora de Energia LTDA ("MGTE") after the selling companies IG Distribuição e Transmissão de Energia S.A. and ESS Energias Renováveis Ltda. have met all the precedent conditions stipulated in the aforementioned purchase and sale agreement signed. For further details on the purchase transaction, see note 16.1.

4.5 EDP Smart Serviços(*) - Acquisition of AES Tietê Energia S.A.'s distributed generation portfolio

On February 25, 2021, the Company issued a Notice to the Market informing that, on this date, it signed, through its subsidiary EDP Smart Serviços(*), a purchase and sale agreement with AES Tietê Energia S.A. for the acquisition of 100% of the shares, with the voting right, representing the capital stock of AES Inova Soluções de Energia Ltda. ("AES Inova" and "Operation"), and its respective subsidiaries, AES Tietê Inova Soluções de Energia I Ltda. and AES Tietê Inova Soluções de Energia II Ltda. On June 14, 2021, the Company released a Notice to the Market informing that said Investment Agreement was concluded, with the transaction value of R\$ 101.1 million, with payment on this date of the amount of R\$ 66.6 million and further R\$ 34.5 million will be withheld until the fulfillment of some post-closing obligations.

AES Inova is an investment platform in distributed solar generation with a portfolio of approximately 34 MWp located in the states of Rio Grande do Sul, São Paulo and Minas Gerais, at different stages of development. Of this total, approximately 16 MWp refer to projects contracted and in commercial operation, which ensures increase in income in the very short term. The remaining 18 MWp are characterized by *ready to build* projects in Minas Gerais, which will allow the Company to develop the work, contract in a strategic market and take advantage of operational synergies with other assets in the region.

For the period ended June 30, 2021, the subsidiary EDP Smart Serviços(*), based on CPC 15 (R1) - Business Combination, contracted an appraisal report with independent consultants to measure the assets and liabilities acquired at fair value. The subsidiary's Management intends to complete this assessment in the next quarter.

(*) Formerly known as EDP GRID, as Note 1.1.1.

4.6 EDP Ventures - Conclusion of the Investment in Blue Sol Participações S.A.

On March 04, 2021, the Company issued a Release to the Market informing that on this date, after disclosing the Release to the Market on December 28, 2020, the Investment Agreement was concluded for the acquisition of 28.05% of voting capital of Blue Sol Participações S.A. ("Blue Sol"), holder of Blue Sol Energia Solar LTDA., Blue Sol Franquia LTDA. and Blue Sol Educacional LTDA., by its subsidiary EDP Ventures, and also has the option of acquiring its control after three and a half years from the present date.

4.7 Transmission companies - Entry into Partial Operation

EDP Transmissão MA I

On March 23, 2021, the Company issued a Notice to the Market informing that, on this date, it completed the necessary steps for energizing and integrating one of the two sections of Lot 07 of the power transmission line into the National Interconnected System. This first stage covers the line connecting São Luís IV and São Luís II substations. The delivery of the stretch is anticipated by 17 months compared to the ANEEL calendar, which will generate anticipated income, exceeding the expected return estimated at the time of the auction.

EDP Transmissão Litoral Sul

As of May 19, 2021, the Company issued a Notice to the Market informing that, on this date, it completed the necessary steps for energizing and integrating one of the two sections of Lot Q of the power transmission line into the National Interconnected System. This first phase includes installations of the 230kV Sectioning of the 230kV Jorge Lacerda B – Siderópolis I TL lines, which connects the Tubarão Sul Substation (2x230/69kV 1x230/138kV – 150MVA) to the National Interconnected System, generating an Annual Permitted Revenue of R\$ 12.2 million. The delivery of the section is within the schedule defined by the Company when the project was acquired.

EDP Transmissão Aliança

On June 14, 2021, the Company issued a Notice to the Market informing that it completed the necessary steps for energizing and integrating one of the two sections of Lot 21 of the power transmission line into the National Interconnected System. In this first stage, 180 km were completed in two transmission lines at 230 and 525 kV, respectively, as well as the important Siderópolis 2 substation of EDP Transmissão Aliança. The delivery of the stretch is Additional by 14 months compared to the ANEEL calendar, which will generate additional income, exceeding the expected return estimated at the time of the auction.

4.8 Government measures for water resources management

Publication	Description	Status
Provisional Measure (PM) 1055, dated June 28, 2021	Provisional Measure 1055 created the Chamber of Exceptional Rules for Hydroenergy Management (CREG) with the purpose of establishing emergency measures to optimize the use of hydroenergy resources and to face the current water scarcity situation, to ensure continuity of and safety in the electricity supply within the country, adopting the following measures: (i) define mandatory guidelines to, on an exceptional and temporary basis, establish limits on the use, storage and flow of hydroelectric plants and any associated mitigation measures; (ii) establish deadlines for compliance with the guidelines by the bodies and entities of the direct and indirect federal public administration, by the ONS, the CCEE and the electricity generation concessionaires; (iii) request and establish deadlines for forwarding information and technical subsidies to bodies and entities of the direct and indirect federal public administration, to ONS, CCEE and electricity generation concessionaires.	This PM came into effect on June 28, 2021 and the CREG will last until December 30, 2021
Tariff flag - activation and additional bands	After deliberation at the 23rd Ordinary Public Meeting of ANEEL's Board of Directors held on June 29, 2021, the new surcharges to be applied from July 1, 2021 were defined, changing from R\$ 1,343 to R\$ 1,874 the additional value of yellow tariff flag validity for every 100-kWh consumed; from R\$ 4,169 to R\$ 3,971 the additional value for red flag level 1 for every 100-kWh consumed and from R\$ 6,243 to R\$ 9,492 the additional value for red tariff flag level 2 for every 100 kWh consumed.	Current amounts as of July 1, 2021 to be reassessed after Public Consultation (Note 38.1)



4.9 EDP - Energias do Brasil - Winner of the largest lot in the Transmission Auction 1/2021

On June 30, 2021, the Company released a Notice to the Market informing that, in the Auction for the Concession of Public Electricity Transmission Service 1/2021, held by ANEEL on this date, the Company was the winner of Lot 1, located in the states of Acre and Rondônia, with Permitted Annual Revenue (RAP) of R\$ 38.6 million, a discount of 36.6%. This lot has a substation and 350 km of transmission line. The contracts signed with EPC holders and suppliers reflect a package of adequate guarantees for projects of this nature, demonstrating the soundness of the Company's capital allocation. The projects' financing provides the taking on of debts through the issues of Infrastructure Debentures with total estimated leverage of up to 70%.

4.10 COVID-19 (new Coronavirus pandemic)

On March 11, 2020, the World Health Organization (WHO) declared the world is in a new Coronavirus (COVID-19) pandemic. Such disease is caused by the SARS-CoV-2 coronavirus. The uncertainties generated by the spread of COVID-19 caused intense volatility in the global financial and capital markets.

4.10.1 Government Assistance Measures initiated in 2020 with impacts in the 2021 period

Publication	Description	Status
Normative Resolutions - REN ANEEL 878 of 03/24/2020, 886 of 06/15/2020 and 891 of 07/21/2020	The REN ANEEL 878 aimed at establishing the preservation of the provision of the public electricity distribution service as a result of COVID-19. Its main purpose is to prohibit the suspension of supply due to defaulting consumer units related to services and activities considered essential, according to Decrees 10282 and 10288, of 2020 and art. 11 of REN ANEEL 414/2010, where there are people using equipment with limited autonomy, vital to the preservation of human life and dependent on electricity, as well as rural and low-income residential classes. REN ANEEL 891 amended REN ANEEL 878, with the following new rules as of August 1, 2020: (i) several activities to provide services to the consumer must be resumed by the distributors; (ii) maintain the prohibition of power shut-offs due to non-payment of electricity bill, for consumers classified as Low Income, for the duration of the state of emergency related to the pandemic; and (iii) the possibility of power shut-offs due to non-payment for residential consumers and services and activities considered essential is once again allowed, whereby the distributor must send the consumer a new notification on the existence of pending payments, even if it has already sent such notice in a previous period regarding the same debt.	Revoked by REN ANEEL 928/21 (Note 4.10.2)
Normative Resolution - REN ANEEL 885 of 06/23/2020 (Covid-Account)	REN ANEEL 885 approved the regulation of Decree 10350/2020 of the COVID-Account. The account was created by Provisional Measure 950, with the objective of providing financial liquidity to the sector and relieving consumers of tariff (i.e. electricity rate) impacts in 2020. The dynamics of this account are based on anticipating sectorial assets constituted by the companies and that would already be passed on to consumers' tariffs in ordinary processes. In this way, the operation ensured the transfer of these sectorial assets to the distributors, allowing the financial fluidity of the electricity sector chain to be maintained, in such a way that, at the same time, avoided high tariff impacts on consumers in the 2020 tariff processes, the Covid-Account costs of which are expected to be diluted within 54 months. The total resources available for the operation was up to R\$ 16.2 billion. On July 3, 2020, the Company issued a Release to the Market informing that, at meeting of the Board of Directors held on that date, it was decided to adhere to the Term of Acceptance of Normative Resolution 885/2020, referring to Decree 10320/2020. The total amount required was R\$ 573,711, of which R\$ 354,288 refers to EDP São Paulo and R\$ 219,423 to EDP Espírito Santo, referring to the Regulatory Assets of Parcel A, and the reference of receipt limits calculated by ANEEL is the market and default items. Covid-account funds were transferred to distributors through a financial operation under the coordination of CCEE, on July 31, 2020. The amounts aforementioned were incorporated as a negative financial component on the basis of the Annual Tariff Readjustment, the contribution of which, so as to mitigate the effect for consumers, was -6.64% at EDP Espírito Santo and -8.50% at EDP São Paulo.	The definition of the payment terms and the values of the monthly quotas of the CDE was made through DSP ANEEL 181/21 Dispatch (Note 4.10.2).

4.10.2 Governmental assistance measures adopted in 2021

During the 1st half of 2021, the following regulations were approved that impacted the Company:

Publication	Description	Status
Order - DSP ANEEL 181 of 01/27/2021 and 939 of 04/05/2021	The DSP ANEEL 181 defined the payment terms and the monthly installments of the Energy Development Account (CDE) owed for the Company within the scope of the "Covid-Account", aiming at the amortization of the credit operation contracted by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) to help distributors' cash, under the terms of REN ANEEL 885/2020. The total monthly charge is approximately R\$ 429 million to the distributors that joined the Term of Acceptance of the aforementioned Resolution, and must be paid monthly to the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) starting from the 2021 ordinary tariff process, with payment by the tenth day of the following month. DSP ANEEL 939 revoked Decision 81/21 (Note 4.8.2) to: (i) ratify the payment terms and the monthly quotas of CDE Covid-account, due by the concessionaires and distribution permission holders, to amortize the credit operation contracted by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) in the management of the Covid-account, under the terms of REN ANEEL 885/2020; (ii) the amount referred to in item (i) considers the total estimated cost of credit operations contracted by Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), including principal, accessories and operating expenses, subject to the contracted conditions and the formation of the Liquidity Reserve; and (iii) the amounts referred to in item (i) should be paid monthly to the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), directly in the Covid-account, from the 2021 ordinary tariff process, with payment by the 10th of the following month. According to Technical Note 55/2021 - SGT/ANEEL, the total Annual Tariff Coverage amount is R\$ 5.9 billion and the total Monthly Charge amount is R\$ 491 million.	The Annual Tariff Coverage amount paid to EDP São Paulo and EDP Espírito Santo is R\$ 141,414 and R\$ 87,916 and the Monthly Charge amount is R\$ 11,784 and R\$ 7,326 respectively.
Normative Resolutions - REN ANEEL 928 of 03/26/2021 and 936 of 06/15/2021	The REN ANEEL 928 aimed at establishing the preservation of the provision of the public electricity distribution service as a result of COVID-19. Its main purpose is to prohibit the suspension of supply due to defaulting consumer units related to services and activities considered essential, according to Normative Resolution 414/2010, where there are people using equipment with limited autonomy, vital to the preservation of human life and dependent on electricity, as well as low-income residential classes (Note 4.10.4.1). This Resolution was effective from the date of its publication until June 30, 2021 and was extended by means of REN ANEEL 936.	REN ANEEL 936 is effective from the date of its publication until September 30, 2021
Order - DSP ANEEL 904 as at 03/30/2021	ANEEL approved the Order that allocates the unused resources for Research and Development - R&D and Energy Efficiency - EE, managed by the subsidiaries, to the Energy Development Account - CDE, with the payment on the base date of August 31, 2020 and its respective percentages applicable between September 1, 2020 and December 31, 2025 (Current) under the obligations due to the programs. With the regulation, the Agency takes the necessary steps to release R\$ 2.23 billion in 2021 with the purpose of contributing to affordable tariffs, as a measure to mitigate the economic impacts arising from the COVID-19 pandemic.	The percentage of transfer of R&D and EE from subsidiaries to CDE is up to 30% (Note 26).
REN ANEEL Normative Resolution 932 of April 27, 2021	REN ANEEL 932 approved the compensations not paid in a timely manner to consumers, which in accordance with Normative Resolution 928/2021 should be updated by the National Extended Consumer Price Index - IPCA, and article 126 of Normative Resolution 414/2010 should be amended so that the monetary restatement of consumer debts is also made based on the IPCA for invoices issued as of June 1, 2021.	This REN ANEEL entered into force on June 1, 2021.

4.10.3 Measures adopted by the Management of EDP - Energias do Brasil to mitigate the impacts of COVID-19

During 2020, the Management of EDP - Energias do Brasil Group acted in a timely manner following a strategy divided into three phases called 3Rs (Reaction, Recovery and Reformulation), to mitigate the impacts of COVID-19, focused on adaptation in view of the new scenario. In the Reaction phase, the Group created a Crisis Committee and defined three priorities to fight the crisis: (i) protect lives; (ii) protect the Company; and (iii) support the society. In the Recovery phase, the Group created the Result Recovery Plan, composed of 57 initiatives aimed to recover and ensure the economic and financial performance. In the Reformulation phase, the Group created the Opportunities Committee, in which 7 areas for updating were defined, with a look towards the future, to find new opportunities based on the lessons brought by the crisis.

To support the society, during 2020, EDP - Energias do Brasil Group allocated more than R\$ 10 million to the purchase of respirators and PPE for the public health network, to carry out electrical works for field hospitals and to donate 350 tons of food and personal hygiene kits to vulnerable communities and indigenous people. In all, these initiatives have benefited more than 400 thousand people throughout Brazil.

In view of the continuity of the pandemic, several initiatives created during 2020 from the Crisis Committee are maintained for 2021, including the *Preventive Home Office* Program, Operational Contingency Plans for Business Units, adoption of the Rules that Save Lives-COVID-19, monitoring of suspected cases, among other actions necessary to protect people and reduce the impact on the business. The actions aimed at the society are also maintained, with the following initiatives carried out on June 30, 2021:

- (i) expansion of the services available by video service and incentive in the use of virtual channels, in order to reduce the need to use in-person service agencies and physical locations to pay bills;
- (ii) investment of more than R\$ 1.7 million to bring more energy efficiency to 8 public hospitals in the cities of São José dos Campos, Jacareí, Lorena, Caraguatatuba, Suzano and Guarulhos;
- (iii) hiring 386 professionals, including doctors, nurses, physiotherapists and nursing auxiliaries, to assist patients infected with the new coronavirus at Hospital das Clínicas in São Paulo, in a joint action with the companies BTG Pactual, Cosan and Eurofarma. This partnership collaborated with the donation of around R\$ 7.9 million for this purpose.
- (iv) donation of 60 post-ICU beds to the government of the state of Espírito Santo, in partnership with the companies Suzano and Águia Branca;
- (v) donation of 4,250 digital portable finger oximeters, used to measure blood oxygen saturation, to the government of the state of Espírito Santo, through the Federation of Industries of Espírito Santo - Findes, in conjunction with Fortlev, Nestlé/Garoto, Buaiz, Villoni, Mondelez, Selita, Frisa, Real
- (vi) donation of over 8,500 PFF2/n95 masks to the Hospital Maternidade São Camilo in Aracruz. The protection items were intended for professionals who work on the front lines in the fight against COVID-19;
- (vii) donation of R\$ 300,000 in equipment, oxygen cylinders and 1,800 food baskets to the Ceará Health Department (SESA) and the Department of Social Protection, Justice, Citizenship, Women and Human Rights (SPS); and
- (viii) donation of 332,000 surgical masks, 56,000 protective gloves and 25,700 PFF2/n95 masks to the State Health Department of the State of

4.10.4 Impact in interim accounting information

In this scenario, economic effects were also felt, that impacted and may impact the Company and its subsidiaries in the coming periods. The main impacts are highlighted below:

4.10.4.1 Distributors - Prohibition of suspending electric power due to default

The prohibition for the suspension of the electricity supply due to default started again as of March 26, 2021, and will be maintained until September 30, 2021 through ANEEL Normative Resolutions 928 and 936 (Note 4.10.2). The Distributors' Management understands that it is not yet possible to notice significant increase in expected losses, maintaining the measurement assumptions previously adopted set forth in note 7.8.

4.10.4.2 Distributors - Overcontracting of energy

With the pandemic scenario resulting from COVID-19, there is an exceptional reduction in the Brazilian electricity distribution market for the period of 2020 and 2021, thereby causing an over-contracting of the contracted energy. On May 18, 2020, by means of ANEEL Decree 10350, this over-contracting was considered to be an involuntary contractual exposure of electricity distributors, leaving ANEEL to define the calculation of the amount that will be considered as involuntary over-contracting.

In light of this scenario, and still in negotiations with ANEEL to determine the methodology to be applied, the Management of the distributors estimates that these impacts of involuntary over-contracting due to the decrease in the load because of the pandemic could be between R\$ 29,983 at EDP Espírito Santo and R\$ 29,936 at EDP São Paulo. In the period ended June 30, 2021, the impact is R\$ 1,423 for EDP Espírito Santo and R\$ 1,595 for EDP São Paulo (Note 33.2.2.1).

5 Cash and cash equivalents

Note	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash and banks		5,021		11,828
Interest earning bank deposits			86,005	201,302
Bank Deposit Certificates – CDB	5.1	149,644	895,376	1,373,143
Repurchase and resale agreements backed by Debentures	5.2		75,026	
Investment Funds	5.3		1,811	257
		149,644	895,376	1,449,980
Total		154,665	907,204	1,535,985

Cash and cash equivalents include cash, bank deposits and high-liquidity short term investments, promptly convertible into a known sum of cash and subject to a low risk of change in market value, stated at a fair value corresponding to cost plus interest accrued up to the balance sheet date. Interest earning bank deposits have early redemption option of such securities, without penalties or loss of profitability.

The calculation of the fair value of financial investments, when applicable, is based on the market quotations for the instrument, or market information that permits this calculation, taking into consideration the projected future rates of similar instruments. In the case of investment funds, the fair value is reflected on the value of their quota.

Under Management's policies, investments are consolidated by investee and by credit rating in order to allow the evaluation of the concentration and credit risk exposure. That maximum exposure is also measured considering the shareholders' equity of the Financial Institution. For investment funds, there is no concentration of risk in a single management bank, since the risk is dispersed in the assets of the portfolio.

The Grupo EDP - Energias do Brasil's exposure to interest rate, credit risks and a sensitivity analysis of financial assets and liabilities are disclosed in note 34.2.

5.1 Bank Deposit Certificates – CDB

On June 30, 2021, the financial investments of the Company refer substantially to rates that vary from 100.00% to 103.00% of the Interbank Deposit Certificate (CDI) rate. Financial investments of the Consolidated are remunerated at rates that range from 80.00% to 104.00% of CDI.

5.2 Repurchase and resale agreements backed by debentures

Repurchase agreement backed by Debentures are remunerated at rates ranging from 80.00% to 91.00% of the Interbank Deposit Certificate (CDI).

5.3 Investment Funds

As of January 2018, the subsidiaries EDP São Paulo and EDP Espírito Santo established a Restricted Investment Fund called Discos Renda Fixa Fundo de Investimento Longo Prazo, managed by Itaú Unibanco S.A., in order to diversify the investment options and obtain higher efficiency and profitability with lower risk level. This investment does not meet the consolidation criteria, since these investments are not exclusive and have other participating investors.

This fund has daily liquidity and variable yield with its portfolio of assets linked to Treasury Bills – LFT, issued by the Brazilian Government, or Repurchase agreement backed by Federal Government Bonds, considered as extremely low risk and high liquidity. The fund quotas are held in custody with the administrator.

The Repurchase agreement backed by Federal Public Securities are classified as Cash Equivalents, since they have immediate liquidity with the issuer. The fund's profitability for the period was equivalent to 80.05% of CDI.



6 Securities

	Note	Consolidated			
		Current		Non-current	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Investment Funds	6.1	107,799	153,990	2,500	1,750
Total		107,799	153,990	2,500	1,750

6.1 Investment Funds

The is substantially referred to securities of the subsidiary Porto do Pecém and result from investment in investment fund belonging to the financial institution with portfolio substantially composed of LFTs with yield equivalent to 89.79% of Interbank Deposit Certificate - CDI.



7 Accounts receivable

	Note	Consolidated													Net balance at 06/30/2021	at December 31, 2020	
		Current Values							Renegotiated amounts								
		Current Falling Due		Current Overdue					Renegotiated Falling Due		Renegotiation Overdue						PECLD (Note 7.8)
		Up to 60 days	>60 days	Up to 90 days	91–180 days	181–360 days	>360 days	Up to 60 days	>60 days	Up to 60 days	>60 days						
Current							PECLD (Note 7.8)					PECLD (Note 7.8)					
Consumers	7.2																
Billed supply																	
Residential		263,932		269,346	50,662	70,305	290,971	(284,901)	18,460	35,011	13,321	67,845	(79,922)	715,030	700,796		
Industrial		68,256		22,974	3,069	9,155	48,698	(39,209)	3,051	3,732	962	12,210	(4,548)	128,350	197,679		
Commerce, services and other activities		83,233		46,453	13,221	19,618	109,212	(91,951)	5,053	8,883	3,294	19,158	(20,419)	195,755	283,775		
Rural		44,556		22,738	6,334	6,302	30,004	(29,304)	3,055	9,226	1,176	4,036	(5,669)	92,454	88,406		
Government																	
Federal		2,021		517	535	17	191	(193)	13	6	1	53	(1)	3,160	9,119		
State		4,009		493	594	82	495	(329)	24	10	12	37	(4)	5,423	11,193		
Municipal		10,609		2,463	764	710	4,765	(930)	626	2,307	38	62	(20)	21,394	29,066		
Public lighting		5,993		2,235	740	82	6,362		589	2,631	151	5,283		24,066	58,327		
Public service		11,457		883	498	410	570	(291)	68	140	36	161	(116)	13,816	35,864		
Free customers		112,190			2,920			(2,920)						112,190	133,668		
Chargeable Services		248		519	580	1,455	5,688	(4,794)						3,696	4,596		
Unbilled supply	7.3	505,092						(3,571)						501,521	386,394		
(-) Collection under reclassification process		(17,282)												(17,282)	(11,509)		
Other receivables	7.5	29,105			167	95	663	(167)						29,863	29,850		
		1,123,419	-	368,621	80,084	108,231	497,619	(458,560)	30,939	61,946	18,991	108,845	(110,699)	1,829,436	1,957,224		
Concessionaires																	
Electricity supply	7.6	310,624		395	932	1,043	69	(585)	507					312,985	516,413		
Short-term energy	7.7	39,525												39,525	328,739		
Electricity network utilization charges		18,048		491	663	1,063	827		349					21,441	20,151		
Other receivables		52,575												52,575	53,259		
		420,772	-	886	1,595	2,106	896	(585)	856	-	-	-	-	426,526	918,562		
Clients																	
Energy Efficiency		6,359	25,998				4,012	(4,012)						32,357	31,334		
Construction work management service														-	132		
Signature management services		216	174	31	82	31	242	(323)						453	668		
Expenditure to be refunded		1,687	4,980											6,667	8,555		
Generation of steam		4,897												4,897	4,176		
Other customers		1,214	7,253	327	91	66		(98)						8,853	37,381		
		14,373	38,405	358	173	97	4,254	(4,433)	-	-	-	-	-	53,227	82,246		
Total current		1,558,564	38,405	369,865	81,852	110,434	502,769	(463,578)	31,795	61,946	18,991	108,845	(110,699)	2,309,189	2,958,032		

Notes to the financial information

Period ended June 30, 2021

(In thousands of reais, unless otherwise indicated)



	Note	Consolidated						Net balance at December 31, 2020
		Current Falling Due		Current Overdue	PECLD (Note 7.8)	Renegotiated Falling Due	PECLD (Note)	
		>60 days	>360 days	>360 days		>360 days		
Non-current								
Consumers								
Billed supply								
Residential						16,863	(9,799)	7,064
Industrial				4,983	(3,213)	1,100	(262)	2,608
Commerce, services and other activities						11,159	(6,640)	4,519
Rural				18	(18)	2,389	(965)	1,424
Government								
Federal						2		2
State						2		2
Municipal						5,251	(1)	5,250
Public lighting						2,929		2,929
Public service						92	(30)	62
(-) Adjustment to present value	7.4					(954)		(954)
		-	-	5,001	(3,231)	38,833	(17,697)	22,906
Concessionaires								
Other receivables		1,029			(119)			910
		1,029	-	-	(119)	-	-	910
Clients								
Energy Efficiency			23,508					23,508
Expenditure to be refunded			22,264					22,264
Other customers			40,775					40,775
		-	86,547	-	-	-	-	86,547
Total non-current		1,029	86,547	5,001	(3,350)	38,833	(17,697)	110,363

The balance of Accounts Receivable is firstly recognized at fair value, at billed or value or to be billed, and subsequently measured at amortized cost using the method of effective interest rate, adjusted to present value, net of reductions for impairment, when applicable, including the liability tax of the Company and subsidiaries.

The balance of Consumers and Concessionaires refers mainly to: (i) The amounts billed to final consumers, distributor concessionaires and trading companies, as well as the income referring to energy supplied and not billed; (iii) the amounts receivable relating to the energy traded in the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE); and (iii) electricity network utilization charges.

7.1 Characteristics of accounts receivable

• Generation

The receipt of payments for the sale of energy made by the generation subsidiaries, with the exception of Porto do Pecém, related to bilateral agreements, occurs substantially with single maturity in the month following that of the income recognition. Agreements in the Regulated Contracting Environment are broken down into three equal installments falling due on the 15th and 25th days of the month following income recognition, and on the 5th day of the second month subsequent to recognition.

For the subsidiary Porto do Pecém, agreements are broken down into three installments, with the first installment falling due on the 10th day of the month following income recognition and the second installment on the 20th day of the subsequent month and the last one on the 10th day of the second month subsequent to recognition.

Power purchase agreements in the short-term market are settled according to Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) regulations; however, the average term for settlement is about 45 days after income recognition.

• Transmission

The Permitted Annual Revenue (RAP) remunerates the investment in Transmission Lines and the Operation and Maintenance services. The balances are fully due and initially recognized at fair value, by billed amount, and are subsequently measured at amortized cost at the effective interest rate method, adjusted at present value less recoverable value, when applicable, including respective taxes of tax liability. As required by CPC 48 - Financial Instruments, the balance of Concessionaires is analyzed in a simplified manner and an allowance for doubtful accounts - Estimated loss allowance for doubtful accounts (PELCD) is formed when necessary to cover any losses in the realization of these assets.

• Distribution

Bills issued to residential, industrial, rural and commercial consumers fall due within a minimum period of 5 working days as of the date of respective presentation. In the case of governmental, public lighting and utility consumers, the minimum term until the due date is 10 business days. However, the Company offers consumers the option of changing the due date of the bill (6 different date options) over the course of the month.

• Sales

For the trading subsidiaries, a substantial percentage of sales occurs in bilateral agreements. Therefore, the payment terms are negotiated freely between the parties, yet most incoming payments arrive on the 6th business day subsequent to income recognition.

• Services

For the service subsidiaries, the recognition of income linked to the construction of solar power plants and to the energy efficiency services occurs throughout the construction phase of the project via the input method, and payments can be received in two different ways: (i) with advance payments in the construction phase and the outstanding balance upon delivery of the project; and (ii) in installments over a particular period established in an agreement.

In regard to steam sales and the subscription management service, income is recognized through the monthly measurements relating to the delivery of steam for the production of energy and according to the service provision, respectively, with the receipt of both scheduled around 30 days after income recognition.

7.2 Consumers

The variation in consumers when comparing June 30, 2021 and December 31, 2020, is mainly due to the impacts of COVID-19 (Note 4.10), with the slow pace of return of the economy, due to restrictions and social isolation measures, which culminated in the closure or temporary reduction of businesses, industries and other services, which it is possible to mainly observe the industrial and commercial classes.

7.3 Unbilled supply

The increase in unbilled supply is mainly due to the reduction in the reading cycle of Group A due to the flexibilities in the measurement of Free Consumers in compliance with ANEEL Resolution 863/2019, improving the measurement and reading procedures for accessors connected to the distribution system.

7.4 Adjustment to present value

The balances renegotiated are recognized at present value, considering the amount to be deducted, performing dates, settlement dates and the discount rate.

For distributors, the adjustment to present value, regulated by CPC 12, was calculated based on the average remuneration of capital, applied by ANEEL in their tariff reviews. This rate is compatible with the nature, term and risks of similar transactions at market conditions. On June 30, 2021 and December 31, 2020, the corresponding rate for EDP São Paulo and EDP Espírito Santo is 12.26% p.a., positively affecting distributors' financial result by R\$ 493 (R\$ 1,997 in 2020).

For subsidiaries EDP Smart Soluções(*) and EDP Smart Serviços(*), the adjustment to present value considers the return rate of each project, positively affecting the result for the period by R\$ 2,221 (R\$ 2,568 in 2020).

(*) Formerly EDP Soluções and EDP GRID, respectively, according to note 1.1.1.

7.5 Other receivables - Consumers

Out of the amount on June 30, 2021 of R\$ 29,863 (R\$ 29,850 on December 31, 2020), R\$ 27,415 (R\$ 27,415 on December 31, 2020) refers to the subsidiary EDP Espírito Santo, to the balance of Emergency Capacity Charges - ECE, effective from March 2002 to January 2006 and Charge for Acquisition of Emergency Electric Power - EAEPP under litigation, effective in January and February 2004, under litigation. Considering that those amounts must be transferred on to emergency power trading company (Comercializadora Brasileira de Energia Emergencial), a liability has been recognized in the amount of R\$ 31,429 (R\$ 31,445 on December 31, 2020) (Note 26), and R\$ 28,542 (R\$ 28,553 on December 31, 2020) for EDP Espírito Santo.

7.6 Concessionaires - Electricity supply

The decrease is mainly due to the subsidiary EDP Comercializadora, impacted by the hydrological scenario of 2021 (Note 4.8) and the proposals of the Permanent Committee for Analysis of Methodologies and Computational Programs in the Electric Sector (CPAMP) of more risk-averse changes in planning models in the short and medium term, with a strong rise and greater volatility in future energy prices expected. With the uncertainty of the regulatory scenario and the next wet period, the market reduced the number of transactions, waiting for further updates on the meteorological and regulatory environment.



7.7 Concessionaires - Short-term energy

The balance is related to transactions with electric power and charges carried out within the sphere of the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). On June 30, 2021, of the consolidated amount of R\$ 39,525 (R\$ 328,739 as of December 31, 2020):

(i) R\$ 935 (R\$ 110,723 as of December 31, 2020) refers to the subsidiary Enerpeixe, the decrease of which is related to the full receipt of settlements with the CCEE due to the injunctions previously in force; and

(ii) R\$ 11,688 (R\$ 150,478 on December 31, 2020) refers to the subsidiary Porto do Pecém, whose decrease in the net balance withheld at CCEE is due to the reduction in the volume of transactions carried out.

7.8 Estimated loss from allowance for doubtful accounts - PECLD

	Balance at December 31, 2020	Consolidated		Income (loss) from losses	Balance at 06/30/2021
		Expected PECLD	Review of risk (i)		
		Throughout life	PECLD		
Consumers					
Residential	(373,633)	(36,879)	(1,984)	37,874	(374,622)
Industrial	(51,830)	(3,060)	(1,916)	9,574	(47,232)
Commerce, services and other activities	(116,122)	(8,752)	(5,306)	11,170	(119,010)
Rural	(35,424)	(5,033)	2,288	2,213	(35,956)
Government	(1,567)	(105)	2	192	(1,478)
Public lighting	(1)		(5)	6	-
Public service	(279)	(91)	(67)		(437)
Free customers	(7,756)		4,836		(2,920)
Chargeable Services	(4,163)		(631)		(4,794)
Not billed	(3,645)	(90)	(3)		(3,738)
	(594,420)	(54,010)	(2,786)	61,029	(590,187)
Concessionaires	(653)		(51)		(704)
Clients	(4,630)	195	2		(4,433)
Total	(599,703)	(53,815)	(2,835)	61,029	(595,324)
Current	(575,700)				(574,277)
Non-current	(24,003)				(21,047)

(i) The risk matrix is evaluated annually, but the study may be reevaluated if the estimated losses on doubtful accounts (PECLD, in Portuguese) behaves differently from the expected outcome.

For the subsidiaries of distribution and trading, the PECLD was recorded throughout the life of the receivable by applying a percentage calculated based on history of default segregated by parameters of: (i) class of consumer; (ii) tension; (iii) billing date; and (iv) maturity date. Accordingly, a matrix of risk has been prepared by period of default, adjusted by the economic expectation for the current period, obtained through the forecast of parameters of the market default index of the Central Bank of Brazil and separated by regular and irregular consumption. For the Estimated Losses from Doubtful Debts of renegotiated receivables, the percentages are applied based on the original maturities of each renegotiated document.

Based on studies prepared by the distribution subsidiaries, where the bigger impacts were identified, the percentages of expected losses segregated by class of consumption, applied upon the first recognition of receivables are as follows:

	06/30/2021							
	EDP São Paulo				EDP Espírito Santo			
	Irregular Consumption		Irregular Consumption		Irregular Consumption		Irregular Consumption	
	Active customers		Active customers		Active customers		Active customers	
	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage
Residential	1.09%	n/a	17.32%	n/a	1.69%	n/a	13.01%	n/a
Industrial	1.86%	0.66%	9.93%	23.68%	1.77%	n/a	27.28%	7.37%
Commerce, services and other activities	0.84%	0.46%	24.25%	n/a	1.02%	0.46%	20.79%	n/a
Rural	0.35%	0.03%	14.62%	n/a	1.84%	0.01%	10.94%	n/a
Government	n/a	n/a	n/a	n/a	0.16%	n/a	24.75%	n/a
Public lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public service	n/a	n/a	n/a	n/a	0.08%	0.18%	n/a	n/a

	12/31/2020							
	EDP São Paulo				EDP Espírito Santo			
	Irregular Consumption		Irregular Consumption		Irregular Consumption		Irregular Consumption	
	Active customers		Other customers		Active customers		Other customers	
	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage
Residential	1.09%	n/a	17.32%	n/a	40.50%	n/a	13.01%	n/a
Industrial	1.86%	0.66%	9.93%	23.68%	21.73%	25.93%	27.28%	7.37%
Commerce, services and other activities	0.84%	0.46%	24.25%	n/a	15.25%	n/a	20.79%	n/a
Rural	0.35%	0.03%	14.62%	n/a	41.59%	n/a	10.94%	n/a
Government	n/a	n/a	n/a	n/a	n/a	n/a	24.75%	n/a
Public lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public service	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The subsidiaries evaluated its history of receipts and identified that are not exposed to high credit risk, as possible overdue balances not received are mitigated by financial guarantee contracts signed at contracting of energy auctions or at formalization of bilateral contracts. In addition, amount receivable referring to short-term energy is administered by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), which, on its turn, controls default among sectorial participants based on regulations issued by the Concession Grantor, reducing credit risk in transactions carried out. Accordingly, after due analyses, the generation subsidiaries did not identify the need for recognizing possible expected losses, as they are immaterial and controllable.

In regard to the service subsidiaries, PECLD is calculated taking into account the credit risk of its customers at lending institutions. Whenever there is a deterioration of the customer's rating in comparison to the time of the sale, the loss is increased for the next 12 months, regardless of whether there is a delay. Delay is an additional factor considered in the calculation of PECLD to determine whether it should be calculated for life or for the next 12 months.

The transmission subsidiaries have neither history nor expectations of losses in their amounts receivable, since they are guaranteed by suretyship structures and or access to current accounts operated by the National System Operator (ONS) or directly by the Company and, therefore, did not represent an expected loss for doubtful accounts.

Despite ANEEL Normative Resolution 936/21 (Note 4.10.2), which was extended to September 2021, the period for the suspension of energy from a defaulting captive consumer from 30 to 120 days, and maintains the suspension to customers classified as Low-Income customers, said resolution does not extinguish the debt, including providing for the collection of late payment interest and fine in case of delay.

For the purposes of Estimated Losses on Doubtful Accounts, related to the effects of COVID-19 for distribution subsidiaries (Note 4.10.4.1), until sufficient observable data are available to update the expectation of future receipts from billing that occurred during the pandemic period, Company Management – in addition to the aforementioned criteria – adopted the following measurement assumptions:

- The monthly application of a default matrix for the 2020 scenarios, based on collection analyses;
- The grace period between expected losses and the application of the matrix is now 4 months;
- Review of credit risk from irregular consumption. Based on historical customer information;
- Updating of credit risk by the current economic scenario considering the projection of the parameters of the Central Bank's default indicator;
- Lengthening of the collection period of the entire receivables portfolio from 48 to 60 months, which represents the maximum regulatory term for collection from customers, since a longer term is expected for the recoverability of receivables.

For the period ended June 30, 2021, there was no change in the measurement assumptions mentioned above, arising from ANEEL Normative Resolutions 928/21 and 936/21 (Note 4.10.2).

The exposure to credit risks of the Company and its subsidiaries is disclosed in Note 34.2.4.

8 Sectorial financial assets and liabilities

	Consolidated																
	Balance at December 31, 2020					Balance at 06/30/2021			Amortization amounts		Amounts under formation						Undetermined (**)
		Allocation	Amortization (i)	Inflation adjustment	Transfer		Current	Non-current	IRT (*) 2020	IRT (*) 2021	IRT (*) 2022	IRT (*) 2023	IRT (*) 2024	IRT (*) 2025	IRT (*) 2026		
CVA																	
Purchase of energy (ii)	2,272	(102,947)	36,017	2,395		(62,263)	(5,751)	(56,512)	(16,166)	26,100	(72,197)						
Itaipu Energy Cost (iii)	229,216	201,375	14,706	4,318		449,615	349,472	100,143	(104)	424,614	25,105						
PROINFA	(538)	16,810	2,767	18		19,057	15,407	3,650	(535)	19,592							
Basic Network Transportation	75,442	32,649	(3,057)	1,055		106,089	86,045	20,044	3,980	99,335	2,774						
Energy Transportation - Itaipu	8,385	5,001	(183)	183		13,386	10,677	2,709	357	12,678	351						
System Service Charges - ESS/Energy Reserve Charges - EER (iv)	56,269	175,079	(12,097)	700		219,951	166,613	53,338	1,422	201,548	16,981						
Energy Development Account (Conta de Desenvolvimento Eni)	45,794	(79,654)	(22,115)	264		(55,711)	(51,278)	(4,433)	2,096	(57,807)							
	416,840	248,313	16,038	8,933	-	690,124	571,185	118,939	(8,950)	726,060	(26,986)	-	-	-	-	-	
Financial items																	
Overcontracting of energy (vi)	5,506	14,851	37,901	(1,490)		56,768	44,755	12,013	(20,443)	77,211							
Neutrality of Parcel A (vii)	(11,400)	(45,442)	(19,129)	(634)		(76,605)	(50,452)	(26,153)	5,363	(65,595)	(16,373)						
Exceeding of Demand and Reactive Energy Surplus	(301,242)	(32,276)	38,248			(295,270)	(17,798)	(277,472)	(17,798)	(76,496)	(70,096)	(42,623)	(43,847)	(21,230)	(23,180)		
Hydrological Risk Forecast - Anticipation (viii)	(329,610)	(157,293)	134,986	(1,892)	2,235	(351,574)	(102,177)	(249,397)	(73,427)	(278,147)							
Other	23,672	13,340	18,542	320	(2,235)	53,639	(142,563)	196,202	(13,460)	74,124	(7,025)						
	(613,074)	(206,820)	210,548	(3,696)	-	(613,042)	(268,235)	(344,807)	(119,765)	(268,903)	(93,494)	(42,623)	(43,847)	(21,230)	(23,180)	-	
PIS and COFINS																	
PIS/COFINS Technical Note 115/04	74,366		(14,932)			59,434	59,434			59,434							
Exclusion of ICMS from PIS and COFINS basis (Note 9.2.2)	(1,730,049)	120,044	83,084	19,876		(1,507,045)	(404,566)	(1,102,479)	(10,869)	(393,697)						(1,102,479)	
	(1,655,683)	120,044	68,152	19,876	-	(1,447,611)	(345,132)	(1,102,479)	(10,869)	(393,697)	59,434	-	-	-	-	(1,102,479)	
Total	(1,851,917)	161,537	294,738	25,113	-	(1,370,529)	(42,182)	(1,328,347)	(139,584)	63,460	(61,046)	(42,623)	(43,847)	(21,230)	(23,180)	(1,102,479)	
Current assets	226,899					488,335	488,335										
Non-current assets	318,585					109,648		109,648									
Current liabilities	626,801					530,517	530,517										
Non-current liabilities	1,770,600					1,437,995		1,437,995									

(*) IRT - Tariff repositioning index

(**) Waiting for a draft from ANEEL on procedures for return to consumers.

Income from distributors EDP São Paulo and EDP Espírito is basically comprised by the sale of electricity and delivery (transport) thereof by using infrastructure (network) from distribution. Income from concessionaires is affected by the amount of energy delivered and the price. Electricity tariff consists of two parts that reflect the composition of the income:

- Parcel "A" (non-manageable costs): this installment must be neutral vis-à-vis the Entity's performance, i.e. the costs incurred by the distributors, that may be classified as Parcel "A", are fully passed on to the consumer or shouldered by the Concession Grantor; and
- Parcel "B" (manageable cost): comprises disbursements in the distribution infrastructure and respective return on the investment and disbursements with operation and maintenance. This part is the one that actually affects the entity's performance, as it has inherent risk of business because there is no guarantee of tariff neutrality.

Sectorial financial assets and liabilities refer to the values originated from the difference between costs estimated by ANEEL and included in the tariff at the onset of the tariff period (Parcel "A") and those that are actually incurred during the tariff period. This difference is subsidiaries' unconditional right to receive cash from Concession Grantor where the budgeted costs are lower than costs actually incurred, or an obligation when the budgeted costs outweigh costs actually incurred. These are segregated into assets and liabilities in accordance with ratification schedule of tariffs by ANEEL in next tax proceedings.

During the tariff adjustments ANEEL recalculates the amounts actually invoiced and collected, pursuant to current regulations, with the purpose of guaranteeing the financial settlement of these amounts, without prejudice to the economic and financial balance of the concession, reducing the risk of losses to immaterial amounts.

They are approved annually by ANEEL and included in the electric power tariff through Tariff Adjustments or Reviews that, in EDP Espírito Santo, The amounts included in the sectorial financial assets and liabilities are:

- Account for compensation in change of Parcel "A" costs - CVA: It consists of the cost change with the acquisition of electricity, connection and transmission, in addition to sectorial charges. The CVA must be neutral vis-à-vis the Distributor's performance, i.e. the changes calculated are fully passed on to the consumer or shouldered by the Concession Grantor; and
- Financial items: They refer to other financial components that are rights or liabilities that are also part of the tariff composition, including: Overcontracting of energy Neutrality of industry charges; and Financial exposure to spot market for the price difference between Submarkets.

The Amortization process is conducted on a monthly basis and corresponds to receipt/return through application of prevailing tariffs approved in last tariff events. Regarding financial items, the monthly amortization amounts correspond to 1/12 of total amounts homologated by ANEEL. For CVA, the monthly amortization is made according to the market curve. Amounts refer to difference between incurred costs and costs included in tariff up to reference month closing date to be approved in next tariff processes.

The Distributors recognize its sectorial financial assets and liabilities based on OCPC 08 - Recognition of Certain Assets and Liabilities in the General Purpose Accounting-Financial Reports of Electricity Distributors, issued in accordance with Brazilian and International Accounting Standards, in such a way that the records of financial assets and liabilities stemming from the differences found in items of Parcel A and other financial components in each accounting period have, as a contra entry, the item Income from the Sale of Goods and Services, in P/L for the period, considering the best estimate regarding the financial amount to be realized as a result of the full compliance with the performance obligation completed in the period, considering all existing facts and circumstances that support the transaction.

8.1 Material effects in the period

Total sectorial liabilities net of assets amounted to R\$ 1,851,917 on December 31, 2020, whereas the total sectorial liabilities net of assets amounted to R\$ 1,370,529 on June 30, 2021. The change in the period, amounting to R\$ 481,388, was caused by the following reasons:

(i) Amortization: In the period, it was transferred to consumers through the energy bill the amount of R\$ 294,738 related to net sectorial liabilities approved by ANEEL.

(ii) Purchase of energy: The change in the appropriation is due to a seasonality scenario associated with an energy scenario, that in which the costs of Hydrological Risk were transferred to distributors, and the thermoelectric order costs are lower in the period under review in relation to the average scenario foreseen for the Company's tariff year. Moreover, in the period under analysis there were thermoelectric dispatches outside the order of merit, affecting the costs provided for in the ESS. Additionally, there was a relevant transfer of revenue from tariff flags for the period analyzed.

(iii) Itaipu Energy Cost: Itaipu's electricity costs attributed monthly to the distributors are valued in accordance with the US dollar exchange rate. In the 2020 tariff process of the distributors, carried out in August and October of that year, it was considered an assumption of R\$ 5.33 for EDP Espírito Santo and R\$ 5.46 for EDP São Paulo in the definition of the tariff coverage. The dollar exchange rate in the period under analysis was higher than the tariff coverage, generating the variation of the appropriation to be transferred to the tariffs during the 2021 Tariff Adjustment process, according to rules defined by ANEEL. Moreover, another factor that explains the verified change stem from the CVA calculation methodology, in which Itaipu energy price is compared monthly, as well as the price of other energy contracts, with the Average Coverage Rate (TMC). TMC is a weighted average prices of the distributor's energy contracts planned for its tariff year. Therefore, the price of energy from Itaipu for the period was higher than TMC, resulting in the formation of a regulatory asset.

(iv) System Service Charges - ESS/Energy Reserve Charges - EER: The ESS/EER costs attributed to the distributors in the period under analysis proved to be higher than the estimated amounts of tariff coverage, mainly due to the activation of thermoelectric plants outside the order of merit, carried out in the first half of 2021. This thermoelectric dispatch was decided by the Electric Sector Monitoring Committee (CMSE), due to the low hydrology verified in the National Interconnected System for the period, to preserve the reservoirs of the hydroelectric plants. Accordingly, the costs of the thermoelectric dispatch of this nature are transferred to the distributors through the ESS, which are subsequently passed on to consumers, during the next tariff process.

(v) Energy Development Account (Conta de Desenvolvimento Energético - CDE): ANEEL Homologatory Resolution 2644/2019 defined the CDE quota amounts for the year 2020, the amounts of which were considered as tariff coverage in the 2020 Tariff Adjustment of the distributors. Subsequently, ANEEL opened Public Consultation 72/2020, aiming to obtain subsidies for the definition of the 2021 CDE quotas. However, due to Provisional Measure 998/2020, and mainly to the discussions held in the Chamber of Deputies and Senate, until the conversion of Law 14120/2021, the 2021 CDE quotas have not been approved by ANEEL until the close of the first quarter of 2021. In this context, provisional monthly quotas were defined for the months of January, February, and March 2021, in accordance with Order 619/2021, 1003/2021 and 2834/2021, respectively. In addition, EDP Espírito Santo filed an administrative appeal to ANEEL in February 2020, requiring the Agency to repair a material error found in the apportionment of quotas for the 2020 calendar year, which increased its CDE costs. ANEEL decided to accept the request, in accordance with Order 2,311/2020, reflecting the effects on the 2021 quotas, including the provisional ones, so that the monthly values will be lower than those provided for in tariff coverage. Therefore, the appropriation verified by the distribution companies in the period refers to the lower costs of the monthly quotas for the first quarter of 2021 and the definitive quotas established as of the second quarter of 2021, in relation to the current tariff coverage, the amounts of which will be reverted to the tariffs in the Tariff Adjustment of distributors.

(vi) Overcontracting of energy: The appropriation of amounts for the period is represented by the reversal of the result of the maximum effort, which was lost with the declaration of a deficit in the New Energy Surplus and Deficit Compensation Mechanism (MCSD EN) for the second half of 2021.

In addition to ANEEL Normative Resolution 885/2020, the contribution phase of ANEEL Public Consultation 35/2020 was concluded, introduced to improve mechanisms related to the economic and financial rebalancing of distributors, arising from the increase in costs and frustration of income originated from the state of public calamity determined by Legislative Decree 6 as a result of the COVID-19 pandemic (Note 4.10). However, the Agency's Board of Directors has not yet decided on the 3rd phase of the aforementioned Public Consultation, so the issue remains undefined. The Management of EDP - Energias do Brasil contracted an external legal opinion to analyze the economic rebalancing, which demonstrates the existence of a right to income coverage to mitigate the economic effects inherent in the COVID-19 crisis (Note 4.10), as it is an extraordinary event. However, for as long as the public consultation to establish regulatory parameters that guide the pricing of such regulatory rights is not completed, these are considered in accounting as "contingent assets".



The Management of EDP - Energias do Brasil engaged an external legal opinion regarding the economic rebalancing, which demonstrates the existence of a right to income coverage to mitigate the economic effects inherent in the COVID-19 crisis (Note 4.10), as it is an extraordinary event. However, for as long as the public consultation of said Resolution has not been finalized in order to establish regulatory parameters that guide the pricing of such regulatory rights, these are considered in accounting as "contingent assets" and, therefore, such rights are not recognized for now.

Regarding Order 2508/2020 issued by the Market Regulation (SRM) and Tariff Management (SGT) Superintendencies, disclosing the amounts of involuntary overcontracting in years 2016 and 2017, the distributors and ABRADDEE filed administrative appeals to: (a) review the criterion used by the Superintendencies in calculating the maximum effort, to recognize the willingness to overcontracting in year 2017, in accordance with current regulations; and (b) request the suspension of the effects of said Order, while the merits of the appeals have not been assessed. Regarding the revision of the maximum effort criterion, ANEEL should evaluate the merits of the Administrative Appeals presented, whose decision will be the responsibility of the Agency's Collegiate Board. Regarding the second point, ANEEL's executive board issued Order No. 2,897/2020 denying the granting of suspensive effect to Administrative Appeals. Therefore, the distributors await a favorable decision in this process, an expectation corroborated by an external legal opinion contracted by ABRADDEE.

Finally, it is worth mentioning that in the 2018 Tariff Readjustment of EDP Espírito Santo, the Collegiate Board of ANEEL elected to anticipate the tariff treatment of its over-contracting as a volunteer for the 2016 and 2017 fiscal years, based on a regulatory claim filed by the Company, according to the decision made at the 28th ANEEL Board of Directors Meeting in 2018 and approval of ANEEL Homologatory Resolution No. 2,432/2018.

(vii) Neutrality of Parcel "A": In the period under analysis, there was a market growth of the distributors in relation to the benchmark market of the 2020 Tariff Readjustment, therefore causing a higher payment of Sectorial Charges. The differences will be transferred to consumers in the 2021 tariff process.

(viii) Hydrological Risk Forecast – Anticipation: The amounts to be allocated in the period under review refer to the financial component billed to consumers, forming a sectoral liability and which will be reversed in the next distributor tariff process, at which time a new forecast of the Hydrological Risk will be considered based on the GSF (Generation Scaling Factor) and the Green Flag ceiling PLD.

9 Income tax, social contribution, and other taxes

Note	Parent Company							
	Balance at December 31, 2020	Addition	Write-offs	Inflation adjustment	Advances / payments	Federal tax offsetting	Transfer	Balance at 06/30/2021
Offsettable assets								
Recoverable income tax and social contribution	9.1	59,709		122		(51,786)	43,898	51,943
Total		59,709	-	122	-	(51,786)	43,898	51,943
Current		25,389						51,943
Non-current		34,320						
Other recoverable taxes								
PIS and COFINS		422	292				(292)	422
Income tax on interest earning bank deposits		101,241	2,228				(43,898)	59,571
Withholding income tax and social contribution on billing		1,015	1					1,016
Other		3,719	4				(3)	3,720
Total		106,397	2,525	-	-	-	(44,193)	64,729
Current		45,354						7,399
Non-current		61,043						57,330
Liabilities payable								
Other taxes payable								
ICMS (VAT taxes)		20	59					79
PIS and COFINS		29,580	613			(29,854)	(295)	44
Taxes on services rendered by third-parties		2,525	724	1	(555)			2,695
IRRF (Withholding income tax) on interest on own capital		24,355		(2,423)		(21,932)		-
Installments	9.6.1	22,197		121	(2,777)			19,541
Personnel charges		10,967	9,572		(7,729)			12,810
Other		349			(36)			313
Total		89,993	10,968	(2,423)	122	(11,097)	(51,786)	35,482
Current		68,110						21,516
Non-current		21,883						13,966



Consolidated										
Note	Balance at December 31, 2020	Addition	Write-offs	Inflation adjustment	Advances / Payments	Federal tax offsetting	Acquisition of companies	Transfer	Reclassification on	Balance at 06/30/2021
Offsettable assets										
Recoverable income tax and social contribution	302,838		(2,348)	2,438	160,695	(95,338)	22	(100,315)		267,992
Total	302,838	-	(2,348)	2,438	160,695	(95,338)	22	(100,315)	-	267,992
Current	206,929									202,294
Non-current	95,909									65,698
Other recoverable taxes										
ICMS (VAT taxes) 9.3	214,674	64,619				(14,858)		(16,288)		248,147
PIS and COFINS 9.2	1,725,316	417,873	(83)	(24,709)		(224,461)	2,702	(540,663)		1,355,975
Income tax on interest earning bank deposits	131,992	7,936					12	(65,050)		74,890
IRRF (Withholding income tax) on interest on own capital	2,478							(2,478)		-
Withholding income tax and social	8,133	2,810						(1,628)	(966)	8,349
Other	30,805	1,496				(1,632)	53	(463)	966	31,225
Total	2,113,398	494,734	(83)	(24,709)	-	(240,951)	2,767	(626,570)	-	1,718,586
Current	633,670									542,892
Non-current	1,479,728									1,175,694
Liabilities payable										
Income tax and social contribution payable	100,260	253,736		16	(91,398)			(170,974)		91,640
Total current	100,260	253,736	-	16	(91,398)	-	-	(170,974)	-	91,640
Other taxes payable										
ICMS (VAT taxes) 9.4	255,795	1,412,061	(12)	12	(1,405,169)	(14,858)	635	(16,288)		232,176
PIS and COFINS	123,357	800,721		273	(47,991)	(262,649)		(539,622)		74,089
Taxes on services rendered by third-parties	11,442	33,526		49	(35,094)		205	1		10,129
tax) on interest on own capital	73,367		(2,425)		(13,792)	(57,150)				-
Installments	363,893			3,429	(21,328)					345,994
Personnel charges	26,321	76,631			(73,015)	(1,632)	153	(2)		28,456
Other	3,763	1,048			(1,309)		6,058			9,560
Total	857,938	2,323,987	(2,437)	3,763	(1,597,698)	(336,289)	7,051	(555,911)	-	700,404
Current	531,516									397,918
Non-current	326,422									302,486

As required by CPC 32 - Income taxes, the Company and its subsidiaries present current income tax and social contribution consolidated assets and liabilities at its net value when: (i) the amount can be offset by the same tax authority; and (ii) the tax legislation permits that the Company and its subsidiaries make or receive the tax in lump sum.

9.1 Income tax and social contribution - Assets to offset - Parent company

The recorded amounts refer mostly to tax withholdings at source and respective restatements based on the Selic (Central Bank) rate. That balance is mostly offset with withholding income tax on declared interest on own capital and PIS and COFINS on financial income.

9.2 PIS and COFINS

9.2.1 PIS and COFINS – Offsettable Assets - Consolidated

In relation to PIS and COFINS, the subsidiaries calculated a credit of R\$ 134,244, and the balance is restated, net of offsets until June 30, 2021 is R\$ 81,299.

9.2.2 Distributors - Exclusion of ICMS from PIS/COFINS calculation basis

On April 3, 2019 and December 10, 2019, the distribution companies EDP Espírito Santo and EDP São Paulo were granted an unappealable favorable decision in a lawsuit, in which the right not to include the ICMS amounts in the PIS and COFINS calculation basis was granted, as well as the right to recover the amounts previously collected. The Brazilian Federal Revenue Service granted the request for credit qualification. Regarding the tariff treatment, the distributors inquired ANEEL and received a response through Official Letter 392 on November 19, 2019, with the guidance that the agency, through its technical areas, is analyzing the best way to transfer the amounts recovered to tariffs approved to consumers of the Concessionaires. On March 17, 2020, ANEEL opened Subsidies Taking No. 5/2020, seeking to obtain subsidies through "Social Participation" for the formulation of its position regarding the treatment to be given by electricity distributors to tax credits arising from these lawsuits.

On July 28, 2020, through letter CT-EDP-ES-27/2020, EDP Espírito Santo requested the consideration of anticipating the reversal of credits resulting from the exclusion of ICMS from the PIS and COFINS calculation basis, as extraordinary negative financial component to be offset against the total amount provided by the Brazilian Federal Revenue Service. On August 3, 2020, the Tariff Management Superintendence - SGT, through Technical Note 138/2020-SGT/ANEEL, consolidated the calculation of the Annual Tariff Adjustment - RTA 2020 for the tariffs applied to consumers as of August 7, 2020.

On February 11, 2021, ANEEL opened Public Consultation 5/2021, aiming to define the methodology for returning tax credits to consumers. The agents' contribution period extended until March 29, 2021, whose main points of discussion presented in Technical Note 9/2021 SFF/SGT/SRM/SMA/ANEEL, were related to: (i) amounts to be returned at each tariff cycle of distributors; (ii) time needed for the return; and (iii) operationalization of the return. The expectation is that the theme will be decided by the Agency in the first half of 2021, with the publication of the Resolution containing the regulations for the return of tax credits.

On February 19, 2021, ANEEL Dispatch 361/2021 was published in the Federal Official Gazette, which, in view of exceptional situations, in which there is a possibility of a significant tariff increase, it may conclude Public Consultation 5/2021 in advance, use part of the PIS and COFINS credits, limited to 20% of the total involved in the lawsuits, aiming to mitigate the tariff impacts foreseen in the readjustments and revisions of distributors.



On May 13, 2021, the Federal Supreme Court modulated the effects of said decision and, among them, decided that the ICMS to be withdrawn from the calculation basis of said contributions is the one highlighted in the invoice. On this occasion, EDP Espírito Santo recalculated and recorded an adjustment in the principal of R\$ 1,798 in the period of 2021. EDP São Paulo applied this modulation, in addition to carrying out a balance estimate review, generating a reduction of R\$ 156,441 in the base of invoices eligible for credit, whose counterpart occurred in sectorial financial assets and liabilities (Note 8). Therefore, without effects on the result.

The amount recognized in the sectorial financial liabilities item (Note 8) refers to the monetarily restated principal amount. Changes in said amounts are in accordance with the Brazilian Federal Revenue Service (RFB) Consultation Solution No. 13/2018, including inflation adjustment and offsetting as of June 30, 2021, as follows:

		Principal	Main adjustment	Restatement	(-) Offset	Total
Exclusion of own ICMS from PIS and COFINS calculation basis	EDP Espírito Santo	555,006	1,798	203,134	(274,468)	485,470
	EDP São Paulo	788,673	(121,842)	221,729	(276,357)	612,203
		1,343,679	(120,044)	424,863	(550,825)	1,097,673

9.3 ICMS - Assets to offset - Consolidated

Of the amount on June 30, 2021 in the amount of R\$ 248,147 (R\$ 214,674 on December 31, 2020) the subsidiaries EDP São Paulo and EDP Espírito Santo have a balance of R\$ 241,657 (R\$ 207,749 on December 31, 2020), which includes ICMS (value-added tax) credits from the purchase of goods in the amount of R\$ 229,904 (R\$ 202,736 on December 31, 2020) which, according to paragraph 5 of article 20 of Complementary Law 87/96, are offset at the ratio of 1/48 per month.

9.4 ICMS - Liabilities payable - Consolidated

Of the amount on June 30, 2021 of R\$ 232,176 (R\$ 255,795 as at December 31, 2019), subsidiaries EDP São Paulo and EDP Espírito Santo had a balance of R\$ 224,099 (R\$ 245,249 at December 31, 2020), referring to ICMS levied on electricity bills.

10 Deferred taxes

	Note	Parent Company		Consolidated							
		Liabilities		Assets				Liabilities			
		Non-current		Current		Non-current		Current		Non-current	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
PIS and COFINS	10.1	164	160	195,674	7,701	81,357	29,019	198,763	10,483	556,474	454,723
Income tax and social contribution	10.2	206,598	206,206			644,083	681,539			742,014	653,459
Service tax								1,106	1,067	1,077	1,159
Total		206,762	206,366	195,674	7,701	725,440	710,558	199,869	11,550	1,299,565	1,109,341

10.1 PIS and COFINS

Deferred PIS and COFINS (recognized) have the following types:

		Parent Company		Consolidated							
		Liabilities		Assets				Liabilities			
		Non-current		Current		Non-current		Current		Non-current	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Future commitments - EDP Comercializadora (Note 14)				195,674	7,701	81,357	29,019	197,754	9,510	105,212	48,248
Income due to the recognition of incurred costs (CPC 47) in EDP Smart Soluções (Note 1.1.1)								1,009	973	982	1,057
Income from construction in transmission subsidiaries										446,306	401,585
Inflation adjustment of judicial deposits		164	160							3,974	3,833
		164	160	195,674	7,701	81,357	29,019	198,763	10,483	556,474	454,723

10.2 Income tax and social contribution

They are recorded on tax losses, negative basis of social contribution and temporary differences, considering the rates in force of the aforementioned taxes, in accordance with the provisions of CVM Resolution 599/09 and consider past profitability record and expectations of future taxable income based on a technical viability study. They are recognized according to the transaction that originated them, whether in income or shareholders' equity. Income tax and social contribution - deferred and social contribution assets and liabilities are presented according to their nature and total amount is presented at net value after due offsets, as required by CPC 32.

10.2.1 Breakdown

Nature of credits	Note	Parent Company			
		Non-current liabilities		Income (loss)	
				Six-month periods ended June 30	
		06/30/2021	12/31/2020	2021	2020
Temporary differences					
Bargain purchase	10.2.1.1	151,070	149,553	(1,517)	
Surplus		54,204	55,356	1,152	1,152
Other		1,324	1,297	(27)	(36)
Total		206,598	206,206	(392)	1,116



		Consolidated							
		Non-current assets		Non-current liabilities		Income (loss)		Shareholders' equity	
						Six-month periods ended June 30			
Nature of credits	Note	06/30/2021	12/31/2020	06/30/2021	12/31/2020	2021	2020	2021	2020
Tax losses	10.2.1.2	276,489	291,210			(15,080)	(8,783)		
Negative basis of social contribution	10.2.1.2	94,561	99,843			(5,411)	(3,162)		
		371,050	391,053	-	-	(20,491)	(11,945)	-	-
Temporary differences									
Estimated loss from allowance for doubtful accounts - PECLD		243,748	242,077			1,671	5,034		
Post-employment benefits		131,067	133,123			(2,056)	22		
Provision for tax, civil and labor risks		169,000	160,125			8,875	4,550		
Consumers - adjustment to present value		319	407			(88)	(692)		
Pre-operating expenditures		9,924	14,325			(4,401)	2,684		
Bargain purchase	10.2.1.1			151,070	149,553	(1,517)			
Surplus				477,296	478,448	1,152	1,152		
Amortization/depreciation - Surplus in the acquired business - CPI				(149,799)	(141,980)	7,819	7,829		
Use of Public Property - CPC 25		170,346	150,564	48,175	49,311	20,918	3,579		
Fair value of indemnifiable financial assets - ICPC 01 (R1)				370,427	329,125	(41,302)	(10)		
Remuneration of concession assets			3,905	418,133	352,432	(69,606)	(78,379)		
PIS and Cofins on concession assets		142,782	135,633			7,149	19,132		
Financial instruments - CPC 39		6,583	4,287	41,604	43,075	4,940	1,135	(2,300)	571
Post-employment benefits - PSAP	10.2.1.3	(106,056)	(111,268)			5,212	4,374		
Post-employment benefits - Other comprehensive income		277,917	283,112			1	82	(5,196)	(21,304)
Refund for unavailability		(6)				(6)			
Concession right - GSF	21.1.3.1			138,292	132,212	(6,080)			
Environmental permits		11,536	10,645	8,051	8,984	1,824	2,126		
Future commitments		1,018,279	134,969	1,113,606	212,301	(17,995)			
Other		40,104	31,280	57,645	39,342	(8,153)	(9,878)		
Total temporary differences		2,115,543	1,193,184	2,674,500	1,652,803	(91,643)	(37,260)	(7,496)	(20,733)
Tax credit of goodwill taken over	10.2.1.4	89,976	96,646			(6,670)	(6,842)		
Total gross		2,576,569	1,680,883	2,674,500	1,652,803	(118,804)	(56,047)	(7,496)	(20,733)
Offset between Deferred Assets and Liabilities		(1,932,486)	(999,344)	(1,932,486)	(999,344)				
Total		644,083	681,539	742,014	653,459				

The change in Consolidated Deferred Income Tax and Social Contribution in the amount of R\$ 1,508 was recorded against a debit in the income (loss) for the period of R\$ 1,219, referring to newly acquired companies.

10.2.1.1 Bargain purchase

Deferred taxes on bargain purchases arise from acquisitions: (i) R\$ 120,096 from Porto do Pecém; (ii) R\$29,457 of CELESC; and (iii) R\$ 1,517 from Mata Grande Transmissora (Note 4.4). Taxes on negative goodwill will be realized on the disposal of these investments.

10.2.1.2 Tax losses and negative basis of social contribution tax

Under the tax legislation in force, the tax loss and the negative basis of social contribution can be offset with future income, up to the limit of 30% of the taxable income, and are not subject to a statutory limitation period.

10.2.1.3 Provision for Social Security Deficit - PSAP

The taxable credit arising from the Provision for the Pension Plan Deficit - PSAP of EDP São Paulo refers to the portion of liabilities related to the benefits exceeding the assets of the Defined benefit pension plans, the provision for which was effected on December 31, 2001 with a counterparty in the Shareholders' Equity, deductible on the occasion of the monthly payments, expected to be terminated in 2028 (Note 25.1.1.4).

10.2.1.4 Tax credit of goodwill taken over

The goodwill fiscal credit derives from:

- (i) in subsidiary EDP São Paulo: from the takeover of the spin off portion of the former parent company Enerpaulo - Energia Paulista Ltda. within the subsidiary EDP São Paulo during 2002, represented by the goodwill paid by Enerpaulo on the acquisition of shares issued by EDP São Paulo;
- (ii) in subsidiary EDP Espírito Santo: from the takeover that occurred in April 2005 of the spin off portion of the Parent Company with the subsidiary EDP Escelsa, represented by the goodwill paid by the merged companies EDP 2000 Participações Ltda. and EDP Investimentos Ltda. on the acquisition of shares issued by IVEN, which was the parent company of EDP Espírito Santo; and
- (iii) in the subsidiary Lajeado: the takeover of the subsidiaries EDP Lajeado and Tocantins within the subsidiary Lajeado, dated November 2009, represented by the goodwill paid by Lajeado.

The amounts were accounted for in accordance with CVM Instructions 319/99 and 349/99, and in accordance with ANEEL's instructions, and amortized according to the curve between the expectations of future results and the terms of the subsidiaries' concession. This translates into a future average annual tax credit realization of R\$ 5,780 for the subsidiary EDP São Paulo up to 2027, R\$ 1,554 for the subsidiary EDP Espírito Santo up to 2025, and R\$ 3,846 for the subsidiary Lajeado up to 2032.



10.2.2 Realization of deferred tax assets

Deferred tax assets are reviewed at the year-end and are reduced as their realization is no longer probable.

Management of EDP São Paulo, EDP Espírito Santo, Lajeado, Investco, EDP Comercializadora, EDP Smart Energia(*), EDP Smart Serviços(*), Enerpeixe, Energest, Porto do Pecém and transmission subsidiaries prepared the projection of future taxable income, demonstrating the realization capacity of these tax credits in indicated years. Based on the technical study of taxable income projections, the subsidiaries estimate recovering tax credit arisen out of accumulated losses in the following years:

(*) Formerly EDP Varejista and EDP GRID, respectively, according to note 1.1.1.

2021	2022	2023	2024	2025	2026-2028	As from 2029	Total non-current
269,443	484,455	467,177	382,479	483,089	253,919	236,007	2,576,569

The realization of deferred tax assets is in line with the provisions of standard CPC 32 – Income Taxes.

10.2.3 Unrecognized deferred tax assets

On June 30, 2021, the Company and its subsidiaries have tax credits related to tax losses and tax carryforwards from social contribution and temporary differences not recognized in the interim accounting information totaling R\$ 30,358 (R\$ 5,330 in 2020), in view of uncertainties in its realization. Such amount may be the object of future recognition, in accordance with annual reviews of taxable income generation projections. There is no statute of limitation period for the use of said credits.



11 Related parties

Besides the amounts of the balance of dividends payable and receivable (Note 13) and loans payable provided in Note 23, the other balances of assets and liabilities, as well as the transactions of the Company with its subsidiaries and parent companies, key Management and other related parties, which influenced the result of the period, are presented as follows:

				Parent Company											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
												Six-month periods ended June 30			
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
				2021											



				Parent Company													
				Assets				Liabilities				Income (expenses)					
				Current		Non-current		Current		Non-current		Operating		Financial			
														Six-month periods ended June 30			
				06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	2021	2020	2021	2020
Relationship	Price practiced	Duration															
Infrastructure Service Sharing (b)																	
EDP São Paulo	Subsidiary (*)		01/01/2015–12/31/2021			207	78					657	825				
Energest	Subsidiary		01/01/2015–12/31/2021			3	1					9					
EDP Comercializadora	Subsidiary		01/01/2015–12/31/2021			39	19					120	142				
EDP Transmissão	Subsidiary		01/01/2015–12/31/2021			2	1					3	18				
Investco	Subsidiary		01/01/2015–12/31/2021			24	12					75	112				
Porto do Pecém	Subsidiary		01/01/2015–12/31/2021			85	38					257	457				
Lajeado	Subsidiary		01/01/2015–12/31/2021			17	11					56	97				
EDP Espírito Santo	Subsidiary		01/01/2015–12/31/2021			214	121					456	1,101				
EDP Smart Serviços	Subsidiary		01/01/2015–12/31/2021			27	14					82					
EDP Transmissão MA I	Subsidiary		07/01/2017–12/31/2021			4	1					10	29				
EDP Transmissão MA II	Subsidiary		07/01/2017–12/31/2021			2	1					6	17				
EDP Transmissão SP-MG	Subsidiary		07/01/2017–12/31/2021			13	4					36	57				
EDP Transmissão Aliança	Subsidiary		07/01/2017–12/31/2021			12	4					35	47				
EDP Smart Soluções	Subsidiary		01/01/2015–12/31/2021			22	11					68					
EDP Smart Energia	Subsidiary		01/01/2015–12/31/2021			14	4					37	22				
Stock option granted by the Company (Note 11.2.1)																	
EDP São Paulo	Subsidiary		06/15/2016–06/18/2025			796	731					(65)	795				
Energest	Subsidiary		06/15/2016–06/18/2025			800	1,079					184	2,126				
EDP Comercializadora	Subsidiary		06/15/2016–06/18/2025			407	466					59	41				
EDP Espírito Santo	Subsidiary		06/19/2017–06/18/2025			673	485					(188)	75				
Porto do Pecém	Subsidiary		06/15/2016–06/18/2025			1,277	1,214					(63)	125				
EDP Transmissão SP-MG	Subsidiary		06/06/2019–06/05/2025			35	41					6	9				
EDP Smart Serviços	Subsidiary		06/15/2016–06/15/2025			340	284					(12)	79				
EDP Transmissão Aliança	Subsidiary		06/22/2020–06/22/2025				10					10					
Agreement of consulting services																	
EDP Renováveis	Related party		From 06/01/2017 to an undefined date	359	339	270	270					61	79				
Service agreement (c)																	
EDP Portugal	Parent company		Undetermined	6,759	7,954			40,606	34,923	1,273	1,098		(3,275)	3,244	(9,282)		
EDP Valor	Related party		Undetermined					4,056	3,794				(630)				
Agreement for the Sharing of Backoffice Activities (d)																	
EDP Espírito Santo	Subsidiary		01/01/2019–12/31/2021			159	180					4,024	5,903				
Cachoeira Caldeirão	Jointly-controlled subsidiary		01/01/2019–12/31/2021			203	193			259	259	260	170				
EDP Transmissão MA I	Subsidiary		01/01/2019–12/31/2021			66	51					404	195				
EDP Transmissão MA II	Subsidiary		01/01/2019–12/31/2021			60	62					371	237				
EDP Transmissão SP-MG	Subsidiary		01/01/2019–12/31/2021			69	59					491	241				
EDP Transmissão Aliança	Subsidiary		01/01/2019–12/31/2021			79	62					543	325				
Energest	Subsidiary		01/01/2019–12/31/2021			32	108					345	(848)				
EDP Smart Soluções	Subsidiary		01/01/2019–12/31/2021			94	196					729	723				
Lajeado	Subsidiary		01/01/2019–12/31/2021			45	144					407	583				
Porto do Pecém	Subsidiary		01/01/2019–12/31/2021			465	738					3,136	2,703				
EDP Smart Serviços	Subsidiary		01/01/2019–12/31/2022			73	125					634					
EDP São Paulo	Subsidiary		01/01/2019–12/31/2021								35	3,464	3,779				
EDP Comercializadora	Subsidiary		01/01/2019–12/31/2021			142	201					1,058	712				
Enerpeixe	Subsidiary		01/01/2019–12/31/2021			134	153					804	715				
Investco	Subsidiary		01/01/2019–12/31/2021			135	234					1,013	902				
EDP Transmissão	Subsidiary		01/01/2019–12/31/2021			56	70					403	227				
EDP Smart Energia	Subsidiary		01/01/2019–12/31/2021			59	30					383	181				



				Parent Company											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
												Six-month periods ended June 30			
	Relationship	Price practiced	Duration	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	2021	2020	2021	2020
Sharing of the Neweb platform (e)															
EDP Portugal	Parent company		Undetermined					5,511	5,874						
Reimbursement of insurance premium															
EDP Transmissão	Subsidiary		01/01/2019–12/31/2021			3				3					
				7,118	8,293	12,675	17,478	50,173	44,591	3,835	2,854	30,457	38,803	3,244	(9,282)
				7,118	8,293	547,118	589,652	50,173	44,591	3,835	2,854	30,457	38,803	9,538	(4,186)
Consolidated															
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
												Six-month periods ended June 30			
	Relationship	Price practiced	Duration	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	2021	2020	2021	2020
Loans receivable															
Loan agreements - 100–110% CDI															
Pecém OM	Jointly-controlled subsidiary		December 05, 2011 to an undefine												28
Mabe	Jointly-controlled subsidiary		10/04/2013–12/31/2021												424
				-	-	-	-	-	-	-	-	-	-	-	452
Accounts receivable (Note 7)															
Electricity supply															
Cachoeira Caldeirão	Jointly-controlled subsidiary	140.76	01/01/2017–12/31/2046		429								1,205		
CEJA	Jointly-controlled subsidiary	121.10	01/01/2017–12/31/2046		57								10		
São Manoel	Jointly-controlled subsidiary		07/01/2019–12/31/2019										52		
Rendering of services															
São Manoel	Jointly-controlled subsidiary		05/01/2014–05/31/2019										257		
				-	486	-	-	-	-	-	-	-	1,524	-	-
Suppliers (Note 22)															
Electricity supply															
CEJA	Jointly-controlled subsidiary	174.22	01/01/2015–12/31/2044					577	641			(2,848)	(2,814)		
CEJA	Jointly-controlled subsidiary	165.63	01/01/2015–12/31/2044									(7,147)	(4,181)		
São Manoel	Jointly-controlled subsidiary		05/01/2018–12/31/2038						2,884			(19,810)	(17,434)		
São Manoel	Jointly-controlled subsidiary	121.99	04/26/2018–12/31/2047					153	162			(754)	(729)		
Use of transmission system															
CEJA	Jointly-controlled subsidiary		01/04/2020–01/31/2033		2										
CEJA	Jointly-controlled subsidiary		02/09/2019–01/31/2033		1										
Cachoeira Caldeirão	Jointly-controlled subsidiary		01/04/2020–01/31/2033		1										
Cachoeira Caldeirão	Jointly-controlled subsidiary		02/09/2019–01/31/2033		1										
Rendering of services															
Pecém OM	Jointly-controlled subsidiary		Undetermined												28
				-	5	-	-	730	3,687	-	-	(30,559)	(25,158)	-	28
Other receivables and other accounts payable (Note 15)															
Human Resources Sharing Agreement (a)															
CEJA	Jointly-controlled subsidiary		01/01/2018–12/31/2021			7	16			236	236	197			
Cachoeira Caldeirão	Jointly-controlled subsidiary		01/01/2019–12/31/2021										212		
São Manoel	Jointly-controlled subsidiary		05/01/2018–12/31/2021			264	251					592	562		
Agreement of consulting services															
EDP Renováveis	Related party		rom 06/01/2017 to an undefined da	359	339	270	270								



				Consolidated											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating	Financial		
												Six-month periods ended June 30			
				06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	2021	2020	2021	2020
Service agreement (d)	Relationship	Price practiced	Duration												
EDP Portugal	Parent company		Undetermined	6,759	7,954			40,606	36,772	1,273	1,098	(3,275)	3,244	(9,282)	
São Manoel	Jointly-controlled subsidiary		05/01/2014–04/30/2019	42			44								
CEJA	Jointly-controlled subsidiary		01/01/2019–12/31/2022	87			43								
Cachoeira Caldeirão	Related party		01/01/2019–12/31/2022				43								
EDP Valor	Related party		Undetermined					4,056	3,794			(630)			
Elebrás	Related party		01/01/2019–03/31/2023	37	49										
Cenaeel	Related party		01/01/2019–03/31/2023	13	10										
Baixa do Feijão I	Related party		01/01/2019–03/31/2023	16	21										
Baixa do Feijão II	Related party		01/01/2019–03/31/2023	16	21										
Baixa do Feijão II	Related party		01/01/2019–03/31/2023	16	21										
Baixa do Feijão IV	Related party		01/01/2019–03/31/2023	16	21										
JAU	Related party		01/01/2019–03/31/2023	25	33										
Aventura I	Related party		01/01/2019–03/31/2023	50	20										
Babilônia III	Related party		01/01/2019–03/31/2023	8											
Babilônia IV	Related party		01/01/2019–03/31/2023	8											
Babilônia V	Related party		01/01/2019–03/31/2023	8											
Infrastructure Service Sharing (b)															
EDP Renováveis	Related party		07/29/2015–12/31/2021			18	18								
Agreement for the Sharing of Backoffice Activities (c)															
Cachoeira Caldeirão	Jointly-controlled subsidiary		01/01/2019–12/31/2021			248	193			260	259	260	170		
Pecém TM	Jointly-controlled subsidiary		05/01/2015–05/01/2025								690				
Pecém OM	Jointly-controlled subsidiary		05/01/2015–05/01/2025	566	351		75								
Mabe	Jointly-controlled subsidiary		05/01/2015–05/01/2020	1,310	1,310									424	
Pecém TM	Jointly-controlled subsidiary		01/01/2019–12/31/2021			75									
Sharing of the Neweb platform (e)															
EDP Portugal	Parent company		Undetermined					7,230	5,874					(465)	
				9,336	10,150	882	953	51,892	46,440	1,769	2,283	1,049	(2,961)	3,244	
				9,336	10,641	882	953	52,622	50,127	1,769	2,283	(29,510)	(26,595)	3,244	
														(8,843)	

Related-party transactions were made under conditions compatible with market conditions.
The collateral sureties and guarantees provided by the Company are described in the Note on Guarantees (Note 35.2).



Transactions made with counterparties below were carried out in the normal course of business, without any incremental profit margin.

(a) Human Resources Sharing Agreement: From January 1, 2018, EDP - Energias do Brasil is responsible for contracting a new Human Resources Sharing Agreement which include the corporate areas' activities. The contract was approved by ANEEL by means of the Order 1329 published on June 14, 2018, and approves a human resources sharing agreement between EDP - Energias do Brasil and related parties EDP São Paulo, EDP Espírito Santo, EDP Comercializadora, Energest, Investco, Lajeado and Porto do Pecém.

The agreement was effective until December 31, 2019 and was implemented using the regulatory criterion defined in ANEEL (Brazilian Electricity Regulatory Agency) Normative Resolution no. 699/16. The new criteria allocates the personal expenditure proportionally to the gross property, plant and equipment (AIB), weighted by a factor set for each segment (distribution and generation) and excluding the holding and trader expenditures, which are shared in advance.

ANEEL expressed its position by informing that the prior consent is no longer required for the conclusion of the amendment to the Human Resources Sharing agreement, which will now share personnel expenses between EDP - Energias do Brasil and related parties EDP São Paulo, EDP Espírito Santo, EDP Comercializadora, Energest, Investco, Lajeado, Porto do Pecém, EDP Transmissão, EDP Transmissão Aliança SC, EDP Transmissão MA I, EDP Transmissão MA II, e EDP Transmissão SP-MG. The agreement will keep the regulatory apportionment criterion as above and its new effectiveness will be until December 2021.

Additionally, starting January 01, 2020, with a term of 24 months, a Human Resources Sharing Agreement was signed among the Company and the subsidiaries EDP Smart Energia(*), EDP Smart Serviços(*) and EDP Smart Soluções(*), without the need for prior consent by ANEEL, using the criterion of allocation of expenditures according to the percentage of dedication of the activity, process or department to the related parties.

(*) Formerly EDP Varejista, EDP GRID and EDP Soluções respectively, according to note 1.1.1.

(b) Agreements for Sharing of Infrastructure Services: The purpose of the instrument is to apportion property lease costs, condominium fees and telecommunications expenditures.

On July 28, 2015, through Order 2430, ANEEL agreed to the request and stipulated the term of 48 months from the date of publication of the Order. However, the Company was authorized to share only starting from August 2015. On September 16, 2015, the Company requested ANEEL to agree to the Terms of Discharge and Other Covenants, aiming to approve payments for the period from January to July, of the Agreements for Assigning Space and Sharing Infrastructure Services, since they were approved without retroactivity. The request was accepted by ANEEL on April 25, 2016, through Order 987/16.

EDP - Energias do Brasil e as partes relacionadas EDP Comercializadora, EDP Transmissão, EDP Transmissão MA I, EDP Transmissão MA II, EDP Transmissão Aliança, EDP Transmissão SP-MG, Instituto EDP, Investco, Lajeado, CEJA, Cachoeira Caldeirão, São Manoel, EDP Smart Serviços(*) and EDP Smart Soluções(*) also signed contracts with the same object, however, they did not need to receive prior approval by ANEEL, since the parties are not delegates of the public electricity service, as established in Normative Resolution 334/08, valid at the time the contracts were signed, which regulated legal acts and business between related parties. These contracts ended on December 31, 2018.

An infrastructure sharing agreement was signed for a period of 36 months from January 01, 2019 for the Companies EDP - Energias do Brasil and its related parties EDP Comercializadora, EDP Smart Energia(*), EDP Smart Serviços(*) e EDP Smart Soluções(*), Lajeado, Porto do Pecém, Investco and Instituto EDP, considering the same criteria previously adopted.

Additionally, in August 2019, ANEEL's consent was published, through Order 2.636/2019, entering into an agreement for the sharing of space and infrastructure services between EDP Energias do Brasil and related parties EDP São Paulo, EDP Espírito Santo, Energest, EDP Transmissão, EDP Transmissão Aliança SC, EDP Transmissão MA I, EDP Transmissão MA II, and EDP Transmissão SP-MG, valid for 29 months, using the regulatory criteria provided for in Normative Resolution 699/16.

The apportionment percentages must be reviewed annually and, in case of changes, the contractual addenda must be submitted to the prior consent of ANEEL.

(*) Formerly EDP Varejista, EDP GRID and EDP Soluções respectively, according to note 1.1.1.

(c) Service agreements

The agencies responsible for control and respective supervision of these agreements are the Corporate Governance Committee and Related Parties, the Board of Directors and the Company's internal area dedicated to verification and checking of imported and exported services.

Every imported or exported service is subjected to a rigorous analysis that requires interaction of the area dedicated to verification and checking with other internal areas of the Company that imported and exported the service. It is ascertained whether the time spent in activities, the number of beneficiaries and the volume of aggregate businesses show effectively the spent by employees to carry out the activities in question.

EDP Portugal

The amounts refer to consulting service and management support agreements mutually executed between the Company and its controlling shareholder EDP - Energias de Portugal S.A. These contracts aim: (i) cost sharing, structure, knowledge and technology, thus allowing a greater synergy between the companies in the group; (ii) preventing any idle staff capacity; (iii) lowering procurement costs of certain services in relation to the market average; and (iv) preventing third-party access to strategic issues or technology information owned by contracting parties.

EDP Comercializadora, Enerpeixe, Investco, Lajeado, Cachoeira Caldeirão, CEJA, EDP Transmissão and EDP Transmissão MA II

The purpose of the agreements is to provide services related to the operating processes of the power plant, lines, substations and related equipment, as well as the intermediation with the National System Operator - ONS, which is effective for 36 months, starting on January 1, 2019 and ending on December 31, 2021, by EDP - Energias do Brasil as assignor, with EDP Comercializadora being the assignee, and an amendment was signed on October 1, 2019, date of the beginning of the service provision, and EDP Comercializadora was transferred to the assignor. The operation processes are divided between pre-operation services, post-operation services, real-time information supervision services, regulation, control system and infrastructure via Operation Center, automation and telecommunications.

ANEEL - through the following orders - consented to enter into the contract for the provision of remote operation services with the Company related to the "Real Time" modality, in a regime of continuous twenty-four hour shifts, seven days a week, for a period of 36 months: (i) Order 1976, as of July 3, 2020, with EDP Transmissão, with total contractual amount of R\$ 1,260; and (i) Order 3403, on December 5, 2019, with EDP Transmissão MA II, with total contractual amount of R\$1,800.

EDP Comercializadora, EDP Transmissão Aliança, EDP Transmissão MA I, EDP Transmissão SP- MG and EDP Transmissão Litoral Sul

ANEEL - through the following orders - consented to enter into the contract for the provision of remote operation services related to the "Real Time" modality, in a regime of continuous twenty-four hour shifts, seven days a week, for a period of 36 months: (i) Order 1962, as of July 3, 2020, with EDP Transmissão Aliança, with total contractual amount of R\$ 1,726; (i) Order 2943, as of October 14, 2020, with EDP Transmissão MA I, with total contractual amount of R\$ 1,769; (iii) Order 3036, as of October 22, 2020, with EDP Transmissão SP-MG, with total contractual amount of R\$ 1,785; and (iv) Order 588, of March 3, 2021 with EDP Transmissão Litoral Sul, in the total amount of the contract, of R\$ 1,573.

(c) Agreement for the Sharing of Backoffice Activities: The purpose of the instrument is to apportion costs with materials, services rendered and other expenditures associated with back-office activities, such as the administrative, financial, accounting and legal functions and others.

The apportionment criterion considers drivers that weigh the effort of each area for each company, which was supported by an independent specialized consulting firm and involves the following related parties: EDP - Energias do Brasil and its subsidiaries EDP São Paulo, EDP Espírito Santo, EDP Comercializadora, Energest, Investco, Lajeado and Porto do Pecém.

On December 10, 2019, the back office sharing agreement was annulled by ANEEL, through Order 3399, where its validity will refer to the years from 2019 to 2021 for EDP Energias do Brasil and its related parties: EDP São Paulo, EDP Espírito Santo, EDP Comercializadora, Energest, Investco, Lajeado, Porto do Pecém, EDP Transmissão, EDP Transmissão Aliança, EDP Transmissão MA I, EDP Transmissão MA II and EDP Transmissão SP-MG. The apportionment criterion considers the same aforementioned drivers, supported by an independent specialized consulting company.

This agreement does not need to be subject to previous ANEEL approval, pursuant to the terms of ANEEL Normative Resolution 699/16, reimbursement of negotiated contract does not exceed annual limit based on the net income of the subsidiaries.



(e) **Sharing of the Neweb platform:** The sharing is related to the license for the Neweb software, contracted by EDP Portugal for the purpose of hosting the different EDP Group websites in the world.

11.1 Direct and ultimate parent company

The ultimate parent company of the Company is EDP – Energias de Portugal S.A., which exerts its controlling through its subsidiaries EDP International Investments and Services, S.L. and EDP IS - Investimentos e Serviços, Sociedade Unipessoal, Lda.

11.2 Management remuneration

11.2.1 Shares granted by the Company

From 2016 to 2020, the Company created, Share-Based Payment Plan with similar characteristics, which grant future shares to its beneficiaries. Among them, there are statutory and non-statutory managers and executive officers and its subsidiaries, and in the results of 2021 of the Company the amount of R\$ 69 (R\$ 3,250 in 2020) is estimated to be reimbursed by the subsidiaries at the time of grant. The shares will be granted upon fulfillment of certain conditions within 3 or 5 years from the beginning of the plan.

11.2.2 Total remuneration of the Board of Directors, Tax Council and Statutory Board of Directors paid by the Company

	Six-month periods ended June 30							
	2021				2020			
	Statutory Board	Board of Directors	Tax Council	Total	Statutory Board	Board of Directors	Tax Council	Total
Remuneration (a)	4,828	784	115	5,727	4,048	680	111	4,839
Short-term benefits (b)	92			92	59			59
Benefits - Private pension plan	94			94	51			51
Share-based remuneration (Note 11.2.2.1)	226			226	-			-
Total	5,240	784	115	6,139	4,158	680	111	4,949

(a) It is comprised of fixed and variable remuneration (bonus and profit sharing), besides the respective payroll charges.

(b) Represents the benefits with medical and dental care, medicine allowance, food and meal vouchers, and life insurance.

In relation to the granted shares, the amount related to the statutory officers of the Company, estimated in the profit or loss for 2021, is R\$ 491 (R\$ 275 in 2020). The estimated amounts are only considered as the Statutory Board of Directors' remuneration in the chart above at the time of the effective grant of the Company's shares.

11.2.2.1 Share-based compensation

In the period ended June 30, 2021, the shares of Compensation Plan I were exercised (Note 28.2.1.2).

12 Inventories

	Note	Consolidated	
		06/30/2021	12/31/2020
Raw material and inputs for generation of electric power			
Charcoal	12.1	181,768	60,268
Diesel		2,297	1,702
CAL		246	246
Other		2,379	2,422
		186,690	64,638
Storeroom materials		93,643	87,726
Wastes and scrap		35,656	34,786
Photovoltaic kit		377	424
Inventory of work in progress		2,220	2,176
Other		15	15
(-) Estimated losses in the realization of inventories		(4,763)	(6,685)
		127,148	118,442
Total		313,838	183,080

Inventories are stated a cost or net realizable value, whichever is lower, less possible loss in the recoverable value. The method of valuation of Inventory is determined based on the weighted average cost method.

Materials used in the construction of the concession infrastructure are classified under the captions: (i) Concession assets at the distribution subsidiaries for the amount of R\$ 165,498 on June 30, 2021 (R\$ 63,258 on December 31, 2020); and (ii) Property, plant and equipment, at the generation and service subsidiaries, for the amount of R\$ 19,133 on June 30, 2021 (R\$ 19,502 on December 31, 2020).

12.1 Charcoal

The increase in the coal inventory at the subsidiary Porto do Pecém is due to the hydrological crisis scenario (Note 4.8) where the thermal plant started being dispatched in March 2021 and remained dispatched during the second quarter of 2021. Therefore, the purchase of coal was higher compared to December 2020, linked to the increase in the dollar and API 2 (reference price for imported coal) for coal acquisitions in the 2021 period.

13 Dividends – Assets and liabilities

Dividends and interest on own capital (JSCP) payable are recognized in the shareholders' equity in following occasions: (i) JSCP (Interest on own capital) recorded as dividends: when approved by the Board of Directors; (ii) minimum mandatory dividends; at year-end, as provided for in the Company's Bylaws, possibly deducted from JSCP (Interest on own capital) already stated in the year; (ii) additional dividends: upon approval at Annual Shareholders' Meeting - AGO; and (iv) interim dividends and dividends from previous years: when approved by the Board of Directors or the Annual Shareholders' Meeting. Dividends receivable from subsidiaries, associated companies and jointly-controlled subsidiaries are recorded as an asset in the Company's financial statements, consistent with previously described liabilities' accounting practice.

The interest on own capital credits are initially recorded in finance expenses for tax purposes, and, concomitantly, reversed from this same line item as counterparty to shareholders' equity. Tax reduction generated by them is recognized in income for the year upon their credit. In relation to interest on own capital receivable, these are initially recorded in financial income for tax purposes, and, concomitantly, reserved from this same line item as counterparty to investment.



Parent Company

Allocation of net income for the year ended December 31, 2020 was approved in the Annual and Special Shareholders' Meeting held on April 09, 2021, with distribution of R\$ 1,508,017 to be distributed as follows: (i) formation of Legal Reserve in the amount of R\$ 75,401; (ii) Interest on own capital in the total gross value of R\$ 162,366, attributable to the dividends already accounted for on December 31, 2020; (iii) dividends amounting to R\$ 423,216; and (iv) R\$ 847,034 in Profit Retention Reserve, for investment purposes, according to the capital budget, for the year 2021. Dividends were paid with no adjustment to Company's common shareholders on June 23, 2021.

Changes to balance of dividends receivable and payable balance in the period are as follows:

Parent Company					
Assets	Balance at December 31, 2020	Dividends		Balance at 06/30/2021	
		Additional	Receipts		
Energest	36,949	109,586	(117,142)		29,393
Enerpeixe	17,480	24,000	(14,892)		26,588
EDP Comercializadora	27,868				27,868
EDP São Paulo	93,569		(46,897)		46,672
EDP Espírito Santo	64,652		(52,711)		11,941
Lajeado Energia	40,839	83,225	(124,064)		-
EDP Smart Energia (Note 1.1.1)	477				477
EDP Transmissão	9,370				9,370
Pecém TM	1				1
CEJA	16,037	3,287	(19,324)		-
CELESC	19,649	15,560	(17,543)		17,666
Porto Pecém	103,113		(103,113)		-
	430,004	235,658	(495,686)		169,976

Parent Company					
Liabilities	Balance at December 31, 2020	Dividends			Balance at 06/30/2021
		Complementary	Payments	Other	
Non-controlling shareholders	169,266	87,735	(256,466)	2,408	2,943
EDP International Investments and Services, S.L.	105,800	63,856	(169,664)	8	
EDP IS - Investimentos e Serviços, Sociedade Unipessoal Ltda.	85,296	51,481	(136,784)	7	
	360,362	203,072	(562,914)	2,423	2,943

Consolidated				
Assets	Balance at December 31, 2020	Dividends		Balance at 06/30/2021
		Additional	Receipts	
CELESC	19,649	15,560	(17,543)	17,666
CEJA	16,037	3,287	(19,324)	-
	35,686	18,847	(36,867)	17,666

Consolidated							
Liabilities	Balance at December 31, 2020	Dividends		Founders' shares	Payments	Unrealized Payments	Balance at 06/30/2021
		Complementary	Additional				
CEB Lajeado	3,742		1,638		(5,380)		-
Paulista Lajeado Energia	1,311		574		(1,885)		-
Eletrobras	131,349			13,159	(104,564)		39,944
Government of Tocantins	2,974		6,060		(9,034)		-
Furnas Centrais Elétricas	11,653		16,000		(9,928)		17,725
Non-controlling shareholders	172,046	87,735			(256,466)	5	5,730
EDP IS - Investimentos e Serviços, Sociedade Unipessoal Ltda.	105,800	63,856			(169,664)		-
EDP International Investments and Services, S.L.	85,296	51,481			(136,784)		-
	514,171	203,072	24,272	13,159	(693,705)	5	63,399

14

EDP Comercializadora - Future commitments - Mark-to-market of a Derivative Financial Instrument

The contracts entered into by the energy trading company EDP Comercializadora are aimed at the sale of electricity in accordance with the requirements of the Trading Rules, regulated by Brazilian Electricity Regulatory Agency - ANEEL and applicable to all agents registered with the Chamber of Commercialization of Electric Energy (CCEE). These transactions are held for receipt or delivery until the settlement date of the transaction established in the agreement, under the terms of the contractual purchase and sale requirements. The subsidiary changed the positioning for the sale of energy purchase and sale agreements, regarding the agents in understanding, up to 2019 being substantially within the Group - EDP - Energias do Brasil and, starting in 2020 also aiming to trade with other agents. In 2020, the subsidiary identified and deemed that there have been significant changes on the energy market, as well as changes in its own risk methodology and strategy in the commercial intermediation between electricity generating companies and end customers.

In this regard, the subsidiary evaluated its contracts, from the viewpoint of standard CPC 48 - Financial Instruments, considering that now they are not only intended for the delivery of energy ("own use", according to the term used in CPC 48), but for generating value in financial intermediation, regarding the purchase and sale of a non-financial item (energy), but which can be settled at its net cash value or by another financial instrument. Accordingly, as of 2020, the subsidiary started to fully recognize the purchased and sold energy curves in its portfolio (at the sale limit). These future commitment contracts are measured at fair value using the forward curve with the best available and observable information. Therefore, the Mark-to-Market (MtM) of a Derivative Financial Instrument is considered in the result.

In the period ended June 30, 2021, the realization of the fair value of the aforementioned contracts, through the settlement between the purchase and sale of energy, generated a net income of R\$ 48,029 recorded in Income for the period (Note 29).



15 Other receivables – Assets and Other accounts payable – Liabilities

Note	Parent Company				Consolidated			
	Current		Non-current		Current		Non-current	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Other receivables - Assets								
Advances	39	94			25,408	19,241		671
Discount	15.1				67,028	57,001		
Tariff modicity - low income	15.2						8,055	8,055
Assets for disposal/discontinuance		2,411		2,410	11,821	6,672		
Services in progress					13,113	5,442	494	481
Services rendered to third parties		4		343	78,613	67,880	648	868
Collection agreements					5,270	4,836		
Related-party/shared services	11	7,118	8,293	12,675	9,336	10,150	882	953
Income receivable					2,926	3,429		
Risk premium - GSF	15.3				3,290	3,290	19,459	21,104
Prepaid expenses		814	490	206	30,890	6,004	2,636	4,632
Securities receivable		659	1,435	26,563				
Other		6,942	6,601	2,674	27,668	27,936	2,960	2,685
Total		17,987	19,666	41,912	275,363	211,881	35,134	39,449
Other accounts payable – Liabilities								
Advances received - disposal of assets and rights					776	1,837		
Public lighting contribution	15.4				27,702	29,675		
Sundry creditors - consumers and concessionaires					50,744	49,329		645
Payroll		1,165	1,166		7,609	8,398		
Tariff modicity - low income	15.2				474	472	9,810	9,810
Third party collection to be transferred					14,917	14,252		
Related-party/shared services	11	50,173	44,591	3,835	51,892	46,440	1,769	2,283
Leases and rentals	15.7	1,203	1,019	7,104	30,477	30,621	82,470	40,177
Social charges and labor obligations	15.6	12,733	16,152		93,891	109,273		
Reserve for reversal and amortization					1,944	1,945	8,746	9,718
Advance of tariff discounts	15.1					10,242		
Other	15.8	3,431	3,434	1,536	57,982	48,809	25,008	34,567
Total		68,705	66,362	12,475	338,408	351,293	127,803	97,200

15.1 Advances and tariff discounts

This refers to discounts applied to customers in tariffs of consumer units, according to regulations by ANEEL through specific resolutions. The discounts are applied according to the classification of the activity of each consumer unit and are intended for allocation to low-income households registered with the Single CAD (Register) of the Federal Government, as an incentive to the improvement of agricultural production, and as discounts for essential public services, as is the case of the water, sewage and sanitation units.

At the same time as they determine the percentage of discount to be applied to the monthly billings of the consumer units, the orders for tariff readjustments also establish the subsidiaries' right to be reimbursed in the respective amounts through the economic grant mechanism, with funds originating from the Energy Development Account (Conta de Desenvolvimento Energético - CDE), as Law 10438/02.

Through Law 13360/16, beginning as of May 2017, management and transfer of funds is the responsibility of Chamber of Commercialization of ANEEL homologated amounts to be transferred to EDP São Paulo and EDP Espírito Santo through the following Ratifying Resolutions:

Homologatory Resolution	Periods	Monthly amount
EDP Espírito Santo		
ANEEL 2589/19	Aug/19–Jul/20	24,352
ANEEL 2749/20	Aug/20–Jul/21	20,523
EDP São Paulo		
ANEEL 2629/19	Oct/19–Sep/20	8,663
ANEEL 2790/20	Oct/20–Sep/21	7,868

See below the breakdown of the tariff discounts:

	Consolidated		
	December 31, 2020	Discount	Balance at 06/30/2021
Low Income Grant	16,029	44,796	(45,989)
Incentivized Source Load Grant - Res. 77/04	17,013	113,354	(103,357)
Incentivized Source Generation Grant - Res. 77/04	874	4,208	(5,386)
Rural Grant	33,173	49,338	(38,466)
Irrigator/Fish Farmer Grant - Res. 414/10	(22,944)	22,580	(23,055)
Water/Sewage/Sanitation Grant – Order 3629/11	12,872	9,416	(12,129)
Distribution Grant - TUSD (Tariff for Use of the Distribution System) wire B	(10,258)	777	4,182
	46,759	244,469	(224,200)

Additionally, below we show the breakdown by portion of the tariff discount:

	EDP Espírito Santo	EDP São Paulo	Balance at 06/30/2021	Balance at December 31, 2020
Monthly installment	20,406	9,409	29,815	29,815
Portion of approved adjustments	117	(6,770)	(6,653)	(4,044)
Portion of adjustments to be approved	24,671	4,359	29,030	4,959
Balance of low income grant	7,437	7,399	14,836	16,029
	52,631	14,397	67,028	46,759



15.2 EDP São Paulo – Low-income affordable rates

By means of the Notification Term 1091/05, the Commission of Public Energy Services - CSPE, currently Regulatory Agency of Sanitation and Energy of the State of São Paulo - ARSESP determined the correction of criteria of registry of the measurement equipment installed in residential consumer units, changing from biphasic to monophasic with retroactive effect to year 2002.

The consumer units, despite being connected through the single-phase three-wire system, were classified as biphasic, a situation that prevented their billing as low-income residential. After several negotiations with ANEEL and ARSESP, between 2008 and 2009, EDP São Paulo provided a billing review classifying the consumer units as Low Income residential, when the amounts to be returned to consumers hitherto billed without the benefit of social tariff were identified.

As agreed with ANEEL and ARSESP, the refund of amounts to consumers began with the billing in March 2009. Until June 30, 2021, the amount refunded was R\$ 19,476 (R\$ 19,473 as of December 31, 2020), with a remaining balance to be refunded in the amount of R\$ 10,284 (R\$ 10,282 as of December 31, 2020), involving consumer units still active and inactive in the billing register of EDP São Paulo.

As refunds are made by offsetting monthly invoices, the inactive consumer units, measures by EDP São Paulo are required to identify the customer's new location in order to make the refund.

Additionally, the regulation provides for the right of EDP São Paulo to recover amounts related to economic grant, net of such taxes and estimated deductions, whose balance receivable on June 30, 2021 and December 31, 2020 is R\$ 8,055, which will be realized as the repayments to consumers are validated by ARSESP and ratified by ANEEL.

15.3 Risk premium - GSF

Due to adhesion to renegotiation of hydrological risk in the Regulated Contracting Environment, the balance of current and non-current assets refers to premiums equivalent to amount paid as GSF for the period from January to December 2015, amortized under the straight-line basis.

The changes during the period are as follows:

Subsidiaries	Amortization periods	Balance at	Amortization	Balance at
		December 31, 2020		06/30/2021
Lajeado	Jan2015–Mar2029	22,287	(1,351)	20,936
Investco	Jan2015–Mar2029	394	(24)	370
Energset	Jan2015–Feb2024	1,713	(270)	1,443
Total		24,394	(1,645)	22,749
Current		3,290		3,290
Non-current		21,104		19,459

15.4 Public lighting contribution

This refers to the Contribution to Fund the Street Lighting Service - CIP, whose purpose consists of the street lighting facility design, implementation, expansion, operation and maintenance services. It is charged to consumers, in conformity with the provisions established in municipal law, collected by the distributors and transferred monthly to the Municipal authorities, as provided in Article 149-A of the Federal Constitution.

15.5 Social charges and labor obligations

These are related to the sums of provision and vacation pay, 13th salary, provision for profit sharing and results and its respective INSS and FGTS.

15.6 Reserve for reversal and amortization

Refers to resourced derived from the Reserve for reversal and amortization, set up until December 31, 1971 under the terms of the regulation of Public Electric Power Service (SPEE) (Federal Decree 41019/57), applied by EDP São Paulo in the expansion of the Public Electric Power Service. With regard to the Fund for reversal, 5% interest p.a. is charged on the reserve amount and paid monthly. The amortization of principal awaited resolutions from the Concession Grantor.

Decree-Law 9022/17 determined that the Concessionaires, which had funds corresponding to the reversal fund, should fully amortize their debts by December 31, 2026, with Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE).

The amortizations began in January 2018 and the amount related to principal and interest, of the next 12 installments, were transferred from non-current to current.

15.7 Leases and rentals

As a result of the adoption of CPC 06(R2) as of January 1, 2019, the Company and its subsidiaries recorded the amounts payable under the lease and rental agreements, as shown below:

	Parent Company				
	December 31, 2020	Additions	Payments	Transfers	Balance at 06/30/2021
Buildings	1,019	609	(887)	395	12
Vehicles	-	151	(97)		1
Total current	1,019	760	(984)	395	13
Buildings (Note 20.2.1)	195	7,013		(395)	291
Total non-current	195	7,013	-	(395)	291
	1,214	7,773	(984)	-	304
					8,307

	Consolidated					Balance at 06/30/2021
	December 31, 2020	Additions	Payments	Transfers	AVP	
Buildings	14,712	4,270	(6,646)	14,452	(10,992)	15,796
Machinery and equipment	7,094	4,339	(5,814)	3,291	389	9,299
Vehicles	8,815	1,367	(6,996)	2,333	(137)	5,382
Total current	30,621	9,976	(19,456)	20,076	(10,740)	30,477
Buildings (Note 20.2.1)	29,924	44,460		(14,452)	17,190	77,122
Machinery and equipment	6,101	64		(3,291)	587	3,461
Vehicles	4,152			(2,333)	68	1,887
Total non-current	40,177	44,524	-	(20,076)	17,845	82,470
	70,798	54,500	(19,456)	-	7,105	112,947

The amounts recorded in liabilities are adjusted to present value at the rates that represent the financing cost of the respective leased assets. The rates aforementioned, as well as the maturity of said leases and rentals consider the following future payment flow as follows:

	Parent Company		Consolidated					
	Buildings		Buildings		Machinery and equipment		Vehicles	
	Amount	Rates (%)	Amount	Rates (%)	Amount	Rates (%)	Amount	Rates (%)
2021	515	9.22%	8,011	9.26%	5,011	9.81%	3,011	9.10%
2022	633	10.50%	7,785	9.90%	4,288	9.87%	2,371	9.52%
Total current	1,148		15,796		9,299		5,382	
2022	602	10.50%	7,394	9.97%	2,893	10.14%	1,862	9.59%
2023	1,028	10.90%	12,810	10.16%	561	6.21%	25	5.96%
2024	886	11.19%	10,782	10.34%	7	3.41%		
2025	797	11.19%	9,446	10.44%				
2026	717	11.19%	7,982	10.97%				
2027-2039	3,074	69.01%	28,708	81.64%				
Total non-current	7,104		77,122		3,461		1,887	

The potential right of PIS/COFINS to be recovered, embedded in the lease/rental consideration, according to the periods provided for payment, are shown below:

Cash flows	Parent Company		Consolidated	
	Nominal	With AVP	Nominal	With AVP
Lease consideration	14,455	8,307	178,106	112,948
Potential PIS/COFINS (9.25%)	(1,337)	(768)	(16,475)	(10,448)

The lease and rental agreements were recorded as a contraentry to property, plant and equipment, as "Assets related to right to use" (Note 20.1.2).

15.8 Others - Consolidated current liabilities

The amount of R\$ 57,982 in "Other" caption refers substantially to the advance of income relating to the customer infrastructure sharing agreement with EDP São Paulo.

16 Investments and provision for unsecured liability

The interim accounting information of the Parent company, the investments in subsidiaries, jointly-controlled subsidiaries and associated companies with a percentage of the voting capital above 20% or with significant influence, is valued by the equity method.

• Subsidiaries

Subsidiaries are all entities (including specific purpose entities) that the Company is exposed or has the right to establish the financial and operating policies to obtain variable returns from its activities.

• Associated companies and jointly-controlled subsidiaries

Associated companies are all entities over which the Company has significant influence but not control, generally through an ownership interest of 20% to 50% of the voting rights.

Jointly-controlled subsidiaries are all entities over which the Company has joint control with one or more parties. Investments in joint arrangements are classified as joint ventures depending on each investor's rights and liabilities relating to the arrangement.

The investments of Grupo EDP - Energias do Brasil in associated companies and joint ventures includes the goodwill identified on acquisition, net of any accumulated impairment losses.

The Company's share of the profits or losses of its associated companies and jointly-controlled subsidiaries is recognized in the statement of income, and the share in Other comprehensive income is recognized directly against the Company's shareholders' equity. When the Company's share of the losses of an associated company or jointly-controlled subsidiaries is equal to or exceeds the book value of the investment, including any other receivables, the Company does not recognize any additional losses unless the Company has assumed liabilities or made payments to the associated company or jointly-controlled subsidiary.

Unrealized gains from transactions between the Grupo EDP - Energias do Brasil and its associated companies and jointly-controlled subsidiaries are eliminated to the extent of the Grupo EDP - Energias do Brasil's interest in them. Non-realized losses are also eliminated, unless the transaction shall provide evidence of a loss (impairment) of the transferred asset. The accounting policies of associated companies and jointly-controlled subsidiaries are altered, where necessary, to ensure consistency with the policies adopted by Grupo EDP - Energias do Brasil.

• Business combination

A business combination occurs through an event in which the Company and its subsidiaries acquire control of a new asset (business), regardless of its legal form. Upon acquisition, acquiring Company must recognize and measure identifiable acquired assets, assumed liabilities and income from ownership interest at fair value, which will result in recognition of an asset due to expected future earnings (goodwill) or in gain deriving from bargain purchase and it is recorded in income (loss) for the period. Costs generated by acquisition of assets shall be recognized directly in income, as incurred.



16.1 Acquisition of assets – Mata Grande Transmissora

As mentioned in note 4.4, after analyzes performed by the Company, the purchase operation was classified as acquisition of assets, which does not fall within the scope of CPC 15 - Business Combinations, at the acquisition cost of R\$ 1,787, related to shareholders' equity on the date of acquisition is R\$ 6,252, generating a gain on the acquisition of the investment of R\$ 4,465.

The acquisition value of assets and liabilities on the acquisition date is presented below:

	<u>Book value</u>
Assets	
Cash and cash equivalents	1
Other receivables	684
Concession Assets	17,589
Property, plant and equipment	8
	<u>18,282</u>
Liabilities	
Suppliers	8,794
Social and deferred taxes and contributions	3,081
Other obligations	155
	<u>12,030</u>
Total net assets	<u>6,252</u>
Acquisition of assets	
Expected disbursement	1,787
Total paid on acquisition	<u>1,787</u>
Value of acquired net assets	6,252
Gain from acquisition of investment	<u>4,465</u>



16.2 Changes in investments and Provision for unsecured liabilities

	Balance at December 31, 2020	Additions	Write-off / Amortizations	Equity in net income of subsidiaries	Parent Company			Acquisition of companies	Balance at 06/30/2021	% Direct interest	
					Dividends/Interest on own capital	Other comprehensive income	Other			06/30/2021	12/31/2020
Investments											
EDP São Paulo	987,963			179,804		10,118			1,177,885	100.00	100.00
EDP Espírito Santo	1,082,961			165,904		(29)			1,248,836	100.00	100.00
Lajeado Energia	215,693			60,894	(83,224)				193,363	55.86	55.86
Lajeado Energia (Surplus)	96,019			(1,337)			(796)		93,886	55.86	55.86
EDP Transmissão	53,189			25,060					78,249	100.00	100.00
EDP Transmissão MA I	134,190			46,136					180,326	100.00	100.00
EDP Transmissão MA II	49,863			12,568					62,431	100.00	100.00
Mata Grande Transmissora	-	8,700		(338)				6,252	14,614	100.00	100.00
EDP Transmissão Aliança	214,726	34,200		63,467					312,393	90.00	90.00
EDP Transmissão SP-MG	191,785			61,568					253,353	100.00	100.00
Enerpeixe	398,565			(14,813)	(24,000)				359,752	60.00	60.00
Energest	319,157			72,452	(109,586)	(4)			282,019	100.00	100.00
EDP Comercializadora	305,282			27,799					333,081	100.00	100.00
EDP Smart Energia (Note 1.1.1)	6,392			(622)					5,770	100.00	100.00
CEJA	457,008			13,299	(3,286)				467,021	50.00	50.00
CEJA (Surplus)	161,346			(3,361)					157,985	50.00	50.00
Cachoeira Caldeirão	289,294			(8,871)					280,423	50.00	50.00
Cachoeira Caldeirão (Surplus)	1,467			(27)					1,440	50.00	50.00
Porto do Pecém	2,613,691			112,528		4,655			2,730,874	100.00	100.00
Porto do Pecém (Surplus)	310,697			(9,968)					300,729	100.00	100.00
P. Pecém Transp. Minérios	4,985			473					5,458	50.00	50.00
Pecém Operações e Manutenção	3,501			175					3,676	50.00	50.00
Resende	21,199			(8)					21,191	100.00	100.00
EDP Smart Serviços (Note 1.1.1)	93,122	93,100		(6,968)		(189)			179,065	100.00	100.00
Mabe	1,136			(780)					356	50.00	50.00
CELESC (*)	482,754			129,391	(15,549)	56,284			652,880	29.90	29.90
São Manoel	630,300			(9,478)					620,822	33.334	33.334
SP Ventures	4,915	15,700		(746)					19,869	100.00	100.00
	9,131,200	151,700	-	914,201	(235,645)	70,835	(796)	6,252	10,037,747		
Concession right (Note 16.2.1)											
EDP São Paulo	11,297		(728)						10,569		
Enerpeixe	1,838		(58)						1,780		
Lajeado	63,381		(2,633)						60,748		
	76,516	-	(3,419)	-	-	-	-	-	73,097		
Total investments	9,207,716	151,700	(3,419)	914,201	(235,645)	70,835	(796)	6,252	10,110,844		

(*) The amount of R\$ 652,880 refers to the investment in CELESC in the period ended March 31, 2021.

Notes to the financial information
Period ended June 30, 2021
(In thousands of reais, unless otherwise indicated)



	Consolidated				
	Balance at December 31, 2020	Additions	Equity accounting	Dividends/ Interest on own capital	Other comprehensi ve income
Investments					
EDP - Energias do Brasil					
CELESC	482,754		129,391	(15,549)	56,284
Pecém TM	4,985		473		
Pecém Operações e Manutenção	3,501		175		
CEJA	457,006		13,299	(3,286)	
CEJA (Surplus)	161,346		(3,361)		
Cachoeira Caldeirão	289,294		(8,871)		
Cachoeira Caldeirão (Surplus)	1,467		(27)		
Mabe	1,136		(780)		
São Manoel	630,300		(9,478)		
EDP Comercializadora					
BB	470				
Total investments	<u>2,032,259</u>	<u>-</u>	<u>120,821</u>	<u>(18,835)</u>	<u>56,284</u>
Provision for unsecured liabilities					
Blue Sol	-	(4,213)	482		
Total provision for unsecured liabilities	<u>-</u>	<u>(4,213)</u>	<u>482</u>	<u>-</u>	<u>-</u>
Net investment	<u>2,032,259</u>	<u>(4,213)</u>	<u>121,303</u>	<u>(18,835)</u>	<u>56,284</u>

Notes to the financial information

Period ended June 30, 2021

(In thousands of reais, unless otherwise indicated)



16.2.1 Concession right

According to ICPC 09, Concession Rights are classified as investments in the parent company. For consolidation purposes, they are classified as intangible assets (Note 21.1.3).

16.3 Direct interests in investments

Company	Shares / Quotas owned by the Company (In thousands)				% of Company's ownership interest				Total assets		Liabilities (Current and non-current)		Shareholders' equity (unsecured liability)		Income		Net result for the period	
	06/30/2021		12/31/2020		06/30/2021		12/31/2020		06/30/2021		12/31/2020		06/30/2021		01/01/2021 – 06/30/2021		01/01/2020 – 06/30/2020	
	Ordinary / Quotas	Preferred shares	Ordinary / Quotas	Preferred shares	Paid-up capital	Voting capital	Paid-up capital	Voting capital	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	01/01/2021 – 06/30/2021	01/01/2020 – 06/30/2020	01/01/2021 – 06/30/2021	01/01/2020 – 06/30/2020
EDP São Paulo	39,091,735		39,091,735		100.00	100.00	100.00	100.00	5,889,029	6,097,354	4,711,144	5,109,391	1,177,885	987,963	2,627,156	2,058,543	179,804	98,382
EDP Espírito Santo	5,876		5,876		100.00	100.00	100.00	100.00	5,350,692	5,313,967	4,101,856	4,231,006	1,248,836	1,082,961	2,219,387	1,681,960	165,904	103,467
Energest	48,205		48,205		100.00	100.00	100.00	100.00	482,923	540,841	200,907	221,686	282,016	319,155	207,221	156,033	72,452	58,038
Lajeado	113,690		113,690		55.86	100.00	55.86	100.00	1,288,172	1,270,771	582,190	593,939	705,982	676,832	332,852	304,768	131,594	88,472
CEJA	12,897		12,897		50.00	50.00	50.00	50.00	1,708,007	1,735,290	773,970	821,276	934,037	914,014	141,893	134,082	26,597	32,649
Enerpeixe	499,951		499,951		60.00	60.00	60.00	60.00	1,859,354	2,235,392	1,259,766	1,571,115	599,588	664,277	136,990	127,708	(24,689)	14,032
Cachoeira Caldeirão	364,000		364,000		50.00	50.00	50.00	50.00	1,392,905	1,420,297	832,058	841,707	560,847	578,590	75,228	69,040	(17,743)	(8,001)
EDP Comercializadora	32,606		32,606		100.00	100.00	100.00	100.00	4,365,678	1,589,841	4,032,597	1,284,559	333,081	305,282	3,714,130	1,791,551	27,799	3,543
EDP Smart Energia (Note 1.1.1)	4,531		4,531		100.00	100.00	100.00	100.00	17,351	17,542	11,581	11,150	5,770	6,392	46,847	32,435	(622)	2,174
EDP Smart Serviços (Note 1.1.1)	10		10		100.00	100.00	100.00	100.00	442,994	320,971	263,928	227,848	179,066	93,123	11,314	11,245	(6,968)	(6,532)
Porto do Pecém	2,368,998		2,368,998		100.00	100.00	100.00	100.00	3,786,927	3,967,706	1,056,053	1,354,015	2,730,874	2,613,691	789,735	744,320	112,528	141,571
Pecém TM	1,682		1,682		50.00	50.00	50.00	50.00	16,722	16,687	5,804	6,715	10,918	9,972	10,336	10,384	946	432
Pecém OM	3,527		3,527		50.00	50.00	50.00	50.00	9,206	8,824	1,857	1,825	7,349	6,999	4,010	3,809	350	443
São Manoel	803,341		803,341		33.33	33.33	33.33	33.33	3,846,653	3,916,985	1,984,223	2,026,122	1,862,430	1,890,863	180,989	173,963	(28,433)	(40,561)
Mabe	283,076		283,076		50.00	50.00	50.00	50.00	12,633	9,680	8,800	7,407	3,833	2,273			1,560	14,725
Resende	21,573		21,573		100.00	100.00	100.00	100.00	21,221	21,200	30	1	21,191	21,199			(8)	(7)
EDP Transmissão	1		1		100.00	100.00	100.00	100.00	233,714	268,994	155,465	215,805	78,249	53,189	15,105	15,320	25,060	4,798
EDP Transmissão MA I	85,649		85,649		100.00	100.00	100.00	100.00	702,846	572,918	522,520	438,728	180,326	134,190	108,243	83,150	46,136	12,828
EDP Transmissão MA II	31,130		31,130		100.00	100.00	100.00	100.00	262,024	271,677	199,594	221,815	62,430	49,862	22,315	56,484	12,568	9,825
EDP Transmissão Aliança S	113,851		113,851		90.00	90.00	90.00	90.00	2,077,427	1,826,223	1,730,324	1,587,639	347,103	238,584	322,531	218,842	70,519	39,571
EDP Transmissão SP-MG	33,001		33,001		100.00	100.00	100.00	100.00	2,224,403	1,971,249	1,971,050	1,779,464	253,353	191,785	325,434	174,041	61,568	41,029
CELESC (*)	5,141	6,391	5,141	6,391	29.90	33.11	29.90	33.11	2,314,465	2,133,733	130,669	149,091	2,183,796	1,984,642			199,154	144,035
SP Ventures	6,501		6,501		100.00	100.00	100.00	100.00	24,081	7,366	4,212	2,451	19,869	4,915			(746)	(290)
Mata Grande Transmissora	8,830				100.00	100.00			56,767		42,152		14,615		19,773		(338)	

(*) The equity amounts refer to the interim financial information as of March 31, 2021 and the financial statements as of December 31, 2020 and the statements of income relating to the interim financial information as of March 31, 2021 and 2020, respectively.

16.4 Reconciliation of financial information of investments

Below is a reconciliation of the main investment balances:

	EDP São Paulo		EDP Espírito Santo		Lajeado		Enerpeixe		Porto do Pecém		São Manoel		CELESC	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	03/31/2021	12/31/2020
Shareholders' equity - Opening balance	987,963	1,243,488	1,082,961	1,054,189	676,832	619,157	664,277	635,681	2,613,691	2,475,701	1,890,863	1,971,337	1,984,612	1,407,124
Distribution of dividends to the shareholders		(578,844)		(326,001)	(89,285)	(183,418)	(40,000)	(87,936)		(157,181)				(129,460)
Net income (loss) for the period	179,804	374,274	165,904	270,316	118,435	241,060	116,532	294,938	112,528	294,938	(28,433)	(80,474)	199,154	518,685
Other comprehensive income	10,118	(50,955)	(29)	84,457		33		233	4,655				30	188,263
Shareholders' equity - Closing balance	1,177,885	987,963	1,248,836	1,082,961	705,982	676,832	599,588	664,277	2,730,874	2,613,691	1,862,430	1,890,863	2,183,796	1,984,612
Percentage of ownership interest - %	100.00%	100.00%	100.00%	100.00%	55.86%	55.86%	60.00%	60.00%	100.00%	100.00%	33.334%	33.334%	29.90%	29.90%
Interest in investments	1,177,885	987,963	1,248,836	1,082,961	394,378	378,095	359,752	398,565	2,730,874	2,613,691	620,822	630,300	652,880	593,331
Founders' shares					(252,150)	(252,150)								
Tax benefit					56,244	56,244								
Retained earnings					(5,109)	33,504								
Book balance of the investment in the Parent Company	1,177,885	987,963	1,248,836	1,082,961	193,363	215,693	359,752	398,565	2,730,874	2,613,691	620,822	630,300	652,880	593,331
Non-controlling interest	-	-	-	-	512,619	461,139	239,836	265,712	-	-	1,241,608	1,260,563	1,530,916	1,391,281



17 Disclosure at other entities

As required by Technical Pronouncement CPC 45 – Disclosure in other entities, the condensed financial statements for each of the relevant joint ventures and associated company are presented below: Those projects' investments are recorded under the equity method and the amounts shown in the financial statements were prepared under IFRSs.

17.1 Joint ventures

All information presented below represents 100% of the balances of joint ventures which, under Company's evaluation, is considered significant.

CEJA

CEJA is the holder of the concession right for Santo Antônio do Jari Hydroelectric Plant (UHE Jari), headquartered in the city of São Paulo - SP.

Cachoeira Caldeirão

Cachoeira Caldeirão holds concession right of Hydroelectric Power Plant Cachoeira Caldeirão, headquartered in city of Ferreira Gomes in the state of Amapá.

São Manoel

São Manoel holds concession right of Hydroelectric Power Plant São Manoel, headquartered in the city of Rio de Janeiro.

By replacing Consórcio Construtor of UHE São Manoel, carried out in January 2017, the Management expected that there would be an increase in the total amount for the construction of the UHE São Manoel, since additional expenditures would be required from the new company to complete the construction within the expected schedule.

Due to what happened, as at December 31, 2016, São Manoel conducted the impairment test of assets to check if this potential increase in the total value of the asset would be recoverable. Based on the assumptions from the determination base of recoverable value to the discount rate, in 2016, São Manoel, considering that the best estimates were available for the calculation, identified an impairment loss of the asset in UHE São Manoel totaling R\$460,236, recorded as a counterparty in the item "Other operating expenses" in the result of 2016.

Additionally, São Manoel evaluates the obligation to indemnify the position of Pan Seguros S.A., the insurance company that issued the insurance bond policy for São Manoel, starting coverage from July 2014, was considered as assumption. São Manoel hired legal advice from specialized consultants, who concluded that São Manoel has the right to receive the indemnity since the insurance has the purpose to ensure the carrying out, at full contract basis, at a fixed price, of the materials and equipment supplies, assembly, engineering and civil work services, under the full "Turn Key" modality for the implementation of the project. The indemnity limit under policy is R\$429,555.

In August 2018, Pan Seguros S.A. ended the claim adjustment procedure and denied insurance coverage to São Manoel. Thus, in January 2019, a collection lawsuit was filed by the São Manoel against the insurance company. In October 2019, an unfavorable sentence was rendered to São Manoel, and, in view of this decision, an appeal was filed, which is awaiting judgment. The loss prognosis remains classified as "possible" by São Manoel's legal advisors.

São Manoel quarterly monitors the events that may significantly change the test for impairment. In fiscal years 2018 and 2017, São Manoel reviewed the impairment test of assets, and did not identify any need to reverse or supplement the amount recorded in 2016.

However, in the last quarter of 2019, São Manoel's Management, through sensitivity tests, regulatory changes, and analysis of indicators, identified indications that the calculation of the power plant's recoverable amount could be underestimated, affecting the impairment entry recognized in 2016. The identified indicators range from the approval of the new Physical Guarantee, to factors of improvement in the macroeconomic scenario, components for discounting cash flow in the valuation of investments, used to calculate the recoverable value.

After the analysis of indicators and the impairment test were conducted, using the internal and external sources of information provided for in CPC 01 (R1) - Asset Impairment, São Manoel continued with the registration of the reversal in the amount of R\$111,191.

On June 30, 2021, São Manoel's Management carried out the analysis of the equity and financial situation and concluded that the recorded value of non-financial assets for the period, considering the foregoing, is recoverable, having not recorded any additional value or reversal.

17.1.1 Condensed financial statements

Balance sheet

	CEJA		Cachoeira Caldeirão		São Manoel	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets						
Current						
Cash and cash equivalents	100,689	77,073	56,412	75,672	129,974	88,431
Consumers and Concessionaires	34,544	54,998	19,229	18,646	55,150	43,409
Other receivables	24,044	29,771	21,937	21,574	70,096	61,668
	159,277	161,842	97,578	115,892	255,220	193,508
Non-current						
Recoverable income tax and social contribution			325	257	2,772	2,762
Deferred taxes			85,667	76,587	281,908	267,267
Other receivables	40,427	41,131	50,001	46,150	106,565	185,883
	40,427	41,131	135,993	122,994	391,245	455,912
Property, plant and equipment	1,030,683	1,044,407	1,150,589	1,171,693	3,143,789	3,203,171
Intangible assets	477,620	487,910	8,745	9,718	56,399	64,394
Total assets	1,708,007	1,735,290	1,392,905	1,420,297	3,846,653	3,916,985
Liabilities						
Current						
Suppliers	94,079	81,741	14,973	17,875	19,434	27,301
Debentures			27,934	18,810	49,387	33,137
Loans, financing and debt charges	53,586	54,029	45,170	44,690	112,856	112,741
Provisions	2,548	2,205	3,382	4,142	31,163	29,358
Other accounts payable	9,413	45,218	4,914	2,939	12,112	8,372
	159,626	183,193	96,373	88,456	224,952	210,909
Non-current						
Deferred taxes	109,939	111,297	1	1	16	15
Debentures			188,007	195,603	251,488	278,075
Loans and financing	466,155	492,270	519,160	529,383	1,453,421	1,475,685
Use of Public Property	31,726	27,758	11,949	11,588	49,382	47,751
Provisions	6,517	6,699	16,320	15,247	4,207	9,927
Other accounts payable	7	59	248	1,429	757	3,760
	614,344	638,083	735,685	753,251	1,759,271	1,815,213
Shareholders' equity	934,037	914,014	560,847	578,590	1,862,430	1,890,863
Total liabilities and shareholders' equity	1,708,007	1,735,290	1,392,905	1,420,297	3,846,653	3,916,985



Statement of income

	CEJA		Cachoeira Caldeirão		São Manoel	
	Six-month periods ended June 30					
	2021	2020	2021	2020	2021	2020
Income	141,893	134,082	75,228	69,040	180,989	173,963
Cost of production and electricity services	(80,902)	(53,535)	(64,036)	(50,098)	(125,701)	(153,462)
Operating expenses and income	(2,676)	(12,958)	(1,349)	(1,887)	(5,944)	(3,730)
Financial result	(29,451)	(22,221)	(36,666)	(29,127)	(92,418)	(78,256)
Income tax and social contribution - current and deferred	(2,267)	(12,719)	9,080	4,071	14,641	20,924
Net result for the period	26,597	32,649	(17,743)	(8,001)	(28,433)	(40,561)

17.1.2 Civil, tax and labor provisions and restricted deposits – current and non-current

17.1.2.1 Risk of probable loss

	CEJA					
	Liabilities			Assets		
	Balance at December 31, 2020	Write-offs Payments	Inflation adjustment	Balance at 06/30/2021	Judicial deposit 06/30/2021	Judicial deposit 12/31/2020
Labor	2,078	(1)	226	2,303	481	119
Civil	186		17	203	4	
Tax	30			30		
Other	285			285		
Total non-current	2,579	(1)	243	2,821	485	119

	Cachoeira Caldeirão					
	Liabilities			Assets		
	December 31, 2020	Write-offs Formation	Payments	Reversals	Balance at 06/30/2021	Judicial deposit 06/30/2021
Labor	13				13	
Civil	14,519	290	(235)	(302)	1,355	15,627
Other	680				680	
Total non-current	15,212	290	(235)	(302)	1,355	16,320

	São Manoel					
	Liabilities			Assets		
	Balance at December 31, 2020	Formation	Payments	Reversals	Restatement	Balance at 06/30/2021
Labor	9,285	73	(73)	(5,382)	(338)	3,565
Other	642					642
Total non-current	9,927	73	(73)	(5,382)	(338)	4,207

Cachoeira Caldeirão

Among the civil lawsuits noteworthy were the claims involving the expropriation issue related to the water crossing event occurred in the opening contracted in the cofferdam of the UHE Cachoeira Caldeirão in which on May 7, 2015, due to rise of Araguari river, Cachoeira Caldeirão conducted a controlled opening of left margin cofferdam to permit river waters to pass. Subsequent to this safety procedure and maneuvers carried out by other plants of the region, the municipality of Ferreira Gomes, downstream the dam, was partially flooded.

In view of this occurrence, on May 18, 2015, Cachoeira Caldeirão entered into a Term for Adjustment of Conduct (TAC), without the presumption of guilt, with the Federal Public Prosecutor's Office of Amapá State for the purpose of indemnifying families and dealers (under emergency circumstances) affected by the flood.

The Public, State and Federal Ministries filed a Writ of Mandamus in order to determine via judicial investigation the cause and those responsible for what happened regarding UHE Ferreira Gomes, UHE Coaracy Nunes, Instituto de Meio Ambiente e Ordenamento Territorial do Amapá - Imap, and Cachoeira Caldeirão.

Complainers allege that they have been impacted by the flood and claim for application of TAC terms, in addition to those previously signed by Cachoeira Caldeirão, that is, indemnity of R\$20 for houses and R\$35 for commercial establishments.

Regarding other lawsuits, Cachoeira Caldeirão filed, which was admitted by Amapá State appeal collegiate court, which suspended part of lawsuits in Special Civil Court until the final decision of the STF (Federal Supreme Court). However, Cachoeira Caldeirão participated in the joint efforts of the Court of Justice of Amapá in March 2019, jointly with the Court of Ferreira Gomes, closing some of the lawsuits in progress. The appeal of Cachoeira Caldeirão was not recognized by the Federal Court of Justice, so that a portion of the suspended claims are now under analysis. Moral damage claims remain suspended.

Cachoeira Caldeirão had called its insurance company to obtain reimbursement for the indemnities and overhead expenses arising from the event, and, on August 13, 2018, the insurance adjustment process was completed, determining as indemnity to Cachoeira Caldeirão, already net of deductible, the amount of R\$28,000.

17.1.2.2 Risk of possible loss

	CEJA				Cachoeira Caldeirão				São Manoel			
	Assets		Judicial deposit		Assets		Judicial deposit		Assets		Judicial deposit	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Labor	1,148	1,037	125	143	19	17			4,741	6,081		
Civil	25,974	23,350			6,054	5,428			1,691	1,782	4	4
Tax	29,750	29,409	71	70	10,695	10,598	10,417		43,108	42,111	2,446	2,422
Total	56,872	53,796	196	213	16,768	16,043	10,417	49,540	49,974	49,974	2,450	2,426

CEJA

Civil

CEJA, along with other agents of the industry, in October 2014, filed a lawsuit pending in 2nd Federal Court in the Federal District, before the Federal Government, to suspend the effects of Resolution 03/13 of the Brazilian Energy Policy Council (CNPE), enacted by the Federal Government, which introduced a sharing between all agents of the energy market of the costs incurred for the additional dispatch of thermal sources (oil, coal and gas) due to the shortage of rain (System Service Charge – ESS).

On November 04, 2014, an injunction was granted to suspend the effects of the provisions established in articles 2 and 3 and in the attachment to CNPE Resolution No. 03/13. The decision considering valid the request by the plaintiff was published on September 05, 2017. Companhia Elétrica do Jari (CEJA) awaits a decision for the appeal filed by the Federal Government. On June 30, 2021, the estimated amount of the lawsuit is R\$ 25,974 (R\$ 23,350 on December 31, 2020) and it is based on the accounting reports of Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE).

Tax

Administrative discussion arising from the Tax Assessment Notice drawn up on June 30, 2020 by the Brazilian Federal Revenue Service, aimed at the collection of a fine for allegedly incorrect information in ancillary obligations (EFD ICMS/PI and EFD Contributions), as well as the collection of PIS and COFINS for the 2016 period, since the peculiarities of the energy sector were not considered for the purposes of calculating said taxes. The lawsuit is currently in the process of preparation of defense. The amount as of June 30, 2021 is R\$ 28,849 (R\$ 28,677 as of December 31, 2020). CEJA made defense and is awaiting decision.

Cachoeira Caldeirão

Tax

Lawsuit filed by Cachoeira Caldeirão against the Federal Revenue Service of Brazil, in which it discusses the non-approval of the requests for the offsetting of withholding tax credits (IRRF – Corporate Income Tax), involving the amount of R\$ 10,567 on June 30, 2021 (R\$ 10,471 on December 31, 2020). Currently, it is awaiting the court's decision.

São Manoel

Civil

São Manoel is party to a Public Civil Lawsuit proposed by the Federal Public Prosecutor's Office (Ministério Público Federal - MPF), on the grounds of alleged irregularities in the environmental permits for the construction of UHE São Manoel, non-compliance with conditions for the indigenous component:

In all lawsuit, the MPF requires injunction for suspension of permits. Due to the complexity of such lawsuit, it is not possible to estimate the economic value involved, because the results of possible permit suspension will vary according to investment value already realized by São Manoel to build the project. Despite strong arguments of the defense, São Manoel and its legal advisors classified the lawsuit as possible risk due to the protective trend in environmental matters. Currently, the lawsuits is awaiting for the judgment of the appeal filed by MPF (Public Prosecutor's Office).

Tax

- Writ of Mandamus filed by São Manoel with the State of Pará, aiming to discuss the constitutionality of the ICMS rate differential that should have been provided for by the Complementary Law, as well as the calculation form established in the State Law 8315/15 on June 30, 2020, taking into account the unfavorable decision in the appellate court, São Manoel included this lawsuit in the group of possible risk of loss the amount involved on June 30, 2021, which is R\$ 25,375 (R\$ 24,935 on December 31, 2020). Currently, lawsuit is in the stage of appeal to the Superior Court.

- Administrative dispute arising from the Tax Assessment Notice drawn up by the State of Pará, aiming at the collection of the rate differential relating to the period between March and August 2016. The amount involved on June 30, 2021 is R\$ 6,939 (R\$ 6,896 on December 31, 2020). São Manoel made administrative defense and is awaiting decision.

17.1.3 Contractual commitments and guarantees

17.1.3.1 Contractual commitments

On June 30, 2021, the jointly-controlled enterprises present contractual commitments not recognized in the financial statements information, which are presented by the total amount.

Contractual commitments mentioned in the chart below reflect agreements and commitments necessary for CEJA and its subsidiary's normal operations, adjusted at respective projected rates and adjusted at present value at the rate of 6.86% in CEJA and 7.00% in Cachoeira Caldeirão and São Manoel, which represents average financing rate for construction of projects.

	CEJA		Cachoeira Caldeirão		São Manoel	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Liabilities with operating leases						118
Liabilities for purchases						
Purchase of energy	8,605	7,508	61,373	62,877	1,743	
Energy connection and transportation charges					64	104
Materials and services	14,481	15,665	16,079	22,650	31,344	28,984
Risk premium - GSF	69,779	65,915				
Interest Falling Due Loans, Financing and Debentures	146,897	149,430	339,882	365,675	1,053,320	1,121,260
	239,762	238,518	417,334	451,202	1,086,471	1,150,466

Contractual commitments referred to in chart below reflect the same contract commitments shown above, however, they are adjusted at respective rates on base date June 30, 2021, that is, with no projection of correction indices and are not adjusted to present value.

	CEJA		Cachoeira Caldeirão		São Manoel	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Liabilities with operating leases						114
Liabilities for purchases						
Purchase of energy	11,924	12,003	84,886	92,091	1,869	
Energy connection and transportation charges					64	106
Materials and services	15,467	17,168	18,840	25,190	32,569	29,983
Risk premium - GSF	241,616	241,616				
Interest Falling Due Loans, Financing and Debentures	164,163	179,451	504,886	462,233	1,624,458	1,489,459
	433,170	450,238	608,612	579,514	1,658,960	1,519,662

17.1.3.2 Guarantees

Guarantees	Type of guarantees	CEJA		Cachoeira Caldeirão		São Manoel	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Loans and financing	(i) Blocked deposit; (ii) Bank guarantee; (iii) Corporate guarantee; (iv) Lien on shares; and (v) Pledge of Rights	520,240	546,850	566,493	576,361	1,584,567	1,607,768
Debentures	(i) Bank guarantee; and (ii) Corporate guarantee;			216,292	214,801	316,373	327,968
Lawsuits	(i) Blocked deposit; (ii) Bank guarantee; and (iii) Guarantee insurance.			2,949	2,819		
Purchase of energy	(i) Blocked deposit; (ii) Bank guarantee; (iii) Corporate guarantee; (iv) Receivables; and (v) Guarantee insurance.			1,196			
Construction performance bond	Insurance bond					823	823
Other	Receivables	2,164	2,160	1,368	1,366		
		522,404	549,010	788,298	795,347	1,901,763	1,936,559

17.2 Associated Company

In 2020, the Company acquired preferred shares of the related company CELESC. In aggregate, 1,753,200 preferred shares were acquired for an average price of R\$ 53.98 each, totaling R\$ 94,644. Thus, the Company started to hold 6,390,720 preferred shares, plus 5,140,868 common shares, totaling 11,531,588 shares, which together represent 29.90% of CELESC's total capital.

CELESC is a mixed publicly-held corporation that has been operating since 1955 in the areas of power generation, transmission and distribution. During this period, it established itself as one of the largest companies in the Brazilian power sector, with national and international recognition for the quality of its services and for its actions in the technical, economic, environmental and social fields. In 2006, pursuant to the model advocated by the national power sector legislation, CELESC was structured as a holding company, with two wholly-owned subsidiaries: CELESC Geração S.A., which has 12 power plants in operation with a generation capacity of 106.97 MW, and CELESC Distribuição S.A., which serves more than 3.1 million customers, in 285 municipalities, besides part of the municipality of Rio Negro, in Paraná. In addition, it has the jointly-controlled subsidiary Companhia de Gás de Santa Catarina S.A. – SCGÁS which operates in the distribution of natural gas.

The information presented below represents 100% of the balances of CELESC, extracted from: (i) interim accounting information on March 31, 2021, disclosed to the market on May 07, 2021; and (iii) financial statements on December 31, 2020, released to the market on March 26, 2021 which, in the Company's opinion, are considered relevant for disclosure. The Company assessed the corporate events disclosed to the market by CELESC between April 1, 2021 and June 30, 2021 and did not identify any material facts to be adjusted in the financial statements used to calculate equity.

17.2.1 Individual and condensed financial statements

Balance sheet

Assets	03/31/2021	12/31/2020	Liabilities	03/31/2021	12/31/2020
Current			Current		
Cash and cash equivalents	36,251	50,421	Dividends and interest on own capital	123,621	123,621
Recoverable taxes	17,308	25,888	Tax obligations	219	18,795
Dividends receivable	131,783	132,047	Other current liabilities	1,943	1,747
Other current assets	45	45		125,783	144,163
	185,387	208,401			
Non-current			Non-current		
Interest earning bank deposits measured at fair value	137,478	137,478	Provisions	4,886	4,928
Other non-current assets	35,647	34,173		4,886	4,928
	173,125	171,651			
Investments	1,951,122	1,748,723	Shareholders' equity	2,183,796	1,984,642
Property, plant and equipment	13	14			
Intangible asset	4,818	4,944			
Total assets	2,314,465	2,133,733	Total liabilities and shareholders' equity	2,314,465	2,133,733

Statement of income

	03/31/2021	03/31/2020
Operating expenses and income	(5,342)	(5,020)
Income (loss) from ownership interest	202,766	149,003
Financial result	208	52
Income tax and social contribution - current and deferred	1,522	
Net result for the period	199,154	144,035

17.2.2 Civil, tax and labor provisions and restricted deposits – current and non-current

17.2.2.1 Risk of probable loss

	03/31/2021		12/31/2020	
	Liabilities	Assets Judicial deposit	Liabilities	Assets Judicial deposit
Labor		4,686		4,686
Civil	140	6,313	182	6,361
Tax	1,263	2,117	1,263	2,117
Regulatory	3,483	8,182	3,483	8,182
Total non-current	4,886	21,298	4,928	21,346

17.2.2.1.1 Tax

These are related to tax contingencies at the federal level, regarding the payment of COFINS (Contribution for Financing Social Security) and Social Welfare Contribution, and at the municipal level, associated with tax notifications issued by the Florianópolis City Government for ISS (Service Tax) requirements.

17.2.2.1.2 Regulatory

Regulatory contingencies are associated with notifications made by ANEEL, ARES or CCEE in punitive administrative proceedings resulting from events that have already occurred, the settlement of which may result in the delivery of funds for contractual or regulatory violations in the electricity sector. The lawsuits in which Celesc D is litigating matters pertaining to the application of the sectorial regulation with other sectorial agents (electric power generation, trading, transmission or distribution concessionaires, as well as institutional agents such as ANEEL, CCEE, ONS, EPE [Energy] and MME [Ministry]), also constitute regulatory contingencies.

18 Concession assets

Consolidated										
	Net value as of December 31, 2020	Transfers to intangible assets	Transfers to indemnifiable financial assets	Additions (Notes 18.1.1 and 30)	Remuneration	Receipt of RAP (Note 18.3)	Acquisition of company (Note 4.4)	Capitalized interest	Construction margin	Net value as of June 30, 2021
Distribution	542,256	(160,339)	(290,479)	485,401				6,382	11,566	594,787
Transmission	4,335,903			367,264	255,327	(31,805)	17,597	180,499	72,319	5,227,707
	4,878,159	(160,339)	(290,479)	852,665	255,327	(31,805)	17,597	186,881	11,566	5,822,494
Current	33,855									137,213
Non-current	4,844,304									5,685,281

(*) The amount presented in the "Other" column refers to the recognition of PIS and COFINS levied on the additions of the concession assets for the transmission subsidiaries.

18.1 Distribution

They are related to a contractual right of the concessionaires of charging users for the power distribution system construction, when respective assets went live and are measured at fair value plus financial charges, when applicable.

In accordance with the provisions of the Accounting Instructions of the Electricity Sector Accounting Manual and in CVM Resolution 672/11, which approves the technical pronouncement CPC 20 (R1), the financial charges relating to the financing obtained from third parties, effectively invested in Concession Assets, are recorded in this subgroup as cost of the respective works. The annual average rate invested in the period to determine the sum of the capitalizable financial charges was 1.7629%, which represents the effective rate of the loan as PRORET rules provided in submodule 2.4 and ANEEL Normative Resolution 648/15.

Upon the completion of the infrastructure construction works, the conclusion of performance obligation is evidenced and required by CPC 47, and these assets are divided as Indemnification assets (Note 18) or as Intangible Assets (Note 21), depending on the type of return.

18.1.1 Additions

The distribution in the investment amounts of distributors are highlighted below:

	EDP Espírito Santo	EDP São Paulo
Installation of metering systems, expansion of lines, substations and distribution networks for the connection of new customers	57%	53%
Network improvement, replacement of equipment and meters, both obsolete and depreciated, as well as the replacement of network conductors at the end of their useful lives	19%	25%
Telecommunications, IT and other activities, such as infrastructure and commercial projects	12%	11%
Loss prevention	12%	11%
	100%	100%

18.2 Transmission

Contractual assets include amounts receivable relating to the infrastructure implementation and income from the return on concession asset services. These assets are measured at the present value of future cash flows, based on the average funding rate of the project in force at the time of formalization of the concession agreement, according to CPC 47.

The financial asset model determines that income from the concession agreement must be recognized according to the criteria of CPC 47. In this sense, the transmission companies recognize income from the construction of the concession infrastructure with a margin proportional to the progress of the work, using the cost method, considering fulfillment of the performance required by the concession agreement.

As a result, the asset has the nature of a "contract asset" until the monthly issue of the RAP (Annual Permitted Revenue) billing permission by the ONS, when the corresponding amount is reclassified to Financial Assets. This is because the transmission companies still have contractual performance obligations to be fulfilled during the concession. In addition to Concession Infrastructure Construction Income, the RAP serves to remunerate the O&M service and settle part of the Interest Income. The formation of the contractual assets of the transmission companies is an accounting estimate, and the assumptions used by the Company are presented in Note 29.

At the end of the concession agreement period, all assets and facilities linked will be incorporated into the Brazilian Federal Government's assets.

18.3 Receipt of RAP

The receipt of RAP refers to the anticipation of works, as mentioned in note 4.7.

19 Indemnifiable financial assets

	Consolidated					Net value as of June 30, 2021
	Net value as of December 31, 2020	Transfer of concession assets	Fair value	Write-offs	Reclassification	
Indemnifiable financial assets	3,486,960	290,479	121,476	(19,839)	(1,686)	3,877,390
Total non-current	3,486,960	290,479	121,476	(19,839)	(1,686)	3,877,390

The subsidiaries EDP São Paulo and EDP Espírito Santo present a balance of non-current asset from the Concession Grantor at the end of concession, as an indemnity for investments made and not recovered in the rendering of services granted, from the bifurcation required by ICPC 01 (R1). These financial assets are valued at their fair value, based on the New Replacement Value - NVR of assets pertaining to the concession, reviewed every four years in the appraisal report on the Regulatory Remuneration Basis - BRR, as established in Concession agreement.

The Replacement Cost New- VNR method determines that each asset must be valued at current prices by all the expenditures required for its replacement with an identical, similar or equivalent asset that provides the same services and has the same capacity as the existing asset. The application of this method occurs through the use of the Reference Price Base, the Company's Price Base or the Referential Budget.

The Reference Price Base represents the average regulatory costs, by group, of smaller components and additional costs, as defined in Appendix V of the Tariff Regulation Procedures - PRORET, submodule 2.3.

The Price Base is defined as the base formed using information from the actual company, and can only be applied to the main equipment or alternatively, to the smaller components and additional costs.

The Referential Budget represents the value of an assets or its individual parts by means of the comparison of market data relating to others with similar characteristics, applied exclusively to Buildings, construction works and improvements.

Indemnifiable financial asset is adjusted: (i) per Amplified Consumer Price Index (IPCA) restatement according to Normative Resolution 686/15; and (ii) per additions and write-off of infrastructure as regulated by ANEEL.

These assets will be reversed to Concession Grantor at the end of concession and effects from measurement at fair value are recognized directly income for the year.

In this sense, assessment is validated under supervision of ANEEL and occurs from inspections in the field of the concession infrastructure, following the methodology and criteria for evaluation of assets considered eligible, of the concessionaires of public service of electricity distribution, in order to restore the efficient level of operating costs and of the regulatory remuneration basis of the concessionaires.

20 Property, plant and equipment

Property, plant and equipment are recorded at cost plus non-recoverable taxes on purchases/construction costs directly attributable to bringing the asset to the location and condition necessary for the operation, less accumulated depreciation and when applicable, accumulated impairment losses. Also part of the cost of property, plant and equipment is interest on loans and financing from third parties, capitalized during the construction phase, deducted from the financial income of third party unallocated funds.

The book value of the replaced goods is written off, and expenditures on repairs and maintenance are fully recorded as a counterparty to the result for the year.



The depreciation calculation basis is the asset's depreciable amount (acquisition cost, less residual value) of the asset. Depreciation is recognized in the income statement on a straight line basis in accordance with the useful life of each addition and removal unit, as this method best reflects the consumption pattern of future economic benefits incorporated into the asset. The depreciation rates used as provided for in table XVI of the Manual of Asset Control in the Electricity Sector (Manual de Controle Patrimonial do Setor Elétrico - MCPSE) were approved by Normative Resolution 674, of August 11, 2015.

The depreciation rate considers the useful life of the asset, however, for assets not indemnifiable by the Concession Grantor at the end of the concession/authorization, the depreciation is recorded considering the remaining period of Concession/Authorization.

At the end of the concession agreement period, all assets and facilities linked to the Hydroelectric Power Plants will be incorporated into the Brazilian Federal Government's assets, and the concessionaires will be refunded for any investments made and not yet amortized, provided that the latter have been authorized by ANEEL and subjected to an ANEEL audit.

20.1 Breakdown of property, plant and equipment

Parent Company								
06/30/2021					12/31/2020			
Note	Average depreciation annual rate %	Historical cost	Accumulated depreciation	Net value	Average depreciation annual rate %	Historical cost	Accumulated depreciation	Net value
Construction in service								
Management								
Construction, civil works and improvements	34.82	2,624	(2,622)	2	63.30	2,624	(2,044)	580
Machinery and equipment	12.70	26,325	(20,191)	6,134	12.59	25,372	(19,349)	6,023
Vehicles	14.29	1,245	(893)	352	14.29	1,245	(853)	392
Furniture and fixtures	6.25	4,104	(2,100)	2,004	6.27	4,104	(1,994)	2,110
Total construction in service		34,298	(25,806)	8,492		33,345	(24,240)	9,105
Assets related to right to use	20.1.2							
Construction, civil works and improvements	15.47	12,377	(4,298)	8,079	26.11	4,755	(3,452)	1,303
Vehicles	100.00	597	(536)	61	50.00	446	(446)	-
Depreciation - Total assets related to right to use		12,974	(4,834)	8,140		5,201	(3,898)	1,303
Construction in progress								
Management		28,300	-	28,300		8,909	-	8,909
Total construction in progress		28,300	-	28,300		8,909	-	8,909
Total property, plant and equipment		75,572	(30,640)	44,932		47,455	(28,138)	19,317
Consolidated								
06/30/2021					12/31/2020			
Note	Average depreciation annual rate %	Historical cost	Accumulated depreciation	Net value	Average depreciation annual rate %	Historical cost	Accumulated depreciation	Net value
Construction in service								
Generation								
Land		183,611	-	183,611		183,611	-	183,611
Reservoirs, dams and water mains	1.80	1,809,977	(599,915)	1,210,062	1.79	1,808,363	(581,531)	1,226,832
Construction, civil works and improvements	2.22	966,128	(329,359)	636,769	2.21	962,317	(317,895)	644,422
Machinery and equipment	3.75	5,679,052	(2,111,363)	3,567,689	3.74	5,656,141	(1,989,587)	3,666,554
Vehicles	14.19	4,990	(3,581)	1,409	14.19	5,126	(3,440)	1,686
Furniture and fixtures	6.08	6,084	(1,850)	4,234	5.71	5,078	(1,625)	3,453
		8,649,842	(3,046,068)	5,603,774		8,620,636	(2,894,078)	5,726,558
Connection Transmission System								
Land								
Construction, civil works and improvements	3.38	2,993	(1,371)	1,622	3.38	2,993	(1,320)	1,673
Machinery and equipment	3.06	201,714	(87,959)	113,755	3.06	201,715	(84,918)	116,797
		204,707	(89,330)	115,377		204,708	(86,238)	118,470
Management								
Construction, civil works and improvements	8.51	16,947	(4,731)	12,216	15.54	14,069	(3,868)	10,201
Machinery and equipment	6.99	169,886	(48,257)	121,629	9.02	121,670	(41,785)	79,885
Vehicles	14.12	9,046	(2,443)	6,603	14.11	3,162	(1,938)	1,224
Furniture and fixtures	6.43	7,937	(3,769)	4,168	6.03	7,741	(3,577)	4,164
		203,816	(59,200)	144,616		146,642	(51,168)	95,474
Activities not linked to concession								
Land		85	-	85		85	-	85
Construction, civil works and improvements	13.51	47,122	(8,520)	38,602	9.02	45,307	(6,312)	38,995
		47,207	(8,520)	38,687		45,392	(6,312)	39,080
Activities linked to concession	20.1.1							
Vehicles	14.29	(5,716)	340	(5,376)		-	-	-
		(5,716)	340	(5,376)		-	-	-
Transmission								
Furniture and fixtures	0.84	9	(2)	7	0.84	67	(60)	7
		9	(2)	7		67	(60)	7
Total construction in service		9,099,865	(3,202,780)	5,897,085		9,017,445	(3,037,856)	5,979,589
Assets related to right to use	20.1.2							
Construction, civil works and improvements	11.12	119,277	(40,558)	78,719	13.90	70,548	(31,633)	38,915
IT equipment	63.16	154	(154)	-	64.32	159	(159)	-
Machinery and equipment	24.37	24,719	(14,583)	10,136	26.95	19,333	(11,028)	8,305
Vehicles	92.52	24,379	(21,289)	3,090	30.55	23,012	(19,088)	3,924
Other	28.95	4,241	(227)	4,014		-	-	-
Depreciation - Total assets related to right to use		172,770	(76,811)	95,959		113,052	(61,908)	51,144
Construction in progress								
Generation		173,024	-	173,024		182,674	-	182,674
Management		101,479	-	101,479		58,416	-	58,416
Total construction in progress		274,503	-	274,503		241,090	-	241,090
Total property, plant and equipment		9,547,138	(3,279,591)	6,267,547		9,371,587	(3,099,764)	6,271,823

20.1.1 Activities linked to concession

It refers to the development of the first Brazilian electric bus entirely powered by solar energy, designed by the automaker BYD in partnership with the Research & Development - R&D area of the subsidiary Porto de Pecém.

20.1.2 Right-of-use assets

They refer to assets from the adoption of CPC 06 (R2) as of January 1, 2019 (Note 15.7). The main assets recognized have the following characteristics:

- **Buildings, civil works and improvements:** They substantially refer to related rent contracts: (i) to the headquarters of the companies belonging to the EDP - Energias do Brasil group; and (ii) the consumer service stores located in the municipalities where the distributors have their concessions.
- **IT equipment:** Refers to the lease contract of notebooks and desktops used by employees, including their maintenance.
- **Machinery and equipment:** Refer substantially to the subsidiary Porto do Pecém and correspond to the rental of machinery for handling and stacking of the coal stored in the yard.
- **Vehicles:** Refer substantially to the rental contract for the fleet vehicles used by employees for transportation in the rendering of services, and also for the executive vehicles used by the top management.

20.2 Changes in property, plant and equipment

Parent Company							
	Net value as of December 31, 2020	Inflows	Depreciation	Transfers to construction in service	Reclassification	Net value as of June 30, 2021	
Construction in service							
Construction, civil works and improvements	580		(578)			2	
Machinery and equipment	6,023		(842)	953		6,134	
Vehicles	392		(40)			352	
Furniture and fixtures	2,110		(106)			2,004	
Total construction in service	9,105	-	(1,566)	953	-	8,492	
Assets related to right to use							
Buildings, civil works and improvements (Note 20.2.1)	1,303	7,622	(846)			8,079	
Vehicles	-	151	(90)			61	
Depreciation - Total assets related to right to use	1,303	7,773	(936)	-	-	8,140	
Construction in progress							
Construction, civil works and improvements	-	17,517				17,517	
Machinery and equipment	8,909	2,034		(953)	793	10,783	
Total construction in progress	8,909	19,551	-	(953)	793	28,300	
Total property, plant and equipment	19,317	27,324	(2,502)	-	793	44,932	

Consolidated									
	Net value as of December 31, 2020	Inflows	Transfers to construction in service and concession assets	Depreciation	Write-offs	Reclassification	Acquisition of companies	Other	Net value as of June 30, 2021
Construction in service									
Land	183,696								183,696
Reservoirs, dams and water mains	1,226,832		1,615	(18,385)					1,210,062
Construction, civil works and improvements	695,291		5,718	(14,580)			2,780		689,209
Machinery and equipment	3,863,236		45,700	(132,525)	(5,259)		31,921		3,803,073
Vehicles (Note 20.1.1)	2,910	5,717	168	(987)				(5,172)	2,636
Furniture and fixtures	7,624	2	1,240	(457)					8,409
Total construction in service	5,979,589	5,719	54,441	(166,934)	(5,259)	-	34,701	(5,172)	5,897,085
Assets related to right to use									
Buildings, civil works and improvements (Note 20.2.1)	38,915	48,730		(8,926)					78,719
Machinery and equipment	8,305	4,403		(3,555)			983		10,136
Vehicles	3,924	1,367		(2,201)					3,090
Other	-						4,014		4,014
Depreciation - Total assets related to right to use	51,144	54,500	-	(14,682)	-	-	4,997	-	95,959
Construction in progress									
Land	24,103	49			(49)	(143)			23,960
Reservoirs, dams and water mains	52		(1,615)			1,615			52
Construction, civil works and improvements	2,490	17,517	(3,903)			4,201	4,198		24,503
Machinery and equipment	154,399	23,045	(45,700)		(184)	(4,248)	32,337		159,649
Advances to suppliers	3,273					1,909	9		5,191
To pay out	1,723	21			(145)		907		2,506
Other	55,050	7,949	(1,408)		(41)	(2,908)			58,642
Total construction in progress	241,090	48,581	(52,626)	-	(419)	426	37,451	-	274,503
Total property, plant and equipment	6,271,823	108,800	1,815	(181,616)	(5,678)	426	77,149	(5,172)	6,267,547

20.2.1 Buildings, civil works and improvements - Right-of-use assets

The inflows in the Parent Company and Consolidated refers mainly to the new headquarters of the Company located in São Paulo.

21 Intangible asset

Intangible assets are measured by the total cost of purchase and or/construction, less amortization expenses and accumulated losses for impairment, when applicable.

Permanent rights of way are recorded at acquisition cost and are not amortized, except for subsidiary Porto do Pecém, which amortizes its permanent rights of way over authorization period.

The project development expenditures are recognized as intangible assets during the development stage, provided that they comply with the requirements defined in CPC 04 (R1).

Amortization is calculated on the asset amount and is recognized in income at the straight-line method in relation to the estimated useful lives of intangible assets, beginning as of the date in which they are available for use, as this method is the one that best reflects the consumption standard of future economic benefits incorporated to the asset.



21.1 Breakdown of intangible asset

Parent Company									
06/30/2021					12/31/2020				
	Average amortization annual rate %	Historical cost	Accumulated amortization	Net value	Average amortization annual rate %	Historical cost	Accumulated amortization	Net value	
Intangible asset in service									
Management									
Software	20.00	34,545	(22,497)	12,048	20.00	31,160	(19,316)	11,844	
Total intangible asset in service		34,545	(22,497)	12,048		31,160	(19,316)	11,844	
Intangible asset under development									
Management		22,763		22,763		24,463		24,463	
Total intangible assets under development		22,763	-	22,763		24,463	-	24,463	
Total intangible asset		57,308	(22,497)	34,811		55,623	(19,316)	36,307	

Consolidated									
06/30/2021					12/31/2020				
Note	Average amortization annual rate %	Historical cost	Accumulated amortization	Net value	Average amortization annual rate %	Historical cost	Accumulated amortization	Net value	
Intangible asset in service									
Distribution									
Concession rights - Infrastructure	21.1.1	4.66	4,755,037	(3,351,524)	1,403,513	4.48	4,664,609	(3,268,851)	1,395,758
Concession right - Other		3.82	38,143	(27,574)	10,569	3.82	38,143	(26,846)	11,297
			4,793,180	(3,379,098)	1,414,082		4,702,752	(3,295,697)	1,407,055
Generation and transmission.									
Software		19.40	2,883	(2,339)	544	20.29	2,475	(2,219)	256
Permanent easement		38.23	1,224	(604)	620	38.23	1,224	(604)	620
Concession right - Environmental permits		23.94	70,425	(47,301)	23,124	23.26	70,059	(41,991)	28,068
Concession right - Use of Public Property - UBP	21.1.2	3.27	229,799	(88,108)	141,691	3.27	229,799	(84,765)	145,034
Concession right - Other	21.1.3	3.21	1,538,787	(584,711)	954,076	2.54	1,515,492	(560,035)	955,457
			1,843,118	(723,063)	1,120,055		1,819,049	(689,814)	1,129,435
Connection Transmission System									
Permanent easement		3.19	1,132	(310)	822	3.19	1,132	(292)	840
			1,132	(310)	822		1,132	(292)	840
Management									
Software		20.45	61,047	(35,741)	25,306	20.46	47,915	(29,506)	18,409
Other		29.63	8,231	(8,231)	-	29.63	6,838	(6,838)	-
			69,278	(35,741)	33,537		54,753	(36,344)	18,409
Total intangible asset in service			6,706,708	(4,138,212)	2,568,496		6,577,686	(4,021,947)	2,555,739
Intangible asset under development									
Generation			17,403		17,403		17,431		17,431
Management			48,373		48,373		54,616		54,616
Total intangible assets under development			65,776	-	65,776		72,047	-	72,047
Activities not linked to concession									
Goodwill in the merger of parent company	21.1.4	4.23	940,511	16,797	957,308	4.49	940,511	(649,203)	291,308
(-) Provision for maintenance of dividends	21.1.4	4.23	(940,511)	(16,797)	(957,308)	4.49	(940,511)	649,203	(291,308)
			-	-	-		-	-	-
Goodwill	21.1.5								
BlueSol			15,912		15,912				-
Inova Soluções de Energia			22,812		22,812				-
EDP Smart Soluções (Note 1.1.1)			31,804		31,804		31,804		31,804
			70,528	-	70,528		31,804	-	31,804
Total intangible asset			6,843,012	(4,138,212)	2,704,800		6,681,537	(4,021,947)	2,659,590

21.1.1 Concession rights - Infrastructure

They refer to the right of distributors EDP São Paulo and EDP Espírito Santo to receive cash from users for services to build the electricity distribution system and the use of infrastructure, derived from bifurcation required by ICPC 01 (R1). They are recorded at their cost plus financial expenses, if applicable.

Amortization is recorded based on estimated useful life of each asset, limited to final concession period. The amortization rates used are those determined by ANEEL, responsible for establishing the useful life of the electric sector's distribution assets, and are provided in the Manual of Asset Control in the Electricity Sector (Manual de Controle Patrimonial do Setor Elétrico - MCPSE).

21.1.2 Concession right - Use of Public Property - UBP

It refers to the right to exploit the hydroelectric plant and transmission system associated with the UHEs and subsidiaries Investco and Enerpeixe. It is recognized at the total value of the consideration of right to Use of Public Property until the end of the concession agreement, recorded in counterparty to liability. Amortization will last until the end of the concession agreement of the subsidiaries.

Consolidated		
	December 31, 2020	Balance at 06/30/2021
Investco	7,774	(324)
Enerpeixe	137,260	(3,019)
	145,034	(3,343)

21.1.3 Concession right - Other

Note	Consolidated		
	06/30/2021		
	Cost	Amortization	Total
Distribution			
EDP São Paulo	38,143	(27,574)	10,569
Transmission			
EDP Transmissão Litoral Sul	63,851		63,851
Generation			
Lajeado	164,826	(104,080)	60,746
Enerpeixe	3,837	(2,057)	1,780
Porto do Pecém	106,855	(23,169)	83,686
Investco	787,263	(449,990)	337,273
Total Generation	1,062,781	(579,296)	483,485
Term extension - GSF			
Enerpeixe	216,841	(2,003)	214,838
Lajeado	98,416	(1,480)	96,936
Energest	96,898	(1,932)	94,966
Total Term Extension - GSF	412,155	(5,415)	406,740
Total	1,576,930	(612,285)	964,645

Refer to the difference between total investment acquisition cost and its fair value less amortization expenses. Amortization is straight, in accordance with concession period.

21.1.3.1 Term extension - GSF

Bill 10.985/18 deals with the reimbursement of non-hydrological risks of the *Generation Scaling Factor* - GSF by extending the concession subject to the withdrawal of injunctions, and was approved in 2019 in Brazil's Chamber of Deputies (lower house of Congress). To take effect, the bill needed to pass the Senate and receive presidential approval. In the Senate, Senate Bill 3975/19 obtained the opinion approved by the Economic Affairs Commission (CAE) and, on August 13, 2020, was resolved and approved in plenary, and sanctioned by the president on September 8, 2020.

On September 9, 2020, Law 14052/20 was published in Federal Official Gazette, which amended Law 13203/15, establishing new conditions for renegotiating the hydrological risk related to the portion of the costs incurred on the GSF, assumed by the holders of the hydroelectric plants that have participating in the Energy Reallocation Mechanism (MRE) since 2012, with the worsening of the water crisis, which created the legal basis for the renegotiation of the GSF in the "ACL" (Unregulated Contracting Environment). The purpose of the legal amendment was to compensate holders of hydroelectric power plants participating in the MRE for non-hydrological risks caused by: (i) generation projects known as structuring, related to the anticipation of the physical guarantee; (ii) restrictions on the start-up of transmission facilities necessary for the flow of the generation of structuring; and (iii) by generation out of the order of merit and import. The extension of the approval is limited to seven years, subject to the withdrawal of any lawsuits or the right to discuss issues relating to the MRE by the eligible agents.

On September 23, 2020, ANEEL made Public Consultation 56/20, to obtain subsidies for the improvement of the proposed regulation of Law 14052/20, with a term of 30 days. The Consultation discussed with the agents the criteria and data of the reimbursement calculations, in addition to contractual and legal aspects, such as the documentation for extension of the grant and amendments to the contracts. On October 16, 2020, the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) — through the aforementioned Public Consultation — submitted a proposal containing an estimate of the amounts of the complete GSF calculation; the Consultation ended on October 23, 2020 after having On December 1, 2020, because of the Public Consultation, ANEEL's Board of Directors approved Normative Resolution 895/2020, ending the regulatory stage. Considering the contributions of several agents (including the Company), the Agency improved the draft initially submitted, including two additional factors that increased the initial estimate: (i) cost of capital incurred by generators in periods not protected by injunctions since the beginning of the retroactive calculation of non-hydrological risks, in 2012; and (ii) delays in the implementation of transmission for the outflow of energy from Belo Monte, notably in relation to delays by the company Abengoa. Since the accepted contributions require improvements in calculation engines of Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), Aneel gave 90 days — starting from the publication of the Resolution — for the CCEE to update and present the reproducibility data and new financial amounts, subsequently followed by the deadlines for publication of the regulatory asset by an agent and request for adherence to the renegotiation. Adherence to the precepts of ANEEL Resolution 895/2020 was approved at the meeting of the Board of Directors held on December 22, 2020.

Once the amounts are known, acceptance of the proposal will imply giving up future legal questioning about the matter by the plants and the withdrawal from participation in the APINE lawsuit, with the respective payment of the amounts currently protected by an injunction.

Based on the information, and considering Law 14.052/20 regulated by ANEEL Normative Resolution 895/2020, although the beginning of payments had not yet been reached in December 2020, the result of the regulation was beneficial to hydroelectric agents, since the right to indemnity for additional damages to the MRE, which had not been considered in the initial proposal, was recognized. Furthermore, the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) has publicly indicated that it will make it possible to pay off debts in installments, thereby speeding up the release of the Short-Term Market ("MCP"), which represents R\$ 8.9 billion. The GSF amounts to be paid will be offset against the credit that already appears in the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) (net position of the agent).

Considering the innovation brought by the renegotiation of hydrological risk and the absence of any Pronouncement, Interpretation or Guidance by the CPC that applies specifically to the topic, Company Management exercised its judgment in the development and application of accounting policy, as provided for in CPC 23 – Accounting Policies, Change Estimates and Error Correction. Compensation to the hydroelectric generators will occur through the extension of the concession period for generation grants, which must be approved by ANEEL and appropriated as an intangible asset in exchange for the recovery of electricity costs. The appropriate amount in Cost Recovery is less than the total GSF cost covered by that law.

The Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) completed the calculation update and sent the new amounts to ANEEL on March 1, 2021. In March, the Agency evaluated the results and scheduled the approval for the Executive Board Meeting on March 30, 2021. However, in assessing requests for reconsideration by some agents in the context of the process, there was an understanding that the reimbursement of non-hydrological risk should also cover plants in the period prior to the renegotiation of the ACR of Law 13203/2015. Thus, to approve a single grant extension (since there are plants that fit into both situations of ACR and ACL), the rapporteur decided to postpone the process so that the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) should reprocess the calculation and publish new values of approval for the subsidiaries Lajeado and Energest. Because all its energy was allocated to the ACL, the decision does not affect the result of the subsidiary Enerpeixe, but only postpones its approval.

During the evaluation period, PM 1031/21 (Eletrobras PM) was processed and approved on February 23, 2021 in the Senate, with an amendment incorporated into the legal text to recognize the reimbursement of non-hydrological risk for the plants in the period prior to the renegotiation of the ACR referring to Law 13203/2015. If there are no changes to the amendment after the presidential sanction, there will be a legal basis for the discussion in ANEEL to be overcome and to proceed with the ratification of the amounts in process by the CCEE, opening a new phase for the plants addressed to proceed with the process of renegotiating the hydrological risk.

The Assets constituted by the renegotiation of the non-hydrological risk were recognized at fair value, considering the best estimate of the Company and observing the aspects and conditions provided for in CPC 04 – Intangible Assets as well as the essence of the exploration right received from the Concession Grantor, plus the amounts of compensation calculated by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). The amount was transformed by ANEEL into an extension of the concession period, which will be amortized using the straight-line method until the end of the concession period, adjusted with the extension from the renegotiation. Therefore, the subsidiaries Enerpeixe, Lajeado and Energest proceeded with the accounting records on December 31, 2020 and March 31, 2021, according to the estimates released by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) and the additions accepted by ANEEL, totaling an estimated increase of 67 months, 13.6 months and 18.1 months, respectively, in the terms of their concessions. This registration was made against operating expenditures.

21.1.4 Goodwill – Merger of Parent Company and Provision for maintenance of dividends

Refers to the spun-off portion of goodwill incorporated in subsidiaries EDP São Paulo, EDP Espírito Santo and Lajeado, deriving from the acquisition of said companies' shares, which was accounted for in accordance with CVM Instruction 319/99 and 349/99 and ICPC 09 and, as determined by ANEEL, is being realized based on the curve of expected future income over the subsidiaries' concession period. Due to said record, a tax credit was recognized (Note 10.2.1.4).

The constitution of the provision for maintenance of dividends is aimed at adjusting the amount of goodwill paid to the expected tax benefit by amortization and, consequently, to adjust the flow of future dividends of the subsidiaries, so that it is not adversely affected by the expense incurred in accounting amortization of the goodwill.

The provision is aimed at reducing the amount of goodwill to its net amount (representing the effective tax benefit), a portion that has an economic substance that allows it to be considered an asset as a counterparty to Goodwill Special Reserve in Shareholders' Equity.

21.1.5 Goodwill

Goodwill is the value exceeding the business combination cost regarding the interest of the acquiring company on the fair value of the acquired company's assets and liabilities, that is, the exceeding amounts is the portion overpaid by the acquiring company due to expected future earnings of the acquired company. In acquisitions in which the Company attributes fair value to non-controlling interests, the determination of goodwill also includes the value of any non-controlling interest in the acquiree, and goodwill is determined considering the Company's and non-controlling interests. The goodwill determined on investment acquired from undefined term should not be amortized, but is subject to impairment test.

21.2 Changes in intangible assets

Parent Company									
	Net value as of December 31, 2020	Inflows	Transfer to intangible asset in service	Amortization	Write-offs	Reclassification	Net value as of June 30, 2021		
Intangible asset in service									
Software	11,844		3,385	(3,181)			12,048		
Total intangible asset in service	11,844	-	3,385	(3,181)	-	-	12,048		
Intangible asset under development									
Other intangible assets under development	24,463	2,865	(3,385)		(387)	(793)	22,763		
Total intangible assets under development	24,463	2,865	(3,385)	-	(387)	(793)	22,763		
Total intangible asset	36,307	2,865	-	(3,181)	(387)	(793)	34,811		
Consolidated									
	Net value as of December 31, 2020	Inflows	Transfer to intangible asset in service	Transfers of concession assets	Amortization	Write-offs	Reclassification	Transfer of investments	Net value as of June 30, 2021
Intangible asset in service									
Software	18,665		13,664		(6,579)			100	25,850
Permanent easement	1,460				(18)				1,442
Concession right - Environmental permits	28,068		366		(5,310)				23,124
Concession rights - Infrastructure	1,395,758			160,339	(137,627)	(16,643)	1,686		1,403,513
Concession right - Use of Public Property	145,034				(3,343)				141,691
Concession right – Other (Note 21.1.3.1)	966,754	23,296			(25,405)				964,645
Other intangible assets in service		8,231							8,231
Total intangible asset in service	2,555,739	31,527	14,030	160,339	(178,282)	(16,643)	1,686	100	2,568,496
Intangible asset under development									
Other intangible assets under development	72,047	8,344	(14,030)			(387)	(426)	228	65,776
Total intangible assets under development	72,047	8,344	(14,030)	-	-	(387)	(426)	228	65,776
Goodwill	31,804	38,724							70,528
Total intangible asset	2,659,590	78,595	-	160,339	(178,282)	(17,030)	1,260	328	2,704,800

22 Suppliers

	Note	Parent Company		Consolidated	
		Current		Current	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Electricity supply (i)	22.1			642,406	944,150
Free Energy				37,489	32,573
Electricity network utilization charges				154,465	152,822
CCEE Operations	22.2			110,477	551,457
Materials and services		17,050	24,792	615,140	570,444
Total		17,050	24,792	1,559,977	2,251,446

(i) The total amount of energy purchase guarantees is R\$ 114,815 as of June 30, 2021 (R\$ 206,049 as of December 31, 2020) in the Parent Company and R\$ 299,308 (R\$ 351,109 as of December 31, 2020) in the Consolidated.

They are initially recognized at fair value plus any attributable transaction costs. After their initial recognition, are measured at amortized cost using the effective interest rate method, when applicable.

22.1 Electricity supply

The change in the period is mainly explained by the reduction in the volume traded in sales contracts, as mentioned in note 7.6.

22.2 CCEE Operations

The balance refers to the transactions of sold energy and charges in the in the sphere of Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). The change of R\$ 440,980 refers mainly to the settlement of debts related to the injunction in the CCEE Enerpeixe, through Brazilian Association for Independent Electricity Producers (Associação Brasileira dos Produtores Independentes de Energia Elétrica - APINE), proposed, on June 18, 2015, a lawsuit intended to prevent and repair damages that Enerpeixe, since January 2014, is suffering as a result of Union actions that changed objective, factual and legal conditions related to decisions made regarding investment in hydropower generation and frustrated the generation of hydroelectric power plants.



On July 1, 2015, an injunction preventing application of MRE (power reallocation mechanism) adjustment by ANEEL was granted, in case total MRE generation is lower than physical guarantee given to the group of companies represented by APINE until said lawsuit is finally decided.

This decision stopped damages suffered as a result of current GSF values, values that reflect, from the beginning of 2014, the circumstance that hydropower generation was reduced by several Union actions, both structural and conjunctural.

The injunction filed by APINE which, through an appeal, managed to reinstate the injunction, had been revoked by February 7, 2018. On October 22, 2018 the decision of the Chief Justice of the STJ was issued, in the records of the Action for Overturning the Injunction and Decision filed by ANEEL, determining the partial overturn of the injunction of APINE, under the terms of the issued decision on ordinary lawsuit, related to the GSF.

Due to this, the period from July 2015 to February 2018 remains protected. Thus, the amounts resulting from the application of the GSF have been settled by Enerpeixe since the period of March 2018.

One of the premises for adhering to the conditions for reimbursement of the non-hydrological risk of the GSF, established in Law 14052/20 (Note 21.1.3.1) provides for a waiver of the right of judicial discussion of the GSF and withdrawal of lawsuits that include the aforementioned injunction. Accordingly, Enerpeixe understands that the regulatory procedures for the approval of the extension of the concession and, consequently, for the settlement of the balance currently protected by an injunction.

On April 23, 2021, Enerpeixe had cash available for the settlement of debts related to the injunction at Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) and, for that reason, after receiving authorization for full advance payment by CCEE, made the contribution in a linked account of said Chamber, for effective payment of the amount of R\$ 417,897, which occurred on May 10, 2021, the date of settlement of the debts of the CCEE related to March 2021.

23 Debentures
23.1 Breakdown of balance of debentures

												Parent Company									
												06/30/2021			12/31/2020						
												Charges		Principal	Charges		Principal				
Fiduciary Agent	Company	Type of issue	Quantity of securities	Unit value	Total amount	Issue date	Agreement term	Purpose	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Non-current	Current	Non-current	Total
Domestic currency																					
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP - Energias do Brasil	CVM Instruction 400/03	179,887	1	179,887	2nd series of 4th issue as at September 15, 2015	09/15/2015–09/15/2021	Intended for investments in Company's projects	IPCA + 8.3201% p.a. up to 03/14/2016 IPCA + 8.8201% p.a. as from March 15, 2016 (ii)	Annual amortizations beginning as of September 2019 and interest (six-month period)		2,681		78,224		80,905	2,413		83,800	86,213	
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP - Energias do Brasil	CVM Instruction 400/03	48,066	1	48,066	3rd series of 4th issue as at September 15, 2015	09/15/2015–09/15/2024	Intended for investments in Company's projects	IPCA + 8.2608% p.a. up to 03/14/2016 IPCA + 8.7608% p.a. as from March 15, 2016 (ii)	Annual amortizations beginning as of September 2022 and interest (six-month period)		1,794		60,422	62,216	1,581			50,023	51,604	
(-) Issue costs	EDP - Energias do Brasil				(16,347)		09/15/2015–09/15/2024			Monthly amortization				(48)	(247)	(295)			(159)	(303)	(462)
Planner Trustee Distribuidora de Títulos e Valores Mobiliários Ltda.	EDP - Energias do Brasil	CVM Instruction 476/09	25,000	10	250,000	5th issue as at March 22, 2016	03/22/2016–04/15/2022	Intended for investments in Company's projects	IPCA + 8.3479% p.a.	Annual amortizations beginning as of April 2021 and interest (six-month period)		3,987		157,432	161,419	6,465			145,160	154,579	306,204
(-) Issue costs	EDP - Energias do Brasil				(7,097)		03/22/2016–04/15/2022			Monthly amortization				(519)	(519)				(837)	(192)	(1,029)
Total												8,462	-	235,089	60,175	303,726	10,459	-	227,964	204,107	442,530
Consolidated																					
												06/30/2021			12/31/2020						
												Charges		Principal	Charges		Principal				
												Current	Non-current	Current	Non-current	Total	Current	Non-current	Current	Non-current	Total
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	19,000	10	190,000	5th issue as at April 7, 2017	04/07/2017–04/07/2022	Refinance and extend the average term of the debt and working capital.	108.75% CDI p.a.	Six-month period principal as from April 2020 and interest (six-month period)		611		76,000	76,611	540		76,000	38,000	114,540	
(-) Issue costs	EDP Espírito Santo				(1,301)		04/07/2017–04/07/2022			Monthly amortization				(68)	(68)			(133)	(17)	(150)	
Planner Trustee Distribuidora de Títulos e Valores Mobiliários Ltda.	EDP Espírito Santo	CVM Instruction 476/09	22,000	10	220,000	6th issue as at December 20, 2017	12/20/2017–01/20/2021	Refinance and extend the average term of the debt and working capital.	107.50% CDI p.a.	Annual principal starting January 2020 and interest (six-month period).					-	1,027		110,000		111,027	
(-) Issue costs	EDP Espírito Santo				(1,289)		12/20/2017–01/20/2021			Monthly amortization					-			(14)		(14)	
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	190,000	1	190,000	7th issue as at August 15, 2018	08/15/2018–07/15/2025	Expansion, renewal and improvement of the electric power distribution infrastructure	IPCA + 5.91%	Annual principal starting August 2023 and interest (six-month period)		5,250		215,507	220,757	5,153			206,350	211,503	
(-) Issue costs	EDP Espírito Santo				(2,941)		08/15/2018–07/15/2025			Monthly amortization				(1,549)	(1,549)				(1,793)	(1,793)	
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	300,000	1	300,000	8th issue as at March 30, 2019	04/09/2019–03/30/2024	Refinance and extend the average term of the debt and working capital	106.90% CDI p.a.	Principal in single installment on maturity date and six-month period interest		2,542		300,000	302,542	1,516			300,000	301,516	
(-) Issue costs	EDP Espírito Santo									Monthly amortization				(589)	(589)				(694)	(694)	
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	150,000	1	150,000	9th issue as at April 7, 2020	04/09/2020–04/07/2021	Working capital	CDI + 3.00% p.a.	Principal and interest with single installment at the end of contract					-	5,194		150,000		155,194	
(-) Issue costs	EDP Espírito Santo									Monthly amortization					-			(354)		(354)	
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	500,000	1	500,000	10th issue as at February 12, 2021	02/12/2021–07/15/2025	Expansion, renewal and improvement of the electric power distribution infrastructure	IPCA + 3.26%	Principal in single installment on maturity date and six-month period interest		5,855		500,000	505,855					-	
(-) Issue costs	EDP Espírito Santo				(9,559)		12/02/2021–15/07/2025			Monthly amortization				(7,652)	(7,652)					-	
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	15,000	10	150,000	7th issue as at April 4, 2017	04/07/2017–04/07/2022	Refinance and extend the average term of the debt and working capital.	108.75% CDI p.a.	Six-month period principal as from April 2020 and interest (six-month period)		483		60,293	60,776	425		60,293	30,000	90,718	
(-) Issue costs	EDP São Paulo				(1,052)		04/07/2017–04/07/2022			Monthly amortization				(55)	(55)			(107)	(14)	(121)	
Planner Trustee Distribuidora de Títulos e Valores Mobiliários Ltda.	EDP São Paulo	CVM Instruction 476/09	20,000	10	200,000	8th issue as at December 20, 2017	12/20/2017–01/20/2021	Refinance and extend the average term of the debt and working capital.	107.50% CDI p.a.	Annual principal starting January 2020 and interest (six-month period).					-	933		100,000		100,933	
(-) Issue costs	EDP São Paulo				(1,183)		12/20/2017–01/20/2021			Monthly amortization					-			(13)		(13)	

Notes to the financial information
Period ended June 30, 2021
(In thousands of reais, unless otherwise indicated)



Fiduciary Agent	Company	Type of issue	Quantity of securities	Unit value	Total amount	Issue date	Agreement term	Purpose	Debt cost	Payment method	Guarantees	Consolidated									
												06/30/2021					12/31/2020				
												Charges		Principal		Total	Charges		Principal		Total
												Current	Non-current	Current	Non-current		Current	Non-current	Current	Non-current	
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	260,000	1	260,000	9th issue as at August 15, 2018	08/15/2018–09/15/2025	Expansion, renewal and improvement of the electric power distribution infrastructure	IPCA + 5.91%	Annual principal starting August 2023 and interest (six-month period)		17,366			284,429	301,795	17,233			271,900	289,133
(-) Issue costs	EDP São Paulo				(3,948)		08/15/2018–09/15/2025			Monthly amortization					(2,079)	(2,079)				(2,407)	(2,407)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	200,000	1	200,000	10th issue as at March 30, 2019	04/09/2019–03/30/2024	Refinance and extend the average term of the debt and working capital	106.60% CDI p.a.	Principal in single installment on maturity date and six-month period interest		1,691			200,000	201,691	1,008			200,000	201,008
(-) Issue costs	EDP São Paulo									Monthly amortization					(472)	(472)				(557)	(557)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	700,000	1	700,000	11st issue as at February 12, 2021	02/12/2021–01/15/2026	Expansion, renewal and improvement of the electric power distribution infrastructure	IPCA + 3.91%	Annual principal starting January 2025 and interest (six-month period)		9,978			700,000	709,978					-
(-) Issue costs	EDP São Paulo				(4,001)		02/12/2021–01/15/2026			Monthly amortization					(2,552)	(2,552)					-
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP - Energias do Brasil	CVM Instruction 400/03	179,887	1	179,887	2nd series of 4th issue as at September 15, 2015	09/15/2015–09/15/2021	Intended for investments in Company's projects	IPCA + 8.3201% p.a. up to 03/14/2016 IPCA + 8.8201% p.a. as from March 15, 2016 (ii)	Annual amortizations beginning as of September 2019 and interest (six-month period)		2,681		78,224		80,905	2,413		83,800		86,213
Pentágono S.A. Distribuidora	EDP - Energias do Brasil	CVM Instruction 400/03	48,066	1	48,066	3rd series of 4th issue as at September 15, 2015	09/15/2015–09/15/2024	Intended for investments in Company's projects	IPCA + 8.2608% p.a. up to 03/14/2016 IPCA + 8.7608% p.a. as from March 15, 2016 (ii)	Annual amortizations beginning as of September 2022 and interest (six-month period)		1,794			60,422	62,216	1,581		50,023		51,604
(-) Issue costs	EDP - Energias do Brasil				(16,347)		09/15/2015–09/15/2024			Monthly amortization				(48)	(247)	(295)			(159)	(303)	(462)
Planner Trustee Distribuidora	EDP - Energias do Brasil	CVM Instruction 476/09	25,000	10	250,000	5th issue as at March 22, 2016	03/22/2016–04/15/2022	Intended for investments in Company's projects	IPCA + 8.3479% p.a.	Annual amortizations beginning as of April 2021 and interest (six-month period)		3,987		157,432		161,419	6,465		145,160	154,579	306,204
(-) Issue costs	EDP - Energias do Brasil				(7,097)		03/22/2016–04/15/2022			Monthly amortization				(519)		(519)			(837)	(192)	(1,029)
Oliveira Trust Distribuidora de Títulos e Valores Mobiliários	Lajeado Energia	CVM Instruction 476/09	200,000	1	200,000	2nd series of 2nd issue as at 12/08/2017	12/08/2017–12/08/2022	Re-adjustment of the capital structure, with capital decrease.	113.70% CDI p.a.	Annual principal starting December 2021 and interest (six-month period)		548		100,000	100,000	200,548	271		100,000	100,000	200,271
(-) Issue costs	Lajeado Energia				(1,635)		12/08/2017–12/08/2022			Monthly amortization				(119)	(36)	(155)			(160)	(78)	(238)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.	Lajeado Energia	CVM Instruction 476/09	100,000	1	100,000	3rd issue as at November 14, 2018	11/14/2018–10/20/2022	Working Capital for Debt Refinancing	109.25% CDI p.a.	Annual principal starting October/2021 and interest (six-month period)		706		50,000	50,000	100,706	410		50,000	50,000	100,410
(-) Issue costs	Lajeado Energia				(351)		11/14/2018–10/20/2022			Monthly amortization				(67)	(16)	(83)			(92)	(41)	(133)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	Lajeado Energia	CVM Instruction 476/09	150,000	1	150,000	5th issue as at June 21, 2021	06/21/2021–06/17/2024	Working Capital for Debt Refinancing	CDI + 1.05% p.a.	Principal in single installment on maturity date and six-month period interest		213			150,000	150,213					-
(-) Issue costs	Lajeado Energia				(608)		06/21/2021–06/17/2024			Monthly amortization					(592)	(592)					-
Planner Trustee Distribuidora de Títulos e Valores Mobiliários Ltda.	Enepeixe	CVM Instruction 476/09	32,000	10	320,000	2nd issue as at November 20, 2017	11/20/2017–12/20/2022	Re-leveraging and capital decrease	116% CDI p.a.	Six-month principal starting June 2020 and interest (six-month period)	Fiduciary assignment of credit receivables from energy agreements	217		106,624	53,440	160,281	129		106,624	106,752	213,505
(-) Issue costs	Enepeixe				(2,048)		11/20/2017–12/20/2022			Monthly amortization				(216)	(42)	(258)			(304)	(127)	(431)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.	Enepeixe	CVM Instruction 476/09	255,000	1	255,000	3rd issue as at November 23, 2018	11/23/2018–11/23/2023	Debt extension.	112.48% CDI p.a.	Principal in single parcel in November/2023 and interest (six-month period)		1,074			255,000	256,074	582			255,000	255,582
(-) Issue costs	Enepeixe				(510)		11/23/2018–11/23/2023			Monthly amortization					(250)	(250)				(301)	(301)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.	Enepeixe	CVM Instruction 476/09	275,000	1	275,000	4th issue as at March 30, 2021	03/30/2021–03/20/2026	Working capital	CDI + 1.75% p.a.	Annual principal starting March 2025 and interest (six-month period)		3,392			275,000	278,392					-
(-) Issue costs	Enepeixe						03/30/2021–03/20/2026			Monthly amortization					(1,005)	(1,005)					-

Notes to the financial information
Period ended June 30, 2021
(In thousands of reais, unless otherwise indicated)



Fiduciary Agent	Company	Type of issue	Quantity of securities	Unit value	Total amount	Issue date	Agreement term	Purpose	Debt cost	Payment method	Guarantees	Consolidated									
												06/30/2021					12/31/2020				
												Charges		Principal		Total	Charges		Principal		Total
												Current	Non-current	Current	Non-current		Current	Non-current	Current	Non-current	
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.	Porto do Pacém	CVM Instruction 476/09	33,000	10	330,000	1st issue as at November 14, 2016	11/14/2016–11/14/2021	Early Settlement of IDB (Inter-American Development Bank) financing	CDI + 2.95% p.a.	Annual principal starting November 2020 and interest (six-month period)	Corporate guarantee of EDP - Energias do Brasil	1,363		165,000		166,363	1,010		165,000		166,010
(-) Issue costs	Porto do Pacém				(3,484)		11/14/2016–11/14/2021			Monthly amortization				(150)		(150)			(345)		(345)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Transmissão	CVM Instruction 476/09	115,000	1	115,000	1st issue as at May 15, 2018	05/15/2018–05/15/2033	Implementation of the transmission line and substation project of lot 24 of auction 13/2015-ANEEL	IPCA + 7.0267% p.a.	Principal and interest (six-month period) as at May 2021	a. Corporate guarantee of EDP - Energias do Brasil; b. conditional sale of shares.	1,146		35,860	91,201	128,207	24,527		25,978	101,434	151,939
(-) Issue costs	EDP Transmissão				(7,774)		05/15/2018–05/15/2033			Monthly amortization				(786)	(4,393)	(5,179)			(822)	(4,773)	(5,595)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.	EDP Transmissão Aliança	CVM Instruction 476/09	1,200,000	1	1,200,000	1st issue as at October 15, 2018	10/15/2018–10/15/2028	Implementation of the transmission line and substation project of lot 21 of auction 05/2016-ANEEL	IPCA + 6.7200% p.a.	Six-month principal starting April/2023 and interest (six-month period)	a. Corporate Guarantees of EDP - Energias do Brasil and Celisc proportional to their equity interest; b. Blocked deposits.	21,255			1,354,235	1,375,490	20,818			1,296,750	1,317,568
(-) Issue costs	EDP Transmissão Aliança				(56,660)		10/15/2018–10/15/2028			Monthly amortization					(38,256)	(38,256)				(41,681)	(41,681)
Pentágono S.A. Distribuidor	EDP Transmissão SP-MG	CVM Instruction 476/09	800,000	1	800,000	2nd issue as at 07/15/2019	07/15/2019–07/15/2039	Implementation of the transmission line and substation project of lot 18 of auction 05/2016-ANEEL	IPCA + 4.45% p.a.	Six-month principal starting July 2022 and interest (six-month period)	a. Corporate guarantee of EDP - Energias do Brasil		79,888		877,758	957,646		57,396		840,404	897,800
(-) Issue costs	EDP Transmissão SP-MG				(56,278)		07/15/2019–07/15/2039			Monthly amortization					(47,989)	(47,989)				(50,159)	(50,159)
Total domestic currency												82,152	79,888	827,405	5,359,273	6,348,718	91,235	57,396	1,169,515	3,898,055	5,216,201
Derivatives																					
Harvest	EDP São Paulo	CVM Instruction 476/09	500,000	1	700,000	10th issue as at February 12, 2021	02/12/2021–01/15/2026	2019, 2020 and 2021 Investment Plan	IPCA swap + 3.91% p.a. for CDI + 1.50% p.a.	Annual principal starting January 2025 and interest (six-month period)					6,786	6,786					-
Itaú	EDP Espírito Santo	CVM Instruction 476/09	700,000	1	500,000	11st issue as at February 12, 2021	02/12/2021–07/15/2025	2019, 2020 and 2021 Investment Plan	IPCA swap + 3.26% p.a. for CDI + 1.15% p.a.	Principal in single installment on maturity date and six-month period interest					4,634	4,634					-
Total derivatives												-	-	-	11,420	11,420	-	-	-	-	-
Grand total												82,152	79,888	827,405	5,370,693	6,360,138	91,235	57,396	1,169,515	3,898,055	5,216,201

(i) According to clause 4.2.3.2. of the indenture, which provides for an increase of 0.3% in the annual rate in the event of downgrade by at least two notches in the rating of the issuer before the issuing date. On February 25, 2016 the rating of EDP Espírito Santo was downgraded by Moody's from "Aa1.br" in the local scale and "Baa3" in the global scale to "Aa2.br" in the local scale and "Ba2" in the global scale.

(ii) According to clause 9.1. of the indenture, which provides for an increase of 0.5% in the annual spread in the event of a downgrade by at least two notches in the rating of the issuer before the issuing date. On February 25, 2016 the Company's rating was downgraded by Moody's from "Aa3.br" in the local scale and "Baa2" in the global scale to "A2.br" in the local scale and "Ba3" in the global scale.

Debentures are stated at the net value of transaction costs incurred and subsequently measured at the amortized cost using the effective interest rate method.

The total amount referring to the guarantees of the debentures mentioned above on June 30, 2021 in the Company is R\$ 2,490,157 (R\$ 2,401,560 on December 31, 2020) and R\$ 2,787,987 in the consolidated (R\$ 2,746,822 on December 31, 2020).



23.2 Changes in debentures

Parent Company								
	Net value as of December 31, 2020	Payments	Accrued interest	Transfers	Amortization of transaction cost	Inflation adjustment and exchange-	Net value as of June 30, 2021	
Current								
Principal	228,960	(154,019)		146,627		14,088	235,656	
Interest	10,459	(17,910)	15,913				8,462	
Transaction cost	(996)			(248)	677		(567)	
	238,423	(171,929)	15,913	146,379	677	14,088	243,551	
Non-current								
Principal	204,602			(146,627)		2,447	60,422	
Transaction cost	(495)			248			(247)	
	204,107	-	-	(146,379)	-	2,447	60,175	
Consolidated								
	Net value as of December 31, 2020	Inflows	Payments	Accrued interest	Transfers	Amortization of transaction cost	Inflation adjustment and exchange-rate change	Net value as of June 30, 2021
Current								
Principal	1,172,855		(641,256)		278,172		19,662	829,433
Interest	91,235		(135,290)	126,207				82,152
Transaction cost	(3,340)				(6,228)	7,540		(2,028)
	1,260,750	-	(776,546)	126,207	271,944	7,540	19,662	909,557
Non-current								
Principal	4,001,192	1,625,000		2,774	(278,172)		116,198	5,466,992
Interest	57,396			22,492				79,888
Transaction cost	(103,137)	(12,946)			6,228	2,136		(107,719)
Swap				11,420				11,420
	3,955,451	1,612,054	-	36,686	(271,944)	2,136	116,198	5,450,581

23.3 Maturity of installments

Maturity	Parent Company	Consolidated
Current		
2021	96,935	619,849
2022	146,616	289,708
	243,551	909,557
Non-current		
2022	27,797	535,214
2023	16,265	926,770
2024	16,113	734,835
2025		1,845,324
2026		672,114
2027-2039		736,324
	60,175	5,450,581
Total	303,726	6,360,138

Issues made by the Company and its subsidiaries are not convertible into shares.

The main clauses which provide the termination of the contracts are as follows, while all clauses can be consulted in the prospectus or indenture:

On June 30, 2021, the Company and the subsidiaries EDP São Paulo, EDP Espírito Santo, Lajeado, Enerpeixe, EDP Transmissão, EDP Transmissão Aliança, EDP Transmissão SP-MG and Porto do Pecém are in full compliance with all the restrictive clauses of the covenants provided in the debenture issue contract.

EDP - Energias do Brasil

• For both issuances:

(i) Non-compliance by the Issuer with any monetary obligation in the Indenture, not remedied in the period established by the Indenture;

(ii) Failure to comply with any obligation related to the principal and/or yield not resolved within the stipulated period;

(iii) Voluntary bankruptcy request;

(iv) Request for court-ordered reorganization, out-of-court reorganization, voluntary bankruptcy, settlement or wind-up of the Company or Relevant Subsidiaries - EDP São Paulo, EDP Espírito Santo, Enerpeixe, or whose income represents more than 20% of the Company's consolidated income, as well as bankruptcy request not resolved within legal period;

(v) The Issuer's failure to maintain a Consolidated Net Debt in relation to Consolidated EBITDA financial ratio in relation to Consolidated EBITDA no more than 3.5 on the calculation dates, which shall be September 30 and December 31 of each year;

(vi) Protest of trade note against the Issuer and/or its Relevant Subsidiaries, whose individual value, or added value, exceeds R\$75,000, provided that it has not been proven by the Issuer to the Fiduciary Agent, which was refuted in good faith and/or has not been solved within 30 days counted as of subpoena; and

(vii) Arrest, seizure, pledge or any other restriction to assets and/or rights, or early maturity of any pecuniary obligation of the Issuer and/or its Relevant Subsidiaries, with individual or added value higher than R\$75,000, or its equivalent in other currencies.

• Specific for the 4th issue:

(i) Merger, liquidation, wind-up, extinction, spin-off and/or any other form of corporate reorganization (including takeover and/or incorporation of shares) of the Issuer, except if: (a) disclosed by the Issuer through relevant fact or communication to the market up to Issuance Indenture date; (b) due to legal or regulatory determination; (c) previous consent of debentureholders that represent at least 2/3 of outstanding debentures, gathered in an General Debentureholders' Meeting especially convened for that purpose; or (d) not cause change in Issuer's rating to a score lower than: (aa) "AA-" (double A minus) by Standard & Poor's Ratings do Brasil Ltda.; (bb) "Aa3.br" by Moody's; or (cc) "AA-" (double A minus) by Fitch Ratings Brasil Ltda.;

(ii) Notification of payment deriving from final court decision or final arbitration decision against the Issuer and/or its Relevant Subsidiaries, with individual or added value higher than R\$75,000, or its equivalent in other currencies; and

(iii) Sale, assignment, rent or any other form of disposal or promised disposal of total or relevant portion of the Issuer's assets and/or of its Relevant Subsidiaries, whose individual or added value is higher than R\$ 75,000, without previous approval of Debenture holders that represent at least 2/3 of Outstanding Debentures, gathered in an General Debentureholders' Meeting (AGD) especially convened for that purpose, except for disposal of assets or projects, individually considered, provided that the Issuer did not disclose them through relevant fact or communication to the market and that they have current or future individual installed capacity of up to 70MW, in such a way that substantially and adversely affects economic and/or financial condition of the Issuer.

• Specific for the 5th issue:

(i) Merger, liquidation, wind-up, extinction, spin-off and/or any other form of corporate reorganization (including takeover and/or incorporation of shares) of the Issuer, except if: (a) by legal or regulatory determination (except, in this case, the possibility of extinction); (b) prior consent granted from the Debentureholders that represent at least 75% (seventy-five per cent) of Debenture holders attending the General Debentureholders' Meeting (AGD), specially convened for such purpose; or (c) do not provoke the downgrade of the Issue rating by 2 (two) or more notches; and

(ii) Fail by the Issuer of Relevant Subsidiaries to abide by the final and unappealable decision, or any unappealable administrative or arbitrage decision or outcome against the Issuer, which individual or aggregate amount is equal to or in excess of R\$75,000 (seventy-five thousand reais), or its equivalent in other currencies, and provided that, cumulatively, at the discretion of the Debentureholders, it could put at risk the fulfillment of the obligations assumed by the Issuer.

Subsidiaries

EDP São Paulo

(i) EDP São Paulo (7th, 8th, 9th and 10th issues): the Issuer's failure to maintain a Net Debt/Adjusted EBITDA financial ratio¹ of no more than 3.5 on the calculation date, which is on December 31 of each year; and

(ii) EDP São Paulo (11th issue): the Issuer's failure to maintain a Net Debt/Adjusted EBITDA financial ratio(*) of no more than 3.5 on the calculation date, which is on December 31 of each year for 2021, 2022, 2023 and 2024; and not higher than 4.0 on the calculation date, from 2025 to maturity.

EDP Espírito Santo

(iii) EDP Espírito Santo (5th, 6th, 7th, 8th and 9th issues): the Issuer's failure to maintain a Net Debt/EBITDA financial ratio adjusted(*) no more than 3.5 on the calculation date, which shall be December 31 of each year;

(ii) EDP Espírito Santo (5th and 6th issues): early maturity of any pecuniary obligation of the Issuer in local or international market at amount higher than R\$ 75,000;

(iii) EDP Espírito Santo (10th issue): the Issuer's failure to maintain a Adjusted Net Debt²/Adjusted EBITDA financial ratio¹ of no more than 4.0 on the calculation date, which is on December 31 of each year; and

(iv) EDP Espírito Santo (10th issue): Issuer entering into loan contracts in the capacity of lender without previous and express consent of Debentureholders of at least 2/3 of outstanding debentures with any companies at individual or added value higher than R\$ 200,000.

EDP São Paulo and EDP Espírito Santo

(i) EDP São Paulo (8th issue) and EDP Espírito Santo (6th issue): Issuer entering into loan contracts in the capacity of lender without previous and express consent of Debentureholders of at least 2/3 of outstanding debentures with any companies at individual or added value higher than R\$100,000.

Enerpeixe

(i) Enerpeixe (2nd, 3rd and 4th issues): not fulfillment by the Issuer, of the Debt Service Coverage Ratio greater than or equal to 3.5 times, to be annually determined, on December 31 of each year;

(ii) Enerpeixe (4th issue): reduction of the Company's capital stock to an amount less than R\$ 50,000 by 2022, to an amount less than R\$ 30,000 from 2023 and to an amount less than R\$ 10,000 from 2025, except if for absorption of losses or in case of approval by Debenture Holders; and

(iii) Enerpeixe (4th issue): early maturity of any pecuniary obligation of the Issuer in local or international market at amount higher than R\$ 85,000.

Lajeado

(i) Lajeado (2nd, 3rd, 5th issues): the Issuer's failure to maintain a Net Debt in relation to EBITDA financial ratio or EBITDA no more than 3.5 times on the calculation dates, which shall be December 31 of each year; and

(ii) Lajeado (2nd, 3rd, 5th issues): non-compliance with a final (res judicata) conviction in a lawsuit whose individual or aggregate value is greater than R\$ 75,000, without any action having been taken by the Company, in good faith, for court orders to suspend or reverse the effects.

Porto de Pecém

(i) Porto do Pecém (1st issue): non-compliance: (a) by the Issuer, of the Debt Service Coverage Ratio - ICSD greater than or equal to 1.2 times, to be annually determined, on December 31 of each year, as from December 31, 2017; and (b) by the Guarantor (EDP - Energias do Brasil), of the net debt/EBITDA financial ratio lower or equal to 3.5 times.

EDP Transmissão

(i) EDP Transmissão (1st issue): early maturity of any pecuniary liability: (a) of the Issuer, where the individual or aggregate value exceeds R\$10,000; and/or (b) of the Guarantor (EDP - Energias do Brasil), where the individual or aggregate value exceeds R\$75,000; and

(ii) EDP Transmissão (1st issue): non-maintenance: (a) by the Issuer to keep the Adjusted DSCR (debt service coverage ratio) at 1.2 x or higher, calculated annually, with the first calculation appearing in the financial statements of December 31, 2021; (b) by the Guarantor (EDP - Energias do Brasil) of the Net Debt to EBITDA ratio at 3.5x or lower, calculated biannually, with the first calculation appearing in the financial statements of December 31, 2018.

EDP Transmissão Aliança

(i) EDP Transmissão Aliança (1st issue): maintenance of Net Debt to EBITDA ratio below or equal to 3.5 times that of EDP - Energias do Brasil, determined biannually in June and December.

EDP Transmissão SP-MG

(i) EDP Transmissão SP-MG (2nd issue): maintenance of Net Debt to EBITDA ratio below or equal to 3.5 times that of EDP - Energias do Brasil, determined annually in December.

EDP Transmissão Aliança and EDP Transmissão SP-MG

(i) EDP Transmissão Aliança (1st issue) and EDP Transmissão SP-MG (2nd issue): early maturity of any pecuniary liability of the issuer or of the intervening guarantor, where the individual or aggregate amount exceeds R\$75,000, if not remedied within 10 days, or if a protest was filed for error or bad faith, or if it has been cancelled, or had its enforceability suspended by a legal process.

¹ Adjusted EBITDA means "income before financial expenses, taxes, depreciation and amortization adjusted with assets and liabilities of the Account for Compensation of Variation of Values of Parcel "A" Items (CVA), over contracting and neutrality of sectorial charges".

² The adjusted Net Debt does not consider loan operations with related parties in its calculation.

											Parent Company									
											06/30/2021			12/31/2020						
											Charges		Principal	Charges		Principal				
											Current	Non-current	Current	Non-current	Total	Current	Non-current	Current	Non-current	Total
Domestic currency	Company	Contracted amount	Contracting date	Amount released	Agreement term	Purpose	Covenants	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Non-current	Current	Non-current	Total
Energest S.A.	EDP - Energias do Brasil S.A.	400,000	03/07/2020	100,000	07/03/2020-07/02/2024	Loan agreements		100.3% CDI	Principal and interest with single installment at the end of contract			2,216		100,000	102,216		934		100,000	100,934
											-	2,216	-	100,000	102,216	-	934	-	100,000	100,934
											06/30/2021			12/31/2020						
Institution	Company	Contracted amount	Contracting date	Amount released	Agreement term	Purpose	Covenants	Debt cost	Payment method	Guarantees	Charges		Principal		Charges		Principal			
											Current	Non-current	Current	Non-current	Total	Current	Non-current	Current	Non-current	Total
Domestic currency																				
BNDES - FINEM / 14.2.1238.1	EDP São Paulo	296,785	12/28/2014	253,733	12/28/2014-12/16/2024	Investment program for the period 2013-2015	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	TJLP to TJLP + 3.05% p.a., Amplified Consumer Price Index (IPCA) TR (ii) + 3.05% p.a., and Pre of 6.00% p.a.	Monthly principal with interest in the quarterly grace period, after that, monthly, Annual principal and interest (iv)	a. Blocked deposits; b. Corporate guarantee of EDP Energias do Brasil.	270		59,056	29,086	88,412	3,430		58,948	72,602	134,980
(-) Transaction cost	EDP São Paulo		12/28/2014	(1,134)	12/28/2014-12/16/2024								(143)	(16)	(159)			(163)	(81)	(244)
Promissory Notes (5th issue)	EDP São Paulo	300,000	07/19/2019	300,000	07/19/2019-07/17/2024	Refinance and extend the average term of the debt and working capital.	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	106.58% CDI	Principal and interest with single installment at the end of contract			21,154		300,000	321,154		16,857		300,000	316,857
(-) Transaction cost	EDP São Paulo		07/19/2019	(507)	07/19/2019-07/17/2024									(307)	(307)				(357)	(357)
BNDES - FINEM / 17.2.0295.1	EDP São Paulo	399,733	09/05/2017	158,600	09/05/2017-09/15/2025	Investment program for the period 2016-2018	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	TJLP + 2.96% p.a. IPCA + 3.23% p.a.	a)Monthly principal with interest in the quarterly grace period, after that, monthly; b) Annual principal and interest.	a. Fiduciary assignment of at least 130% of the amount of the debt balance; b. Corporate guarantee of EDP Energias do Brasil.	463		49,932	95,117	145,512	4,270		49,111	120,581	173,962
(-) Transaction cost	EDP São Paulo		09/05/2017	(3,498)	09/05/2017-09/15/2025								(445)	(613)	(1,058)			(506)	(826)	(1,332)
Promissory notes (6th Issue)	EDP São Paulo	350,000	04/03/2020	350,000	04/03/2020-03/29/2021	Working capital	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	CDI + 3.00%	Principal and interest with single installment at the end of contract						-	13,771		350,000		363,771
(-) Transaction cost	EDP São Paulo		04/03/2020	(3,971)	04/03/2020-03/29/2021										-			(998)		(998)
Promissory Notes (7th Issue)	EDP São Paulo	120,000	04/08/2020	120,000	04/08/2020-04/03/2021	Working capital	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	CDI + 3.00%	Principal and interest with single installment at the end of contract						-	4,624		120,000		124,624
(-) Transaction cost	EDP São Paulo		04/08/2020	(1,208)	04/08/2020-04/03/2021										-			(373)		(373)
BNDES - FINEM / 14.2.1237.1	EDP Espírito Santo	270,924	12/28/2014	249,593	12/28/2014-12/16/2024	Investment program for the period 2013-2015	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	TJLP to TJLP + 3.05% p.a., Amplified Consumer Price Index (IPCA) TR (ii) + 3.05% p.a., and Pre of 6.00% p.a.	Monthly principal with interest in the quarterly grace period, after that, monthly, Annual principal and interest (iv)	a. Blocked deposits; b. Corporate guarantee of EDP Energias do Brasil	261		56,733	28,460	85,454	3,108		56,864	69,851	129,823
(-) Transaction cost	EDP Espírito Santo		12/28/2014	(1,390)	12/28/2014-12/16/2024				Monthly amortization of transaction cost				(143)	(12)	(155)			(169)	(74)	(243)
Eletrobras LPT - EOCFS 258/09	EDP Espírito Santo	56,737	08/28/2009	20,687	01/30/2012-12/30/2021	Luz para Todos (Light for All) Program		5% p.a. + 1.5% p.a (mgt. fee)	Monthly principal and interest	a. Promissory notes; b. Receivables in guarantee.					-			1,702		1,702
BNDES - FINEM / 17.2.0296.1	EDP Espírito Santo	354,078	05/09/2017	174,093	09/05/2017-09/15/2025	Investment program for the period 2016-2018	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	TJLP + 2.96% p.a. IPCA + 3.23% p.a.	a)Monthly principal with interest in the quarterly grace period, after that, monthly; b) Annual principal and interest.	a. Fiduciary assignment of at least 130% of the amount of the installment due in the subsequent month; b. Corporate guarantee of EDP Energias do Brasil.	509		64,968	93,796	159,273	4,575		64,089	120,738	189,402
(-) Transaction cost	EDP Espírito Santo		09/05/2017	(2,676)	09/05/2017-09/15/2025				Monthly amortization of transaction cost				(341)	(478)	(819)			(388)	(644)	(1,032)
MFUG - Bill of Exchange	EDP Espírito Santo	200,000	02/20/2020	200,000	02/20/2020-02/22/2021	Working capital	Net debt in relation to EBITDA ratio equal or below 3.5, quarterly calculated in March, June, September and December.	CDI + 0.10% p.a.	Principal and interest with single installment at the end of contract	Promissory Note					-	4,522		200,000		204,522
Promissory Notes (1st issue)	EDP Espírito Santo	150,000	04/08/2020	150,000	04/08/2020-04/03/2021	Working Capital	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	CDI + 2.50% p.a.	Principal and interest with single installment at the end of contract						-	5,231		150,000		155,231
(-) Transaction cost	EDP Espírito Santo		04/08/2020	(1,360)	02/20/2020-02/22/2021				Monthly amortization of transaction cost						-			(419)		(419)
MFUG - Bill of Exchange	EDP Espírito Santo	300,000	01/15/2021	300,000	01/15/2021-01/17/2023	Working capital	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	CDI + 1.13% p.a.	Principal in single installment at the end and interest in semi-annual installments	Promissory Note	5,041			300,000	305,041					-

Institution	Company	Contracted amount	Contracting date	Amount released	Agreement term	Purpose	Covenants	Debt cost	Payment method	Guarantees	Consolidated									
											06/30/2021					12/31/2020				
											Charges		Principal		Total	Charges		Principal		Total
											Current	Non-current	Current	Non-current		Current	Non-current			
BNDES	Porto do Pecém	1,410,000	06/10/2009	1,402,000	07/09/2009–06/15/2026	Implementation of thermoelectric power plant Pecém I.	Debt Service Coverage Ratio higher than or equal to 1.20, determined on annual basis in December.	2.77% p.a. above TJLP	Monthly principal and interest	a. Lien on shares; b. Bank guarantee; c. Assignment of rights and contracts; d. Promissory notes; e. Mortgage; and f. Disposal of assets.	1,846		123,106	492,527	617,479	2,146		123,110	554,088	679,344
(-) Transaction cost	Porto do Pecém	(11,286)	06/10/2009	(11,286)	07/09/2009–06/15/2026	-	-						(522)	(940)	(1,462)			(580)	(1,186)	(1,766)
Promissory Notes (1st issue)	Energest	100,000	05/15/2020	100,000	05/15/2020–05/16/2022	Working capital	Net debt in relation to EBITDA ratio (i) equal or below 3.5, annually calculated in December.	CDI + 2.75% p.a.	Principal and interest with single installment at the end of contract		5,771		100,000		105,771	3,068		100,000		103,068
(-) Transaction cost	Energest	(1,780)	05/15/2020		05/15/2020–05/16/2022				Principal and interest with single installment at the end of contract				(796)		(796)				(1,226)	(1,226)
Promissory Notes (1st issue)	Enerpeixe	170,000	04/03/2020	170,000	04/03/2020–03/29/2021	Working capital	Net debt in relation to EBITDA ratio (i) equal or below 3.5, annually calculated in December.	CDI + 3.00% p.a.	Principal and interest with single installment at the end of contract					-	6,689		170,000		176,689	
(-) Transaction cost	Enerpeixe	(1,694)	04/03/2020		04/03/2020–03/29/2021				Principal and interest with single installment at the end of contract					-				(425)		(425)
Cumulative receivable shares (v)	Investco					Redeemable preferred shares A, B and C			Annual dividends and payment of the principal at the end of the concession		1,528	22,237		38,540	62,305	3,289	22,801		36,967	63,057
MFUG - Bill of Exchange	EDP GRID	82,000	08/20/2018	82,000	08/20/2018–08/22/2023	Working capital	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined on quarterly basis in March, June, September and December.	CDI + 0.45% p.a.	Six-month principal starting August 2020 and interest (six-month period)	a. Promissory note and b. EDP - Energias do Brasil co-signature	667		23,429	35,143	59,239	5,437		93,429	46,857	145,723
MFUG - Bill of Exchange	EDP Comercializadora	150,000	07/25/2019	150,000	07/25/2019–07/22/2021	Implementation of the transmission project for Subsidiary EDP Transmissão Litoral Sul	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined on quarterly basis in March, June, September and December.	CDI + 0.44% p.a. up to 07/21/2020 and CDI + 1.88% p.a. up to 07/22/2021	Principal and interest with single installment at the end of contract	a. Promissory note and b. EDP - Energias do Brasil co-signature	5,871		150,000		155,871	2,545		150,000		152,545
MFUG - Bill of Exchange	EDP Comercializadora	200,000	04/05/2021	200,000	04/05/2021–04/05/2022	Implementation of the transmission project for Subsidiary EDP Transmissão Litoral Sul	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	CDI + 0.65% p.a.	Principal and interest with single installment at the end of contract	a. Promissory note and b. EDP - Energias do Brasil co-signature	1,816		200,000		201,816					-
Banco do Nordeste do Brasil	EDP Transmissão MA I	252,056	06/05/2020	177,481	06/05/2020–07/15/2043	Implementation of the transmission line and substation project of lot 07 of auction 05/2016-ANEEL		IPCA + 2.2809% p.a IPCA + 2.7877% p.a.	Monthly principal and interest after February 2023	Bank guarantee		20,261		240,047	260,308	5,699		177,481		183,180
(-) Transaction cost	EDP Transmissão MA I	(500)	06/05/2020											(463)	(463)			(480)		(480)
Banco do Nordeste do Brasil	EDP Transmissão MA II	124,521	12/28/2018	122,843	12/28/2018–01/15/2039	Implementation of the transmission line and substation project of lot 11 of auction 05/2016-ANEEL		IPCA + 2.5707% p.a.	Monthly principal as of February 2022 and quarterly interest during the grace period and monthly as from February 2022	a. Assignment of rights and contracts; b. Bank guarantees; c. Lien on shares; d. Lien of Company's Machinery and Equipment; e. Blocked deposits;	2,700		1,350	123,170	127,220	3,064		122,843		125,907
(-) Transaction cost	EDP Transmissão MA II		12/28/2018											(462)	(462)			(483)		(483)
MFUG - Bill of Exchange	EDP Transmissão SP-MG	100,000	06/08/2020	100,000	06/08/2020–06/08/2021	Implementation of the transmission line and substation project of lot 18 of auction 05/2016-ANEEL	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined on quarterly basis in March, June, September and December.	CDI + 1.85% p.a.	Principal and interest with single installment at the end of contract	Corporate guarantee of EDP Energias do Brasil.					-	2,205		100,000		102,205
MFUG - Bill of Exchange	EDP Transmissão SP-MG	150,000	06/08/2021	150,000	06/08/2021–12/10/2021	Implementation of the transmission line and substation project of lot 18 of auction 05/2016-ANEEL	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	CDI + 0.75% p.a.	Principal and interest with single installment at the end of contract	a. Promissory note and b. EDP - Energias do Brasil co-signature	420		150,000		150,420					-
CCB ITAÚ	Mata Grande Transmissora de Energia	24,500	05/19/2021	24,500	05/19/2021–08/17/2021	Implementation of the transmission line project		CDI + 1.30% p.a.	Principal and interest with single installment at the end of contract	EDP - Energias do Brasil co-signature	138		24,500		24,638					-
Total domestic currency											27,301	63,652	1,000,684	1,772,595	2,864,232	68,906	48,425	1,683,232	1,716,651	3,517,214

Notes to the financial information
Period ended June 30, 2021
(In thousands of reais, unless otherwise indicated)



Institution	Company	Contracted amount	Contracting date	Amount released	Agreement term	Purpose	Covenants	Debt cost	Payment method	Guarantees	Consolidated										
											06/30/2021					12/31/2020					
											Charges		Principal			Charges		Principal		Total	
											Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current			
Foreign currency																					
4131 Scotiabank - SWAP	EDP Transmissão SP-MG	USD 59,093	12/23/2020	USD 59,093	12/23/2020–12/10/2021	Implementation of the transmission line and substation project of lot 18 of auction 05/2016-ANEEL	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined on quarterly basis in March, June, September and December.	USD + 0.95% p.a.	Principal and interest with single installment at the end of contract	Corporate guarantee of EDP Energias do Brasil.	1,473		294,801		296,274	142		305,962		306,104	
4131 Scotiabank - SWAP	EDP GRID	USD 17,985	12/04/2021	USD 17,985	04/12/2021–04/12/2022	Working capital	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	USD + 0.62% p.a.	Principal and interest in single statement in the end	a. Promissory note and b. EDP - Energias do Brasil co-signature	130		89,601		89,731					-	
Total foreign currency											1,603	-	384,402	-	386,005	142	-	305,962	-	306,104	
Derivatives																					
Scotiabank	EDP Transmissão SP-MG	USD 59,093	12/23/2020		12/23/2020–12/10/2021	Hedge against Banco Scotiabank financing		FX swap + 0.95% p.a. for CDI + 0.45% p.a.	In a single installment at the end of contract.		3,141		5,813		8,954	74		(4,701)		(4,627)	
4131 Scotiabank - SWAP	EDP GRID	USD 17,985	04/12/2021	USD 17,985	04/12/2021–04/12/2022	Hedge against Banco Scotiabank financing		FX swap + 0.62% p.a. for CDI + 0.79% p.a.	In a single installment at the end of contract.		793		11,025		11,818					-	
Total derivatives											3,934	-	16,838	-	20,772	74	-	(4,701)	-	(4,627)	
Grand total											32,838	63,662	1,401,924	1,772,595	3,271,009	69,122	48,425	1,984,493	1,716,651	3,818,691	

(*) According to Amendment 1 of the Credit Agreement with MJFG, the following was decided: (i) the extension of maturity to 7/22/2021; and (ii) change in remuneratory interest for CDI + 1.89% p.a. as from July 22, 2020.

(i) Adjusted EBITDA means "income before financial expenses, taxes, depreciation and amortization adjusted with assets and liabilities of the Account for Compensation of Variation of Values of Parcel "A" Items (CVA), over contracting and neutrality of sectorial charges".

(ii) Adjusted EBITDA means "income before financial expenses, taxes, depreciation and amortization adjusted with assets and liabilities of the Account for Compensation of Variation of Values of Parcel "A" Items (CVA), over contracting and neutrality of sectorial charges" and with non-operating captions that impact the cash.

(iii) It will be equivalent to result from straight-line interpolation of internal return rates seen in secondary market of National Treasury Bills B Series (NTN-B), applicable to the medium term for amortization of each installment of Sub-credits B and D.

(iv) Subcredits A, C, and F bear interest and monthly amortizations, and subcredits B and D bear interest and annual amortizations.

(v) Refer to Redeemable preferred shares of "A", "B", and "C" shares, issued by the indirect subsidiary Investco in the original amount of R\$157,335, where, according to the article eight of by-laws, such shareholders are entitled to the right of receiving a cumulative fixed annual dividend of 3% on their respective interest in capital. In addition, according to Article 9 of Investco bylaws, redeemable preferred shares of "A" and "C" classes will be entitled to equalization upon distribution of dividends in case dividends are paid to other classes of shares higher than unit value of fixed annual dividends. Balance on June 30, 2021 of R\$ 97,442 (R\$ 98,591 as of December 31, 2020) contemplates the original amount and interest up to 2033 (end of concession), both of them discounted at present value at the rate of 8.70% p.a., which is equivalent to average funding cost of Investco on the date shares are evaluated. Due to its characteristics, these shares were classified as debt financial instruments as they meet the definition of financial liabilities, since Investco does not have the right to avoid the remittance of cash or other financial asset to another entity, as determined in Item 19 of CPC 39.

Loans and financing are stated at incurred net transaction costs and are subsequently measured at amortized cost under the effective interest rate or fair value method.

Loans in foreign currency, together with swap/hedge contracts are recognized at fair value through profit or loss and mark to market realization.

The total amount related to the guarantees of loans, financing and debt charges mentioned above is R\$ 1,990,793 as of June 30, 2021 (R\$ 1,762,321 as of December 31, 2020), and R\$ 2,440,793 as of June 30, 2019 (R\$ 2,114,023 as of December 31, 2020) in the Consolidated.

24.2 Changes in loans and financing

Non-current	Parent Company									
	Net value as of December 31, 2020	Interest accrued	Net value as of June 30, 2021							
	100,000		100,000							
	934	1,282	2,216							
	100,934	1,282	102,216							
Consolidated										
Current	Net value as of December 31, 2020	Inflows	Payments	Interest accrued	Transfers	Adjustment to present value	Mark-to-Market	Amortization of transaction cost	Inflation adjustment and exchange-rate change	Net value as of June 30, 2021
Principal	1,993,215	374,500	(1,285,172)		321,676		(18)		(16,725)	1,387,476
Interest	69,048		(129,251)	79,635	8,487				985	28,904
Transaction cost	(4,021)				(2,049)			3,680		(2,390)
Swap	(4,627)			7,530			17,869			20,772
	2,053,615	374,500	(1,414,423)	87,165	328,114	-	17,851	3,680	(15,740)	1,434,762
Non-current										
Principal	1,722,008	364,244			(321,676)	2,463	(890)		9,737	1,775,886
Interest	48,425			22,769	(8,487)	1,477	(532)			63,652
Transaction cost	(5,357)				2,049			17		(3,291)
	1,765,076	364,244	-	22,769	(328,114)	3,940	(1,422)	17	9,737	1,836,247

24.3 Maturity of installments

Maturity	Consolidated			
	National	Foreign	Derivatives	Total
Current				
2021	468,930	296,274	8,954	774,158
2022	559,056	90,092	11,456	660,604
	1,027,986	386,366	20,410	1,434,762
Non-current				
2022	139,989			139,989
2023	577,728			577,728
2024	514,708			514,708
2025	170,422			170,422
2026-2030	162,072			162,072
2031-2035	149,753			149,753
2036-2040	95,269			95,269
>2041	26,306			26,306
	1,836,247	-	-	1,836,247
Total	2,864,233	386,366	20,410	3,271,009

25 Post-employment benefits

The Company and certain subsidiaries maintains retirement and pension supplementation plans to employees and former employees and other post-employment benefits, such as medical care, life insurance, Retirement Incentive Aid and other benefits to retirees.

Pursuant to CVM Resolution 695/12, post employment benefit liabilities should be accounted for based on standards contained in CPC 33 (R1). To comply with this requirement, the Company and its subsidiaries EDP São Paulo, EDP Espírito Santo, Energest and Investco contracted independent actuaries to conduct an actuarial appraisal of these benefits using the Projected Unit Credit Method and the last was on June 30, 2021.

The Company and its subsidiaries recognized the defined benefit plan liabilities are recognized if the present value in the financial statement date is higher than the fair value of plan assets. Actuarial gains and losses generated by adjustments and changes to actuarial assumptions of defined benefit plans are directly recognized in Shareholders' equity under Other comprehensive income in the year. Past service costs are fully recognized in the year they occur in income (loss) in the Personnel account and financial result of the benefit is calculated based on the actuarial deficit/surplus based on the current discount rate.

For cases where the plan becomes a surplus and there is a need for recognition of an asset, such recognition is limited to the present value of economic benefits available in the form of future refunds or reductions in the contributions to the plan, pursuant to law and regulation of the plan.

The liabilities of the defined contribution plans are recognized as personnel expenses in the statement of income for the period in which the services are rendered.

	Parent Company		Consolidated			
	Current		Current		Non-current	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
PSAP Bandeirante			7,660	7,660	210,819	226,346
Retirement Incentive Aid - AIA			372	492		
Healthcare and life insurance			37,187	37,067	634,323	624,585
Defined contribution	4	47	73	319		
	4	47	45,292	45,538	845,142	850,931

25.1 Retirement plans

They are administered by EnerPrev, private pension entity sponsored by companies of Grupo EDP - Energias do Brasil and recorded in the National Register of Benefit Plans (Cadastro Nacional dos Planos de Benefícios - CNPB) in the National Superintendency of Private Pension Plans (Superintendência Nacional de Previdência Complementar - PREVIC). It has purpose of managing a set of pension plans in favor of the employees and former employees of the Company and its subsidiaries, and the rights and duties of participants, as provided for in regulation.

25.1.1 Defined benefit plans and variable contribution plans

EDP São Paulo

The plans are structured in the form "Settled, Defined Benefit and Variable Contribution", are not available for new adhesions and have the following characteristics:

(i) PSAP Bandeirante Plan – BSPS Cost Group: This corresponds to the employees' proportional benefits calculated on the basis of time of service up to March 1998, when was in force. Is a defined benefit type which grants Paid-In Benefit, in the form of lifetime income convertible into a pension for plan members registered as at March 31, 1998 in a defined amount proportional to the accumulated years of service up to the said date conditional upon compliance with the regulations. EDP São Paulo bears total responsibility for covering any actuarial shortfalls determined by actuarial of EnerPrev; and

(ii) PSAP Bandeirante Plan – BD and CV Cost Groups:

- BD Cost Group – in force after March 31, 1998: Defined Benefit Plan that grants a lifetime income convertible into a pension proportional to time of service accumulated to March 31, 1998 based on 70% of the monthly average wage over the past 36 months in active employment. In the event of death while the employee is in active service, or disability, the benefits include all of the years of past service (including the accumulated period up to March 31, 1998) and therefore do not include the accumulated period of service after March 31, 1998 alone. The Company and the plan members bear equal responsibility for covering any actuarial shortfalls determined by the actuary of EnerPrev.
- CV Cost Group: Implemented in conjunction with the DB Plan, effective after March 31, 1998, until the time of granting the lifetime income, convertible (or not) into a pension, is a variable contribution plan, not generating any actuarial responsibility on the part of the Company. Only after the act of granting the lifetime income, convertible (or not) into a pension, does the pension plan become a defined benefit one, subjecting the Company to actuarial responsibilities. A member may also choose the financial income option, not generating actuarial responsibility for EDP São Paulo.

EDP São Paulo contributed to these cost groups with the amount of R\$ 597 (R\$ 1,328 in 2020) in the period.

EDP Espírito Santo

- Escelsos I Plan structured as a defined benefit (in force for adhesions up to May 31, 1998): Cost plan is supported by contributions from the sponsor, which correspond to double of members' contributions and limited to 7% of payroll. Grants lifelong income reversible into pension, of up to 100% of actual monthly average salary referring to the last 36 months of activity.

EDP Espírito Santo and Energest

- Escelsos II Plan structured as variable contribution (in force for adhesions up to November 1, 2006): The Funding Plan is sustained paritarily by contributions of the sponsor and of the participant, pursuant to the plan regulation. It is a pension plan that until the time of granting the lifetime income, convertible (or not) into a pension, is a variable contribution plan, not generating any actuarial responsibility on the part of the subsidiaries. Only after the act of granting the lifetime income, convertible (or not) into a pension, if that is the participant's choice, the pension plan may become a Defined Benefit one, subjecting subsidiaries to actuarial responsibilities. A member may also choose financial income option, not generating actuarial responsibility to the subsidiaries.

25.1.1.1 Actuarial evaluation

A series of assumptions may be realized differently from as calculated in actuarial valuation due to factors such as changes in economic or demographic assumptions and changes in the provisions of the plan or in the legislation applicable to pension plans.

The plan liabilities are calculated using a discount rate that is established with a basis on the yield of NTN-B government bonds. Accordingly, if the yield of the plan assets is different from the yield of IPCA - Consumer Price-Index Note (former NTN-B) with a duration similar to benefit's duration, there will be an actuarial gain or loss, increasing or decreasing the actuarial deficit/surplus of these benefits.

The investment practices of the plans are governed by the search for and maintenance of net assets with the necessary yields to honor these liabilities in the short, medium and long term, maintaining a balance between the assets and the commitments of liabilities so as to generate liquidity compatible with the growth and the protection of capital, aiming to ensure the long-term balance between the assets and the needs dictated by future actuarial flows.

PREVIC Resolution 24, which provides on recognition of sub-bases in benefit plans, was published on February 21, 2017. According to said resolution, a sub-base is characterized as a group of participants or assisted people linked to a benefit plan whose rights and obligations are homogeneous with each other but heterogeneous in relation to other participants and assisted people of the same plan.

On September 25, 2018, Enerprev initiated a process with the competent bodies authorities to allow migration option that provides for the possibility given to each Participant and Assisted entity of referred Plan to transact their rights and obligations inherent to it by the rights and obligations of Plan Energias do Brasil and/or Plan Saldado PSAP. Possibility of migration to both Plans results from the fact that the PSAP/Bandeirante Plan has three submasses, as follows: BD, CV and BSPS.

Based on this concept, in relation to EDP São Paulo, the actuarial valuation carried out on June 30, 2021 identified that each costing group of the PSAP Bandeirante plan (BSPS, BD and CV) would represent a submass in the plan, and should in turn be controlled separately, resulting in a surplus position to BD cost sub-base in the amount of R\$ 178, and a restated deficit position for VC and BSPS cost sub-base in the amounts of R\$ 7,908 and R\$ 210,743, respectively, resulting in a restated net deficit of R\$ 218,479.

Considering above proposal, PSAP results reflect migration of its plans (BSPS, BD and CV) to Benefit Plan of Energias do Brasil approved by Previc Ordinance 118 of February 13, 2020 published in the Federal Official Gazette (DOU) of February 19, 2020. Migration of these plans ended on October 30, 2020 and effective migration of funds occurred in early December 2020, having generated for EDP São Paulo a positive early settlement result of R\$ 5,288 on December 31, 2020.

For EDP Espírito Santo and Energest, the review of actuarial appraisal showed, as of June 30, 2021 that in the case of the defined benefits plans, the present value of the actuarial liabilities net of the fair value of the assets and of unrecognized actuarial losses, showed a surplus. However, this surplus has a restriction on its recognition due to actuarial assumptions established in CPC (Brazilian Accounting Pronouncements Committee) 33 (R1).

25.1.1.2 Reconciliation of actuarial assets and liabilities

EDP São Paulo

	Present value of the plan liabilities	Fair value of the plan assets	Asset recognition restrictions	Liabilities
Balances at December 31, 2020	(1,275,297)	1,092,153	(50,862)	(234,006)
Current service cost	1,162			1,162
Interest cost	(41,474)	34,754	(1,962)	(8,682)
Actuarial gains/(losses) recognized in shareholders' equity	(848)	32,013	(15,835)	15,330
Contributions paid by the Company		7,717		7,717
Contributions paid by the employees	(639)	639		-
Benefits paid by the plan	24,537	(24,537)		-
Balances at June 30, 2021	(1,292,559)	1,142,739	(68,659)	(218,479)

Obligations' present value actuarial gain, in the amount of R\$ 15,330, and verified in actuarial valuation carried out on June 30, 2021, was mainly due to the fact that return on plan assets has been significantly lower than actuarial goal, considering inflation effects in the year.

EDP São Paulo's expected contributions in this plan is R\$ 7,549 for the next 12 months.

The balance as of June 30, 2021, net of income tax and social contribution is R\$ 205,873 (actuarial loss of R\$ 215,991 as of December 31, 2020).

EDP Espírito Santo

	Present value of the plan liabilities	Fair value of the plan assets	Asset recognition restrictions	Recognized assets
Balances at December 31, 2020	(184,367)	309,850	(125,483)	-
Current service cost	(51)			(51)
Interest cost	(7,497)	11,929	(4,470)	(38)
Actuarial gains/(losses)	(1,914)	(2,826)	5,034	294
Benefits paid by the plan	11,640	(11,640)		-
Balances at June 30, 2021	(182,189)	307,313	(124,919)	205



Due to the surplus situation of these plans, there are no contributions expected from EDP Espírito Santo for the next 12 months.

Regarding such plans, the balance on June 30, 2021, of actuarial loss, net of Income tax and social contribution is R\$ 1,015 (actuarial loss of R\$ 1,208 on December 31, 2020).

Energest

	Present value of the plan liabilities	Fair value of the plan assets	Asset recognition restrictions	Recognized assets
Balances at December 31, 2020	(48)	530	(482)	
Current service cost	(1)			(1)
Interest cost	(2)	19	(18)	(1)
Actuarial gains/(losses)	(553)	852	(297)	2
Benefits paid by the plan	25	(25)		-
Balances at June 30, 2021	(579)	1,376	(797)	-

Due to the surplus situation of these plans, there are no contributions expected from Energest for the next 12 months.

25.1.1.3 Net expenses

Effects of review of actuarial appraisals recognized in income and other comprehensive income, both as counterparty to caption Post-employment benefits are as follows:

	Note	EDP São Paulo		EDP Espírito Santo		Energest	
		01/01/2021–06/30/2021	01/01/2020–06/30/2020	01/01/2021–06/30/2021	01/01/2020–06/30/2020	01/01/2021–06/30/2021	01/01/2020–06/30/2020
Service cost							
Current service cost		(1,162)	(682)	51	78	1	1
Interest cost	31	41,474	43,915	7,497	8,437	1	
Expected return on assets		(34,754)	(40,970)	(11,929)	(14,219)		
Benefits / contribution paid by the Company		(7,717)	(3,828)				
Change in the recovery of the surplus		1,962	2,868	4,470	5,818		
Components of defined benefit costs recognized in net income/loss		(197)	1,303	89	114	2	1
Remuneration of net value of past defined benefit:							
Return on plan assets (excluding amounts included in net financial expenses)		(32,013)	84,820	2,826	9,850	(852)	
Actuarial (gains) losses arising from experience adjustments		848	18,190	1,053	23,431	553	25
Actuarial (gains) losses arising from changes in financial assumptions			(109,165)	861	(18,015)		(14)
Adjustments to restrictions on the defined benefit assets		15,835	(6,710)	(5,034)	(15,562)	297	(10)
Components of defined benefit costs recognized in other comprehensive income		(15,330)	(12,865)	(294)	(296)	(2)	1
Total		(15,527)	(11,562)	(205)	(182)	-	2

25.1.1.4 Debt confession - EnerPrev and EDP São Paulo

EDP São Paulo has the aim of resolving the actuarial deficit of its BSPS sub-base and reducing the risk of future deficits, has formalized the legal instrument with EnerPrev, from the actuarial deficit calculated according to guidelines of Resolution CGPC 26/2008 and its amendments. The original contract was being settled over 240 months based on a percentage of the payroll, counted from September 1997. On August 22, 2016, EDP São Paulo and EnerPrev signed the second addendum to the instrument of commitment between the companies, highlighting the change in the settlement period (which was expected to end in September 2017) to 143 installments, the first one in September 2016. From December 2016, the debt balance and the monthly installment amount will be determined once a year at the time of Enerprev actuarial evaluation, positioned in December, considering the debt amount and remaining period. The actuarial assumptions used by EDP São Paulo meet the provisions of CPC 33 (R1) while the actuarial assumptions used by EnerPrev meet CGPC Resolution 18/2006 and Previc Instruction 7/2013.

The reconciliation between two actuarial valuation methods is shown below:

	06/30/2021	12/31/2020
Present value of the plan liabilities	(1,134,238)	(1,116,976)
Fair value of the plan assets	984,546	934,128
Surplus	(149,692)	(182,848)
Unrecoverable surplus	(68,787)	(51,158)
Total recorded - BSPS sub-base - CPC 33 (Note 25.1.1.1)	(218,479)	(234,006)
Contract for Debt confession and Mathematical reserve	(67,040)	(61,469)
Adjustment - CGPC Resolution 26/2008		
Difference between assumptions (*)	151,439	172,537

(*) The amount of R\$ 151,439 (R\$ 172,537 on December 31, 2020) is due to the difference in assumptions and methodologies used by EDP São Paulo for purposes of compliance with CVM Resolution 695/12 and those used by EnerPrev (benefit plan administrator) for the purpose of compliance with Resolution 26/08 and its amendments of the National Council of Private Pension and tends to be adjusted over time to plan development.

25.1.2 Defined contribution plans

The Company and other companies of Grupo EDP - Energias do Brasil are sponsors of the Plan Energias do Brasil, administered by EnerPrev, which is available for the adhesion of new participants. In this plan, the participant may contribute the fixed percentage from 1% to 7% of the contribution salary, in which the percentage of the contribution of the sponsors in their favor in the plan will also occur at the same rate, not generating any actuarial liability for the sponsors. Members may also take part with voluntary monthly contributions that are equivalent to a percentage that he/she may freely choose applied to their contribution salaries, or annual contributions in a single value to be chosen by the participant. This type of contribution is made in addition to basic contribution, with no proportional contribution by sponsors.

In the capacity of sponsors of this plan, the Company contributed R\$ 610 (R\$ 540 in 2020) while the subsidiaries contributed R\$ 3,047 in the period (R\$ 2,551 in 2020).

On June 30, 2021, this plan receives adhesion from 132 employees (133 as of December 31, 2020) of the Company and 1,746 (1,763 as of December 31, 2020) from employees of its subsidiaries.

25.2 Retirement incentive aid (AIA), medical care, life insurance and other benefits to retirees: Defined benefit

- Retirement Incentive Aid - AIA (EDP Espírito Santo): Benefit to employees hired up to December 31, 1981, payable on termination of the labor contract, irrespective of the reasons for such severance. The AIA guarantees the payment of a benefit, the amount of which was calculated considering, for each employee, the proportion of the period of contribution to the INSS (Brazilian Social Security Service) up to October 31, 1996, the employee's salary and the INSS benefit as at October 31, 1996;

- Medical care, life insurance and other benefits to retirees (EDP Espírito Santo and Energest - in force to employees hired up to December 31, 1990 and retired in the subsidiaries): Lifetime coverage for medical and dental care, medications, life insurance, and in proven cases, existence of dependents with special needs, corresponding to 50% of the minimum salary of the subsidiaries; and

• Medical care (Investco): Pursuant to Law 9656/98, employees who pay a pre-determined monthly contribution for the medical care plan are entitled to continue as part of a similar plan, in the event of dismissal or retirement, for a determined period of time, in accordance with legislation relating to Medical care plans. Investco's medical care model from April 2005 until December 2011 met this condition.

25.2.1 Actuarial evaluation

A series of assumptions may have their realization different from that calculated in the actuarial valuation due to factors such as changes in the economic or demographic assumptions and changes in the provisions of the plan or of the legislation applicable to these.

Most of the liabilities of the benefits consist of the concession of lifetime benefits to the participants. For this reason, increases in the life expectancy will result in an increase in the plan liabilities. These benefits are sensitive to inflation, and inflation that is higher than foreseen in this valuation will lead to a higher level of liabilities.

On March 1, 2019, the subsidiaries EDP Espírito Santo and Energest started the process of modification of the Defined Benefit Plan, as a result of the change in the operator of the Health Care plan, which uses the operating modality (cataloged by ANS – National Health Agency) of a medical cooperative, instead of the modality of specialized health insurers used by the former operator. The cooperative model has its own network of physicians and medical infrastructure, thus impacting the availability of direct medical specialties, hospitals, exams, and access. The migration was completed on May 1, 2019, and recognition of the impacts of the change – which were categorized as past service cost in the amount of R\$ 134,376 at the subsidiary EDP Espírito Santo and R\$ 2,979 at the subsidiary Energest, were classified in Income (loss) for the current year of 2019.

Such classification and recognition are in accordance with CPC 33 (R1) - Employee Benefits, which requires that upon the occurrence of an event that can be deemed as a reduction, alteration or settlement of the benefit plan, the entity must measure the cost of the past service based on the assessment of the net value of the defined benefit liability, using the fair value of the current actuarial assets and assumptions that reflect the benefits offered in accordance with the plan, and the plan's assets before and after the identification of the events.

In this regard, and in light of the standard, the cost of the past service is the change in the present value of the defined benefit obligation, resulting from the alteration or reduction of the plan (curtailment), and should be recognized in Income in the fiscal year in which it occurs, since they were not admitted or provided for in the previous actuarial assumptions, nor are these services that have already been provided.

The actuarial evaluation carried out as of June 30, 2021 determined a present obligation for defined benefit plans.

25.2.2 Changes in actuarial liabilities

	Present value of the plan liabilities		
	EDP Espírito Santo	Energest	Investco
Balances at December 31, 2020	(647,807)	(12,786)	(1,551)
Current service cost	(1,195)	(14)	(37)
Interest cost	(23,577)	(487)	(60)
Actuarial gains/(losses) recognized in shareholders' equity	(337)	(9)	1
Benefits paid by the Company	15,780	197	
Balances at June 30, 2021	(657,136)	(13,099)	(1,647)

The actuarial loss in the amount of R\$ 337 at EDP Espírito Santo, R\$ 9 at Energest and a gain of R\$ 1 at Investco, calculated in the actuarial valuation carried out on June 30, 2021 was mainly due to changes in actuarial assumptions with medical inflation and projection of medical expenditures.

For these plans, accumulated since the beginning of obligation, the balance on June 30, 2021, of actuarial loss, net of income tax and social contribution in EDP Espírito Santo is R\$ 328,912 (R\$ 328,690 on December 31, 2020), in Energest is R\$ 3,542 (R\$ 3,538 on December 31, 2020) and in Investco, R\$ 145 (R\$ 144 on December 31, 2020).

Expected payment of benefits for 2021 totals R\$ 38,446 in EDP Espírito Santo, R\$ 603 in Energest and R\$ 72 in Investco.

25.2.3 Net expenses

Effects of review of actuarial appraisals recognized in income and other comprehensive income, both as counterparty to caption Post-employment benefits are as follows:

Note	EDP Espírito Santo		Energest		Investco	
	2021	2020	2021	2020	2021	2020
Service cost						
Current service cost	1,195	1,922	14	63	37	41
Interest cost	23,577	27,961	487	543	60	57
Benefits / contribution paid by the Company	(15,780)	(18,687)	(197)	(120)		
Components of defined benefit costs recognized in net income/loss	8,992	11,196	304	486	97	98
Re-measurement of the net value of the defined benefit liability						
Actuarial (gains) losses arising from experience adjustments	337	237	9	2	(1)	(2)
Actuarial (gains) losses arising from changes in financial assumptions		(48,510)		(1,107)		(118)
Components of defined benefit costs recognized in other comprehensive income	337	(48,273)	9	(1,105)	(1)	(120)
Total	9,329	(37,077)	313	(619)	96	(22)

26 Sectorial charges

Obligations payable refer to charges established by the electric sector law, as follows:

Note	Consolidated					
	Balance at December 31, 2020	Additions	Inflation adjustment	Payments	Transfers	Balance at 06/30/2021
Share of Global Reversion Reserve - RGR	350	2,174		(2,174)		350
Research and Development ("R&D") and Energy Efficiency Program ("PEE")	26.1/29 71,687	48,031	1,771	(44,508)	(13,082)	63,899
CDE	26.2/29 -	552,829	21	(553,192)	13,105	12,763
Financial Compensation for the Use of Water Resources - CFURH	29 6,392	15,834		(17,615)		4,611
Tariff charges (ECE/ EAECE)	31,445	3		(5)	(14)	31,429
Other charges	1,377	8,585		(8,545)	14	1,431
Total	111,251	627,456	1,792	(626,039)	23	114,483
Current	111,251					111,329
Non-current						3,154



26.1 Research and Development ("R&D") and Energy Efficiency Program ("PEE")

The amounts of the liabilities to be applied in the R&D and EEP programs recorded by the subsidiaries are determined under the terms of the sectorial legislation of electricity concession agreements. The subsidiaries must apply 1% of the net operating income adjusted in accordance with the criteria defined by ANEEL, recording monthly, on an accrual basis, the liability amount. This liability is updated monthly at SELIC rate change for distributors' investment obligations and at IGP-M for amounts allocated to PROCEL up to the month in which expenses are realized and written off as they are realized. The R&D programs are regulated through ANEEL Normative Resolution 316/08, applied until September 2012, amended by Normative Resolution 504/12, and the EEP programs are regulated through Resolutions 300/08, applied until May 2013, amended by Normative Resolution 556/13.

On September 1, 2020, the Provisional Measure 998 was published in the Federal Official Gazette and deals with allocation of funds available for investment in research and development (R&D) and energy efficiency (EE) in the period from September 1, 2020 to December 31, 2025, and to the sectorial fund of the Energy Development Account (CDE). In view of this, through Technical Note 0496/2020-SPE/ANEEL, it was necessary to begin Public Consultation (scheduled to occur in the first half of 2021) to provide transparency and gather subsidies on changes promoted by PM 998.

Through the contributions received in the scope of Public Consultation 78/20, it is concluded by the regulation of Article 1 of Law 14120 of March 01, 2021 (resulting from the conversion of Provisional Measure 998/20), which under the terms of the Technical Notes 7/2021-SPE-SFF/ANEEL and 9/2021-SPE-SFF/ANEEL, establishes, among others: (i) the assumptions necessary for the definition of projects that should be classified as contracted or started and will be deducted from the balance existing on August 31, 2020; (ii) the definition of the amounts to be collected; (iii) the collection of funds to the CDE; (v) the inspection of the information declared by the companies; and (vi) the amendment of the regulations.

Through Order 904 of March 31, 2021, ANEEL regulated Article 1 of Law 14120/21, which allocates unused R&D and PEE resources, managed by ANEEL to the CDE (Note 4.10.2). The amounts described in said Order were discussed with ANEEL through the letter CT-EDP-ES-029-2021 on March 22, 2021 to the subsidiary EDP Espírito Santo. There was no return from ANEEL on the subject.

The net balance on June 30, 2021 in the amount of R\$ 63,899 (R\$ 71,687 on December 31, 2020), includes the deduction of expenses incurred with services in progress referring to these programs.

26.2 Energy Development Account (Conta de Desenvolvimento Energético - CDE)

The CDE is designed to promote energy development in the national territory, in compliance with the schedule determined by the Ministry of Mines and Energy - MME, and managed by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). The transfer amounts refer to the transfer to said Account, which has been approved by ANEEL (Notes 4.10.2 and 26.1).

27 Provisions

	Note	Parent Company		Consolidated			
		Non-current		Current		Non-current	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Civil, tax, labor and regulatory provisions	27.1	8,692	8,186	13,520	13,545	531,269	510,365
Environmental permits	27.2			95,920	89,370	24,200	31,922
Dismantling	27.3					10,298	9,925
Total		8,692	8,186	109,440	102,915	565,767	552,212

Provisions are recognized in the balance sheets date as a result of a past event, and it is probable that an economic resource will be required to settle the obligation and that can be reliably estimated. Provisions are recorded based on the best estimates of the risks specific to the liability.

27.1 Civil, tax and labor provisions and restricted deposits

The Company and its subsidiaries are parties to lawsuits and administrative proceedings in several courts and with government bodies arising from the normal course of its operations, involving tax, labor, civil and other issues.

The liabilities are measured at management's best estimate for the disbursement that would be required to settle them on the date of the financial statements. They are monetarily restated monthly, using various indices according to the nature of the provision, and are periodically reviewed with the assistance of legal advisors.

27.1.1 Risk of probable loss

The Company's Management, based on information from its legal advisors and the analysis of pending lawsuits, the Administration of the Company and its subsidiaries have constituted provisions considered sufficient to cover losses estimated as probable for ongoing lawsuits, as follows:

Parent company									
Liabilities						Assets			
Balance at December 31, 2020		Write-offs			Inflation adjustment	Judicial deposit			
	Formation	Payments	Reversals			Balance at 06/30/2021	06/30/2021	12/31/2020	
Labor	1,291	68	(434)	(25)	164	1,064	1,093	79	
Civil	6,554	282	(713)		1,169	7,292	2,238	2,206	
Other	341	2	(7)			336			
Total non-current	8,186	352	(1,154)	(25)	1,333	8,692	3,331	2,285	

Consolidated									
Liabilities						Assets			
Balance at December 31, 2020		Write-offs			Inflation adjustment	Acquisition of companies	Judicial deposit		
Note	Formation	Payments	Reversals				Balance at 06/30/2021	06/30/2021	12/31/2020
Labor	27.1.1.1	126,917	18,431	(13,568)	(7,642)	15,255	139,393	61,311	56,070
Civil	27.1.1.2	290,415	16,426	(14,284)	(18,152)	22,960	297,491	124,158	108,203
Tax	27.1.1.3	42,357	460	(1,010)	(44)	788	42,551	628	628
Regulatory	27.1.1.4	11,374		(66)		165	11,473		
Other	27.1.1.5	52,847	1,303	(621)	(486)	838	53,881		
Total		523,910	36,620	(29,549)	(26,324)	40,006	544,789	186,097	164,901
Current		13,545					13,520		
Non-current		510,365					531,269	186,097	164,901

The total amount related to the guarantees of probable provisions in the Company and consolidated is R\$ 82,812 on June 30, 2021 (R\$ 39,779 on December 31, 2020).

27.1.1.1 Labor

EDP - Energias do Brasil, EDP São Paulo, EDP Espírito Santo, Porto do Pecém, Energest and EDP Smart Soluções (formerly EDP Soluções, according to Note 1.1.1)

Refer to several lawsuits disputing, among other issues, overtime payments and hazardous work and salary equalization.

On August 4, 2015, with decision on unconstitutionality claim 479-60.2011.5.04.0231, Full Court of the Superior Labor Court (TST) decided that labor debts should be adjusted for inflation based on Special Extended Consumer Price Index (IPCA-E) of the Brazilian Institute of Geography and Statistics (IBGE). This index would be used by the Labor Court Superior Council (CSJT) for the inflation adjustment table of the Labor Court (Single Table). Thus, correction index of these debts, which was Reference Rate - TR, would become IPCA-E.

This new index should be applied to all labor lawsuits involving public and private entities that discuss debts after June 30, 2009 that were not executed or that received final decision. However, on October 14, 2015, the Minister of the Federal Supreme Court (STF) issued an injunction to suspend effects of decision issued by Superior Labor Court - TST.

Subsequently, on December 5, 2017, the 2nd Panel of Brazil's Supreme court (STF), by majority vote, dismissed the lawsuit filed by the National Federation of Banks (FENABAN) against the decision of the Superior Labor Court (TST) in the proceedings of case ArgInc-479-60.2011.5.04.0231, which determined the application of the IPCA-E as an index of correction for inflation with regard to labor-related debts. In the decision challenged by FENABAN, the TST declared that the use of the "TR" as a correction index in the Labor Court was unconstitutional, and consequently, the previously deferred injunction was revoked, and determined the adoption of the IPCA-E determined by the IBGE to calculate such debts.

In March 2018, the Motions for Clarification were judged by the TST, and the Company and its subsidiaries presently understood that the STF's decision should be applied after their modulatory effects and not to the whole process, thus, the application of IPCA-E should occur as of March 25, 2015. The theme is subject to appeal.

Thus, since December 2017, the Company and its subsidiaries began to adjust all of their labor claims based on IPCA-E.

In December 2020, the plenary session of the Federal Supreme Court decided that the monetary adjustment of labor debts should be made using the IPCA-E and the SELIC rate, which are more favorable to workers. The understanding signed by the Court also covers appeal deposits made in a judicial account.

Processes that are still in the knowledge phase, regardless of the sentence being issued, should observe, retroactively, the application of the two indexes as follows: the application of the Special Extended Consumer Price Index (IPCA-E) in the pre-judicial phase and, based on the service of process, the SELIC rate. The decision of the Federal Supreme Court ends the discussions held in the TRTs and TST on the restatement index applicable in the Labor Court, and these indexes should be applied until a bill is approved by the National Congress on the subject.

Accordingly, the Company and its subsidiaries will apply the referred restatement indexes on January 1, 2021 as follows: (i) lawsuits in progress with update of the new form of calculations at phase of settlement of lawsuits; and (ii) new lawsuits with application of the indexes since the registration in the EDP Legal system, which should already be included with the correct value updated by the IPCA-E index so that the system performs the monthly updates after service of process at the SELIC rate.

27.1.1.2 Civil

EDP São Paulo and EDP Espírito Santo

Refer mainly to claims for reimbursement of amounts paid in the form of tariff increases by industrial consumers due to the application of DNAEE Ordinances 38/86 and 45/86 (the Cruzado Plan), in force from February to November of that year. Original values are restated based on the system used by the Judiciary. On March 30, 2021 the balance for EDP São Paulo totals R\$ 66,006 (R\$ 62,319 on December 31, 2020) and for EDP Espírito Santo, R\$ 5,648 (R\$ 5,078 on December 31, 2020), of which the following process is highlighted for EDP São Paulo:

- Case #2000.001.127615-0, pending at the 10th Civil Court of the Central Jurisdiction of the Rio de Janeiro Judicial District, filed by White Martins, which discusses the existence of consequences arising from the term of validity of Ordinances 38/86 and 45/86 of the now-defunct DNAEE, in electricity consumption tariffs (rates), for the period from September 2000 onward. In April 2010, EDP São Paulo complied with a court order to replace the existing procedural guarantee, letter of guarantee by bank deposit, in the amount of R\$ 60,951 and, in June 2011, the judicial deposit was increased by the amount of R\$ 10,627. EDP São Paulo presented several manifestations and appeals aiming at suspending the enforcement of the amount, as well as to revert the determination of discount of 16.66% in the monthly invoices of White Martins, until, on June 8, 2011, it was authorized the withdrawal, as payment, of the amount of R\$ 60,951 deposited initially, without providing a guarantee. On June 10, 2011, White Martins obtained this deposit, monetarily restated to R\$66,806. Notwithstanding the raising of the aforesaid deposit, the amount of R\$10,627 remains on deposit with the court, and there are also appeals pending before the Court of Appeals of Rio de Janeiro and the Superior Court of Justice (STJ) discussing the matter. Currently, a new expert examination was conducted, in compliance with the judgment. The accounting record was presented in order to reduce the judicial deposit in return for a decrease in the provision made for this contingency. The remaining balance on June 30, 2021 is R\$ 54,606 (R\$ 51,442 on December 31, 2020).

Investco

At June 30, 2021, Investco recorded a provision of R\$ 14,401 (R\$ 12,971 as of December 31, 2020) referring to:

(i) Indemnities

Indemnities claimed by people that consider themselves impacted by fulfillment of UHE Lajeado reservoir or that intend to increase indemnities received from Investco as a result of said fulfillment, for which a provision of R\$ 3,026 on June 30, 2021 (R\$ 2,725 as of December 31, 2020) was recorded.

(ii) Expropriations

Refer to indemnities as expropriation proposed by Investco to fill reservoir of UHE Lajeado, in which the difference between amount deposited by Investco and the amount estimated by the expropriated and on June 30, 2021, the amount formed is R\$ 11,375 (R\$ 10,246 on December 31, 2020).

The balance of judicial deposits on June 30, 2021 and December 31, 2020 is R\$ 13,138 and are recorded at the item Constructions in progress - Other (Note 20).

27.1.1.3 Tax

Enerpeixe

Administrative Proceeding according to the Brazilian Federal Revenue Service, aimed at the collection of income tax (IRPJ) and social contribution (CSLL) calculated in the periods from 2014 to 2016 for supposed lack of payment. The restated amount on June 30, 2021 is R\$ 2,102 (R\$ 2,086 on December 31, 2020). The Company has presented administrative defense and is awaiting judgment.

EDP São Paulo

On June 30, 2021, the total amount of contingency is R\$ 10,619 (R\$ 10,572 on December 31, 2020) due to revaluation of evidences of legal process that discusses the right to ICMS credits utilized by EDP São Paulo in the period from July to December 2003, referring to "Annulment/Return of Sale of electrical Energy". A partial provision was established for the total amount of the contingency, as well as segregation of the risk classification. EDP São Paulo has presented its defense and is awaiting judgment. The risk value has substantially increased due to the new adjustment criteria of the State Law 13918/09 and fees required by State Attorney's Office in the judicial phase.

EDP Espírito Santo

It refers to lawsuit filed by the Brazilian Federal Revenue Service aiming at collection of PIS and COFINS for 2002 and 2005 due to lack of processing of tax returns rectifications resulting from the extraordinary tariff recomposition, according to guidelines of Opinion COSIT 26/02. As expert assessment was not accepted in records, the Superior Court rendered an unfavorable decision and a contingency of R\$ 27,402, already updated, was recognized on June 30, 2021 (R\$ 27,295 on December 31, 2020). EDP Espírito Santo filed an appeal and is awaiting judgment.

27.1.1.4 Regulatory

EDP São Paulo and EDP Espírito Santo

They refer to the tax assessment notices issued by ANEEL or other regulatory agencies that are in the phase of appeal by the distribution subsidiaries.



27.1.1.5 Other

Porto do Pecém

As a result of business combination related to purchase of Porto do Pecém, the amount of R\$ 21,745 is considered on June 30, 2021 (R\$ 21,745 as of December 31, 2020) resulting from lawsuit in which Porto do Pecém is co-plaintiff, promoted by a service provider of the plant construction that challenges alleged contractual breach. It is currently awaiting the beginning of the test phase of production.

27.1.2 Risk of possible loss

There are ongoing labor, civil and tax proceedings, the loss of which has been deemed as possible. These items are periodically reassessed, not requiring formation of provisions as follow:

Note	Parent Company				Consolidated			
	Balance at		Assets		Balance at		Assets	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Labor	27.1.2.1	3,809	4,744	74	62	111,492	124,635	6,728
Civil	27.1.2.2	59,613	53,493	300	296	1,268,416	1,156,349	15,591
Tax	27.1.2.3	46,335	46,106	975	966	1,959,213	2,036,393	128,530
Regulatory	27.1.2.4					12,298	12,298	552
Total		109,757	104,343	1,349	1,324	3,351,419	3,329,675	151,401

The total amount related to the guarantees of possible provisions in the Company is R\$ 806,331 on June 30, 2021 (R\$ 833,672 on December 31, 2020) and in consolidated R\$ 833,035 on June 30, 2021 (R\$ 851,455 on December 31, 2020).

Among the main claims where losses are deemed as possible, the highlights are as follow:

27.1.2.1 Labor

EDP - Energias do Brasil, EDP Espírito Santo, EDP São Paulo, Porto do Pecém, Energest, EDP Transmissão e EDP Smart Soluções (formerly EDP Soluções, according to Note 1.1.1)

Refers to several lawsuits that, in general, relate to overtime payment, salary equalization, joint responsibility involving service providing companies, indemnity for pain and suffering/ property damage derived from occupational diseases/accidents, among others.

27.1.2.2 Civil

EDP - Energias do Brasil

- Lawsuit 1109675-81.2014.8.26.0100, in progress in the 20th Civil Court of São Paulo Central Court, filed by Montcalm Montagens Industriais S.A. against companies MABE Construção e Administração de Projetos LTDA, Pecém II Geração de Energia S.A., Eneva S.A. and EDP Energias do Brasil, discusses an alleged contract unbalance in subcontracting carried out by MABE for provision of equipment assembling services related to implementation of UTE Pecém II, company of the Eneva S.A. economic group. Montcalm alleges that companies are jointly responsible for non-compliance with contract non-compliances, due to alleged contract succession and corporate succession. Currently, lawsuit is in the expert investigation stage. The estimated amount on June 30, 2021 is R\$ 53,997 (R\$ 48,542 on December 31, 2020).

Investco

- They refer mostly to lawsuits described in note 27.1.1.2 – Indemnities and Expropriations, in the amount of R\$ 148,584 as of June 30, 2021 (R\$ 134,052 as of December 31, 2020).

EDP Espírito Santo and EDP São Paulo

- Public civil action No. 26725-92.2009.4.01.3800, being processed by the 3rd Federal Civil Court of Belo Horizonte, filed by the Collective Interest Defense Association (ADIC), and claiming indemnity for material damages arising from the tariff adjustment (Parcel A). A decision was handed down in this litigation that determined the exclusion of the concessionaires from the list of defendants of the lawsuit, maintaining only ANEEL. The proceeding was suspended until the Superior Court of Justice (STJ) as at November 27, 2013, considered the 3rd Federal Circuit Court of Belo Horizonte competent to judge all the collective claims addressing the issue of Parcel "A". On April 5, 2017, a decision was issued extinguishing the case, also regarding ANEEL. After decision that extinguished the lawsuit without solution of the merit, presently the Company is awaiting decision of the appeal by the plaintiff. The lawsuit is conducted only in relation to ANEEL. As of June 30, 2021, the estimated amount for EDP Espírito Santo is R\$ 97,165 (R\$ 87,348 as of December 31, 2020) and that for EDP São Paulo is R\$ 218,343 (R\$ 196,284 as of December 31, 2020).
- Injunction 0002173-26.2014.4.01.3400, being processed at the 22nd Federal District of the Federal Regional Court of the 1st Region, which had been filed by Santo Antônio Energia S.A. (SAESA) against an act of the ANEEL Executive Board, and aiming at suspending liabilities for recomposing guarantees and capacity and avoiding payment of charges for transmission system use and possible penalties for failures to adhere to the timing plan. On February 26, 2014, the request for court authorization prior to judgment was partly granted, and impacted power distributors. Upon that decision, the subsidiaries, through the Brazilian Association of Energy Distributors (ABRADEE) filed a request before the Superior Court of Justice for suspending the granting, and the request was accepted. Currently, decision on appeal is being awaited. As of June 30, 2021, the estimated amount for EDP Espírito Santo is R\$ 18,136 (R\$ 16,303 as of December 31, 2020) and that for EDP São Paulo is R\$ 20,109 (R\$ 18,077 as of December 31, 2020).

EDP Espírito Santo, EDP São Paulo, Lajeado, Investco, Energest and Enerpeixe

- Ordinary Action 0028271-48.2014.4.01.3400, in process in the 13th Federal District of the 1st Region Federal Regional Court, also filed by SAESA against ANEEL with a request for a preliminary injunction to prevent application of the Mechanism for Assured Energy Reduction (MRA), in the Santo Antônio Hydroelectric Power Plant, during the turbine installation period. In the trial court the preliminary injunction was denied. In the appeal court, the Federal Regional Court accepted SAESA's request for action before court ruling and approved the retroactive effect, so that it became effective since early March 2012. The subsidiaries and ANEEL together filed requests for the Superior Court of Justice to suspend the preliminary injunction, and the requests were upheld, suspending it. On March 18, 2015, appeal proposed by SAESA was denied by STJ's special court. The decision considering SAESA's requests invalid was published on September 26, 2018. Currently, decision on appeal is being awaited. The consolidated estimated amount on June 30, 2021 is R\$ 26,968 (R\$ 24,244 on December 31, 2020).

EDP Espírito Santo

- Lawsuit for Recovery of Undue Payments 0031324-59.2008.8.08.0024 proposed by EDP Espírito Santo Vale do Rio Doce – CVRD claiming EDP Espírito Santo and Empresa de Luz e Força Santa Maria S/A to return the amount corresponding to the tariff increase instituted by DNAEE Ordinances 38/86 and 45/86 during the freeze period; that is, from February to November 1986, as well as the supposed effects of such increase in later tariffs. After conducting an expert examination, a decision was handed down on June 12, 2014, dismissing the claim in relation to Empresa Luz e Força Santa Maria S/A and ordering EDP Espírito Santo to refund the amounts paid by CVRD during the price freeze period. In view of the aforementioned decision, appeals were filed by the parties to the Espírito Santo Court of Justice. The appeals of EDP Espírito Santo and Empresa Luz e Força Santa Maria S.A. were accepted, and the appeal of EDP Espírito Santo Vale do Rio Doce was rejected. EDP Espírito Santo Vale do Rio Doce then filed a Special Appeal with the Superior Court of Justice, with a subsequent appeal, which is awaiting admission and judgment. The estimated amount on June 30, 2021 is R\$ 20,854 (18,748 on December 31, 2020).
- Indemnity Lawsuit 0000526-91.2003.8.08.0024, currently being processed before the 6th Civil Court of the District of Vitória/ES, in which Transalfa claimed EDP Espírito Santo to pay (i) the amounts contained in the contracts for each trip contracted and not provided by the concessionaire and, (ii) loss of profits, due as a result of the unilateral termination without cause of the contract, in an amount to be arbitrated by the Court. Transalfa filed the decision settlement procedure on February 10, 2014, which is in the expert stage. The estimated amount on June 30, 2021 is R\$ 19,029 (R\$ 17,107 on December 31, 2020).



EDP São Paulo

- Collection Lawsuit 0187728-40.2007.8.26.0100, filed by EDP São Paulo in 2007 claiming: (i) RTR's conviction to refund R\$ 11,260 collected and not transferred; (ii) the disregard of the legal personality of RTR to sentence its partners and managers, jointly with RTR, to pay the aforementioned amount; (iii) the inclusion of Lemon Bank as the defendant in the lawsuit; and (iv) consequently, Lemon Bank's declaration of joint liability for the unlawful acts committed, ordering it to jointly return the aforementioned amount. The amount plus interest and monetary restatement exceeds R\$ 12,500. In 2014, EDP São Paulo signed an agreement with Lemon Bank, currently Banco Bracce, in which the parties agreed to (i) authorize the raising of the amount of R\$ 9.5 million in favor of the distributor; (ii) authorize the withdrawal of the outstanding balance of the judicial deposit in favor of Lemon Bank; and (iii) dismiss the suit in relation to Lemon Bank and proceed with the claim only against RTR Serviços Financeiros and its partners. On October 13, 2020, a judgment was handed down dismissing the lawsuit. In view of the aforementioned decision, EDP São Paulo filed motions for clarification, which are pending judgment. The estimated amount on June 30, 2021 is R\$ 86,920 (R\$ 78,139 on December 31, 2020).
- Lawsuit for Annulment of administrative act 1031550-21.2017.8.26.0577, pending before the 10th Chamber of Private Law of the Court of Justice of the State of São Paulo, in which EDP São Paulo claimed the annulment of the assessment notices originating from the administrative proceedings 119354/2014 and 119464/2014, as well as declaring the unconstitutionality of municipal Laws 7451/2007 and 8766/2012, if the previous claims are not upheld, the reduction of fines to R\$ 10. On October 29, 2018, a decision was handed down upholding the demand to incidentally declare the unconstitutionality of article 1, §2, §3 and §4 of Municipal Law 7451/2007, with the related subsequent amendments by Law 8766/ 2012 and Law 9559/2017, as well as declaring the nullity of the assessment notices mentioned in the complaint and the judgment of the appeals presented in administrative proceedings 119354/2014 and 119364/2014. The Municipality of São José dos Campos questioned the merits of the lawsuit and EDP São Paulo questioned the value of the fixed fees, and both filed appeals, which were timely dismissed. Subsequently, the lawsuit was sent and the appeals were accepted by unanimous vote, reducing only the amount of the fine and increasing the amount of attorney's fees. EDP São Paulo filed the competent Special and Extraordinary Appeals, which were rejected, so it filed the competent Dispatch of Special and Extraordinary Appeal, which after being sent to the STJ, are under analysis of the Rapporteur Minister for judgment. The estimated amount on June 30, 2021 is R\$ 78,591 (R\$ 70,651 on December 31, 2020).

Porto do Pecém

As a result of the situation of hydric shortage in the state of Ceará, the state government, by means of Decree 32044 of September 16, 2016, established the collection of the Emergency Hydric Charge (EHE) to be levied on thermoelectric industries in the state, monthly charging based on the verified consumption in the amount of R\$7,210.00 every 1,000 cubic meters.

On October 13, 2016, the Porto do Pecém submitted to ANEEL an administrative request for obtaining, provisionally, the application of the new value of the Variable Cost per Unit (CVU) of the energy generated by the UTE Pecém I, in view of the collection of the new charge, once the same would affect the economic and financial equation of the Electricity Sale Contracts in the Regulated Environment (CCEAR). ANEEL, through Order 3293 as of December 16, 2016, dismissed the action of application.

Lawsuit promoted against ANEEL at December 19, 2016 is in progress, in order to have guaranteed the economic and financial balance of CCEARs, with transfer of the EHE to CVU. At January 31, 2017, preliminary injunction was dismissed. On May 3, 2017, Porto do Pecém filed a new appeal requiring new appreciation of the decision that granted temporary relief in favor of Porto do Pecém. The proceeding is currently awaiting the decision. In view of the facts, Porto do Pecém has recognized and transferred full EHE costs to CVU impacting net income as a counterparty to accounts receivable. On August 11, 2017, Decree 32305/17 was promulgated by the Ceará state government, which extended the charge for an indefinite period.

The estimated amount of the share on June 30, 2021 is R\$ 142,858 (R\$ 125,692 on December 31, 2020). Throughout 2020, a review of assumptions involving the calculation of the contingency was carried out, which previously took into account the estimate of the amount of EHE to be paid, according to the historical average, and now considers the effective risk of the action considering the transfer of the unit variable cost.

27.1.2.3 Tax

EDP - Energias do Brasil (Parent company and Consolidated)

- The Company is a party to administrative and judicial discussion related to the Federal Revenue Service not recognizing a corporate income tax (IRPJ) negative balance, determined for the years 1999/2001, originating from a merged company (Magistra Participações S.A.), and that totals R\$ 22,781 on June 30, 2021 (R\$ 22,684 on December 31, 2020). Lawsuit is waiting for judgment in the administrative sphere.

EDP São Paulo and EDP Espírito Santo

- Lawsuit aiming to ensure the right to include PIS and COFINS debits for the periods of 2015 and 2017 to EDP São Paulo and to include PIS, COFINS debits, IRPJ (Corporate Income Tax) and CSLL (social contribution on net income) debits for the periods of 2015 and 2016 to EDP Espírito Santo, in the Special Tax Regularization Program (PERT), established by the Brazilian Federal Revenue Service, which are being regularly paid. However, they were not in the system at the time of consolidation carried out in December 2018, involving the amount on June 30, 2021 of R\$ 34,901 (R\$ 34,660 on December 31, 2020) for EDP São Paulo and R\$ 141,253 for EDP Espírito Santo (R\$ 140,271 on December 31, 2020). Currently, awaiting the court's decision.

EDP São Paulo

- Discussion at the judicial level regarding ICMS credits utilized by EDP São Paulo in the period from July to December 2003, referring to "Annulment/Return of Sale of electrical Energy" amounting to R\$ 123,713 restated up to June 30, 2021 (R\$ 123,163 as of December 31, 2020). EDP São Paulo has presented its defense and is awaiting judgment. The risk value has substantially increased due to the new adjustment criteria of the State Law 13918/09 and fees required by State Attorney's Office in the judicial phase.

- Administrative proceedings relating to the use of ICMS credit, originating from the reversal of debt of canceled invoices (2007, 2012 and 2015) and crediting of property, plant and equipment (from 2014 to 2019), involving the restated amount on June 30, 2021 of R\$ 141,409 (R\$ 139,426 on December 31, 2020). EDP São Paulo has presented its defense and is awaiting judgment.

- Court discussion deriving from Tax Foreclosure filed by Federal Government claiming charge of CSLL (social contribution on net income) referring to calendar year 2009, which was offset against prior years' CSLL negative basis balance accumulated by spun-off company AES Eletropaulo that involves the amount of R\$ 39,606 adjusted on June 30, 2021 (R\$ 39,456 on December 31, 2020). EDP São Paulo has presented its defense and is awaiting judgment.

- Administrative proceedings involve the restated amount up to June 30, 2021 in the amount of R\$ 106,335 (R\$ 197,052 as of December 31, 2020) referring to the non-homologated offsets of credits arising from IRPJ, CSLL, PIS and COFINS overpayments in 2001, as a result of the application of COSIT Opinion 26/02 (taxes on RTE). The amount decrease was due to the favorable decision obtained in one of the administrative lawsuits, canceling the debt collection. EDP São Paulo presented the defenses, and was successful in some of the lawsuits, which resulted in the reduction of the contingency. Remaining lawsuits are awaiting judgment.

- Lawsuit relating to Cofins of the period of 1993 to 1995, in a joinder with Eletropaulo. The dispute refers to the right to the future use of the amnesty brought by Provisional Measures nos. 1858-6 and 1858-8, granted to taxpayers that failed to pay taxes as they considered them inappropriate. In the second instance judgment, the right to amnesty was partially confirmed, excluding the portion concerning the charges of Decree Law 1025/69. The restated amount on June 30 is R\$ 76,980 (R\$ 76,798 on December 31, 2020). The proceeding is currently awaiting the judgment of an Appeal to the Higher Courts.

- Assessments of the Municipal Authorities that require the payment of fine for alleged breach of ancillary liabilities related to the installation of electricity poles as well as inspection fees for works and public places and public price. The amount of the contingency on June 30, 2021 is R\$ 98,765 (R\$ 98,275 on December 31, 2020). EDP São Paulo presented defenses, and are awaiting judgment.

- Administrative discussions related to non-approval, by the Brazilian Federal Revenue Service, of the credits arising from the negative balance of IRPJ (income tax) and CSLL (social contribution) relating to calendar year 2016 and 2017, involving the amount of R\$ 13,135 on June 30, 2021 (R\$ 12,145 on December 31, 2020). EDP São Paulo has presented its defense and is awaiting judgment.



- Administrative discussions related to non-approval by the Brazilian Federal Revenue Service of PIS and COFINS credits overpaid in the periods of 2015 and 2016, involving the amount of R\$ 16,033 on June 30, 2021 (R\$ 15,964 on December 31, 2020). EDP São Paulo has presented its defense and is awaiting judgment.

EDP Espírito Santo

- Administrative dispute related to the tax deficiency notice assessed by the Brazilian Federal Revenue Service, aiming at collecting the PIS, COFINS, IRPJ and CSLL for the periods of 2014 and 2015, levied on non-technical losses of electric power. The amount of the restated lawsuit up to June 30, 2021 is R\$ 180,306 (R\$ 178,709 on December 31, 2020). EDP Espírito Santo has presented its defense and is awaiting judgment.

- INSS tax authorities issued social security contribution on: (i) not considering self-employed and other legal entities, claiming the existence of employment bond between service providers and EDP Espírito Santo; and (ii) the levy of INSS tax on profit sharing and scholarship payments made to employees that are pension plan members. These notifications restated up to June 30, 2021 amount to R\$ 8,623 (R\$ 8,596 on December 31, 2020) and are currently awaiting administrative adjudication.

- Sundry municipal authorities: EDP Espírito Santo is discussing in court and administratively the collection of ISSQN allegedly levied on services related to the supply of electrical power. Also includes payment demand on land occupied by posts for the electricity network and public lighting. These proceedings restated up to June 30, 2021 total the amount of R\$ 112,828 (R\$ 112,099 on December 31, 2020). Of this amount, special emphasis on the amount of R\$ 93,679 (R\$ 93,181 on December 31, 2020) due to the issuance of 122 tax assessment notices by the municipality of Vitória, aiming at collecting the ISSQN the period from March 2011 to February 2016. EDP Espírito Santo presented administrative and judicial defenses, and are awaiting judgment.

- Administrative and court proceedings with regard to tax offsetting issues not ratified by the federal tax authorities, based on credits recognized in court, as well as negative IRPJ and CSLL balances resulting from IRPJ, CSLL, PIS, and COFINS overpayments made in 2001, as a result of applying Opinion COSIT 26/02 (taxes on RTE) totaling R\$ 110,351 as of June 30, 2021 (R\$ 112,800 as of December 31, 2020). Contingency reduction was due to success in one of the lawsuits, and to change in risk of another lawsuit. Accordingly, a provision was recorded in probable contingencies. Remaining lawsuits are awaiting judgment.

Additionally, the balance shown in the Judicial Deposit on June 30, 2021 is mainly due to case No. 2009.50.01.010131-6 in the amount of R\$ 55,920 (R\$ 55,334 on December 31, 2020), on the tax enforcement aimed at collecting COFINS debts for the months of March to October 2001, which were offset with credit arising from the improper payment of FINSOCIAL. After the decision in the case records of an interlocutory appeal against the National Treasury, the settlement of the Bank Guarantee Letter presented in the case execution documents was determined, resulting in the judicial deposit.

EDP Comercializadora

- Administrative discussion about the collection of IRPJ, CSLL, PIS and COFINS debts referring to 2004/2006, arising from the non accreditation of the offsetting of these tax credits. The restated amount of these proceedings on June 30, 2021 is R\$ 14,361 (R\$ 17,816 on December 31, 2020). EDP Comercializadora presented the defenses, and was successful in some of the lawsuits, which resulted in the reduction of the contingency. Remaining lawsuits are awaiting judgment.

- Administrative dispute arising from the Notice of Tax Violation issued by Brazil's Federal Revenue Service, aiming to collect a fine for allegedly incorrect information in the ancillary obligations (EFD ICMS/IPI and EFD Contributions) for the period of 2016, involving the amount of R\$ 23,703 on June 30, 2021 (R\$ 23,450 on December 31, 2020).

Lajeado

- The administrative and legal spheres discuss proceedings of the Brazilian Federal Revenue Service in 2014, aimed at the collection of income tax (IRPJ) and social contribution (CSLL) due to the disallowance of expenditure on goodwill on the acquisition of ownership interest. The restated amount on June 30, 2021 is R\$ 143,227 (R\$ 142,330 on December 31, 2020). Currently, it is awaiting the collection judgment of the adjusted fine in the administrative sphere and in the judicial sphere of the other amounts under collection (principal restated with increase in charges of Attorney General's Office).

- Tax Assessment Notice drawn up by the Brazilian Federal Revenue Service, aimed at the collection of a fine for allegedly incorrect information in ancillary obligations (EFD ICMS/IPI and EFD Contributions), as well as the collection of PIS and COFINS for the 2016 period, since the Brazilian Federal Revenue Service did not consider the peculiarities of the energy sector for the purposes of calculating said taxes. The total amount as of June 30, 2021 is R\$ 24,752 (R\$ 24,584 as of December 31, 2020). Lajeado has presented its defense and is awaiting judgment.

Enerpeixe

- Administrative disputes related to the offsets of PIS and COFINS not ratified by the Brazilian Federal Revenue Service in the periods from 2012 to 2015, due to the supposed shortage of credit as the ratifying DCTFs have not been analyzed by the Federal Revenue Service as of June 30, 2021, totaling the amount of R\$ 147,999 (R\$ 143,739 as of December 31, 2020). The increase in value is due to entry of new lawsuits. Enerpeixe presented defenses, and are awaiting judgment.

- The administrative sphere discusses proceedings of the Federal Revenue Service, aimed at the collection of income tax (IRPJ) and social contribution (CSLL) calculated in the periods from 2014 to 2016 for supposed lack of payment. Up to June 30, 2021, the restated amount is R\$ 59,560 (R\$ 58,994 on December 31, 2020). Enerpeixe made administrative defense and is awaiting decision.

- Administrative Proceeding 10314-726111/2014-73, targeting the collection of IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) for calendar year 2009, due to the deductions made for interest on own capital from the calculation basis. Enerpeixe obtained favorable decisions in the first and second administrative instances. Currently, appeal is awaiting the court's decision presented by National Treasury. The restated amount on June 30, 2021 is R\$ 22,904 (R\$ 22,761 on December 31, 2020).

- Tax foreclosure filed by the State Treasury of Tocantins, targeting the collection of a fine due to supposed discrepancies of information contained in the records for the 2014 period. Up to June 30, 2021, the restated amount is R\$ 4,888 (R\$ 4,838 on December 31, 2020). Enerpeixe made defense and is awaiting decision.

Porto do Pecém

It refers to the legal discussion of the tax foreclosure 000.153777.2015.405.8100 totaling R\$ 92,340 on June 30, 2021 (R\$ 91,823 on December 31, 2020) filed by Federal Government, aiming at the collection of IRPJ (Corporate Income Tax) and CSLL (Social contribution on net revenue) debits resulting from the exclusions of certain financial income and foreign exchange income earned in the months of January, February and December 2009. The lawsuit received an unfavorable decision at a higher court. Currently, the Company is awaiting the publication of the decision to file an appeal at Higher Courts.

27.1.2.4 Regulatory

EDP Espírito Santo

Refers to the penalty for exceeding the Transmission System Use Amounts (MUST) for the years 2011 and 2013. The contracting of the MUST was carried out as recommended by the National Electric System Operator (ONS). However, due to systemic restrictions, owing to the absence of a basic network to flow generation through the SIN, in 2011 the flow increased the use of the Mascarenhas connection point and, in 2013, there was a reversal of flow at the Mascarenhas point, resulting in an overrun at the Campos connection point. Currently, the lawsuit is under analysis with an injunction suspending the charges until the assessment of the merits.

27.1.3 Risk of remote loss

Additionally, there are ongoing labor, civil and tax proceedings, the loss of which has been deemed as remote. For these lawsuits, judicial deposit balances on June 30, 2021 for the parent company totaling R\$ 4,582 (R\$ 5,567 on December 31, 2020) and in the transmission subsidiaries, EDP São Paulo, EDP Espírito Santo, EDP Smart Soluções(*), EDP Smart Serviços(*), Enerpeixe, Porto do Pecém, Energest and Investco is R\$ 57,455 (R\$ 71,965 on December 31, 2020).

(*) Formerly EDP Soluções and EDP GRID, respectively, according to note 1.1.1.

27.2 Environmental permits

The amount of R\$ 120,120 - Current and non-current - on June 30, 2021 (R\$ 121,292 on December 31, 2020) refers to provisions for the costs of providing previous permits, installing and operating UHEs, PCHs, UTE and LT, related to requirements of governmental agencies.

Environmental permit costs are either associated with the Basic Environmental Project - PBA or are in addition to it, and their main objectives are reforestation, acquisition and regularization of rural and urban areas, recovery and improvement of roads, electrical and sanitary infrastructures, and the implementation of conservation units. The balance of this provision is recognized based on the best available estimate, and monetarily restated based on the general market price index (IPCA). The subsidiaries changed their updating rate from IGP-M to IPCA, as the index currently reflects the best inflation estimate in the market. The subsidiaries made the adjustment to present value on the balance as a discount, which is compatible with the nature, term and risks of similar transactions under market conditions.

Previous permits and installation permits obtained during planning and installation of the projects, and consequently, are recognized as plant costs, more specifically as dam costs (hydroelectric power plants) or machinery and equipment (thermal plants), according to according to the Electricity Sector Accounting Manual (MCSE) published by ANEEL, and depreciated over the useful life of such property, plant and equipment. The operating permits, obtained for the commercial go-live of the plants, are recognized as intangible assets and will be amortized over a period which represents the duration of the permits.

Power generation, distribution and transmission subsidiaries are subject to extensive Brazilian environmental legislation in the federal, state and municipal spheres. Compliance with this legislation is verified by government agencies and authorities that have the power to impose administrative sanctions for any breach of the legislation.

The costs associated with the maintenance of these permits allow to prevent the occurrence of social and environmental impacts, contributing to the management of operating and regulatory risks, and also allow social and environmental actions focused on sustainable development.

The Company is constantly committed to and assumes responsibility for environmental issues, seeking excellence and a solid basis to plan its actions, being in line with Sustainable Development Goals (SDG's) and with direct commitment to 9 out of 17 SDGs, including goals directly linked to environmental issues, such as SDG 13, which addresses climate change, and SDG 15, on protecting terrestrial life. To manage this theme, it enforced a Policy on Environment in line with ISO 14,001, whose purpose is to include an Environment Management System with activities carried out by local business units' environment areas.

The Company and its subsidiaries develop projects that also confirm their commitment with efforts to restore and preserve biodiversity, namely:

(i) Water and effluents: With focus on water resources' conservation and efficient use, the Company and its subsidiaries have in place a rainwater collection system on the roof of Porto do Pecém subsidiary's administrative building, in Centros de Serviços da Distribuição Poá (CSD), Carapina (ES), São Mateus (ES), Linhares (ES), Cachoeiro (ES) and at the EDP São Paulo's headquarters in São José dos Campos.

(ii) Waste: In addition to seeking reduction of materials' consumption, the Company and its subsidiaries segregate, store, treat and dispose of their waste in an environmentally appropriate manner, complying with applicable legal requirements. In subsidiary Porto do Pecém, ashes produced in power generation are reused, sent for processing in cement industry, thus reducing the quantity of non-hazardous waste sent to landfill. Distributors use vegetable oil in distribution transformers which are purchased, renovated and have a contract for recovery of transformers that help reduce natural resources' consumption to manufacture new equipment, encouraging circular economy.

(iii) Biodiversity: In their environmental policy, the Company and its subsidiaries establish commitments related to biodiversity and ecosystem services and to management of impacts of their activities along their value chain. Main continuous actions involve aerial and fluvial monitoring of the plant's dams, monitoring of fauna and flora in plant's areas and rights of way (lines and networks) in distribution and transmission rural areas.

(iv) Emissions management: The Company has a strategic plan focused on this theme, with assessment of risks and opportunities, considering possible effects on its operations.

Disbursements related to environmental licensing in the period totaled R\$ 86,159 (R\$ 40,435 in 2020). Out of this sum, the amount capitalized in the year under the headings of Property, plant and equipment, Intangible assets and Concession assets was R\$ 76,124 (R\$ 30,903 in 2020), related to biodiversity and landscape protection and environment management and protection. With counterparty in income (loss) for the period, under Third-party services, the amount of R\$ 10,035 (R\$ 9,532 in 2020) was recorded, related to the Soil and Underground Water Monitoring in all Company facilities, and waste management.

27.3 Dismantling

The amount of R\$ 10,298 on June 30, 2021 (R\$ 9,925 on December 31, 2020) refers to subsidiary Porto do Pecém. The Dismantling was constituted in order to address the responsibility relating to the expenses on replacement of the sites used by the power plant in its original state. This provision was calculated based on the current value of corresponding future responsibilities and is recorded as a counterparty to Property, plant and equipment (Note 20). Provisions are subject to an annual review, in accordance with estimated future responsibilities.

The calculation of the allowance was made from the costs obtained from reputable external entities, designed by the end of plant's operation authorization, restated at IGP-M, and then calculated the present value of this liability at the discount rate of 9.0% p.a. representing the financing rate at the time of recognition.

28 Shareholders' equity

28.1 Capital

The General and Special Shareholders' Meeting - AGOE held on March 31, 2020 deliberated a capital increase in the amount of R\$820,000, through the capitalization of part of the profit retention reserve, without the issue of new shares, with the consequent amendment in Article 5 of the Company's Bylaws.

On June 30, 2021 and December 31, 2020, the Company's capital is R\$ 5,502,716, fully subscribed and paid-up, represented by 606,850,394 common shares, all registered, book-entry and with no par value, with the following main characteristics:

- Capital is exclusively represented by common shares. Each common share will grant the holder the right to one vote on the resolutions of the Company's General Meetings;
- The shares are indivisible in relation to the Company. When the share belongs to more than one person, the rights vested thereupon will be exercised by the joint ownership representative;
- The issue of Founders' shares by the Company is prohibited;
- The Company is authorized to increase the capital up to the limit of 1,000,000,000 new common shares regardless of statutory reforms, by decision of the Board of Directors, which will also be responsible for establishing the terms of the issue, including the price, term and form of its payment;
- The Company may issue shares, debentures convertible into common shares and subscription bonuses within the limit of the authorized capital; and
- At the sole discretion of the Board of Directors, it is possible to exclude or reduce the right of preference in the issues of shares, debentures convertible into shares and subscription bonuses, whose placement is performed through sale at a stock exchange or public subscription, under legal terms, and within the limit of the authorized capital.

The common shares are classified as capital, and any costs attributable to the share issue are deducted, when applicable.

The capital is composed as follows:

Shareholder	06/30/2021		12/31/2020		Controlling shareholder
	Number of shares	% interest	Number of shares	% interest	
EDP International Investments and Services, S.L. (1)	176,860,123	29.14	176,860,123	29.14	Yes
EDP IS – Investimentos e Serviços, Sociedade Unipessoal, Lda (1)	142,584,671	23.50	142,584,671	23.50	Yes
Board members and Directors	113,053	0.02	92,613	0.02	
Treasury shares (2)	26,000,362	4.28	8,139,746	1.34	
Free-float shares	261,292,185	43.06	279,173,241	46.00	
Total	606,850,394	100.00	606,850,394	100.00	

(1) Foreign-owned company.

(2) Treasury shares do not have equity rights.

28.2 Reserves

	Note	06/30/2021	12/31/2020
Capital reserves			
Income (loss) from disposal of treasury shares		61,315	62,261
Stock options granted	28.2.1	10,757	10,552
Goodwill in the merger of parent company		35,351	35,351
Other capital reserves		32,119	32,905
		<u>139,542</u>	<u>141,069</u>
Profit reserves			
Legal		565,867	565,867
Profit retention		4,596,171	4,583,041
Proposed additional dividend			216,202
		<u>5,162,038</u>	<u>5,365,110</u>

28.2.1 Stock options granted

The Company provides to its managers and certain employees appointed by Board of Directors, stock option plans for purchasing shares of the company. Options are priced at fair value on grant date, adjusted at present value and are recognized on a straight-line basis in income over option grant period as a contra-entry to shareholders' equity. At the end of each year, the Company reviews its estimates of the number of options and shares whose rights must be acquired based on these conditions and recognizes impact of initial estimates review, if any, in the statement of income as a contra-entry to shareholders' equity.

The change in the period, in the amount of R\$ 205, is due to the provisions for shares granted referring to plans I, II, III, IV and V, as well as the transfer of the grant to employees covered by the ILP I plan.

28.2.1.1 Share-based remuneration plan characteristics

The Shareholders' Meeting of the Company held on April 10, 2015 established the implementation and structuring of the Policy on Share-based Payment. On May 2, 2016, the Board of Directors approved the Regulation related to such policy.

The remuneration policy aims at recognizing the organizational and individual performance of beneficiaries, by handing over the shares issued by it. The Beneficiaries of the Remuneration Policy shall be elected by the Board of Directors, based on the recommendations by the Remuneration Committee, taking into consideration, among other reasons, the importance and essentiality of the role performed, their engagement in strategic projects, achievement of goals related to their individual performance and/or the global performance of the Company within the corresponding assessment period, approved by the relevant body, as well as the added value that such Beneficiary offers to the Company. The policy establishes two types of programs, as described below:

(i) Incentive program – the program beneficiary is entitled to receive, in the future, up to two shares per each share issued by the Company acquired using 30% of the net value of the annual performance bonus; and

(ii) Retention program - the program beneficiary is entitled to receive shares issued by the Company as complementary annual bonus payment occasionally granted by the Company.

The shares issued by the Company subject to the remuneration policy may not represent, at any time, more than 1% of the Company's capital.

The price of the shares acquired by beneficiaries shall be equivalent to the weighted average price of shares issued by the Company traded at B3 in the 60-day period prior to such acquisition date.

The incentive or retention program shares shall only be granted to the beneficiaries who remain continuously employed as managers and/or employees of the Company and/or Subsidiaries during the grace period. Additionally, in relation to the incentive program beneficiaries, they shall keep their respective original shares, abstaining from encumbering and/or transferring them.

In cases termination was the initiative of the program's beneficiary and/or the initiative of the Company and/or Subsidiaries with cause during the grace period, the right to receive granted shares not fully acquired will be full-fledged and automatically extinct, regardless of previous notice, and with no right to indemnity.

In cases Termination was the initiative of the Company and/or its Subsidiaries without cause or due to retirement of Beneficiaries during program period, will be entitled to a number of retention shares, as adequate, proportional to the number of months of the grace period elapsed up to Termination date, and the right to receive other granted shares not fully acquired is full-fledged and automatically extinct, regardless of previous notice, and with no right to indemnity.

The handover of incentive shares shall occur after the grace period, that is, three years, in case the market profitability is achieved (accumulated return equal to or above 15% on the average computation of the Electrical Energy Index (IEE) and Bovespa Index - IBOVESPA), or after five years, in case the market profitability established in the rules is not achieved.

In relation to the incentive program, during the period of one year after the acquisition of the Company's shares, these cannot be traded, however, if after this period the beneficiary trade them, he/she shall automatically lose the right to receive incentive shares.

Find below a summary and changes in remuneration plans in force:

Plans	Acquisition date	Qty. of shares acquired by employees	Unit price (R\$)	Total value of acquired shares	Number of shares to be granted	
					Incentive plan	Retention plan
Remuneration plan I	August 2016	22,000	13.60	299	44,000	
Remuneration plan II	June 2017	44,113	13.37	590	40,058	64,630
Remuneration plan II	August 2017	27,747	14.26	396	36,000	
Remuneration plan III	June 2018	83,240	13.75	1,144	90,304	176,955
Remuneration plan IV	June 2019	57,892	18.68	1,081	66,771	135,900
Remuneration plan V	June 2020	71,256	16.71	1,191	109,074	96,569
Remuneration plan V	July 2020	12,000	16.71	201	24,000	73,607
Total		<u>318,248</u>			<u>410,207</u>	<u>547,661</u>

Plans	Incentive plan			Retention plan		
	Number of shares at 12/31/2020	Grant/ Decrease	Exercised	Number of shares at 06/30/2021	Number of shares at 12/31/2020	Number of shares at 06/30/2021
Remuneration plan I (Note 28.2.1.2)	107,748	(8,087)	(55,661)	44,000	52,849	(52,849)
Remuneration plan II	76,058			76,058	64,630	64,630
Remuneration plan III	93,052	(2,748)		90,304	176,955	176,955
Remuneration plan IV	70,100	(3,329)		66,771	135,900	135,900
Remuneration plan V	145,134	(12,060)		133,074	170,176	170,176
	492,092	(26,224)	(55,661)	410,207	600,510	(52,849)
						547,661

28.2.1.2 Remuneration plan I

Under the Compensation Plan I, 152,510 shares were granted to beneficiaries at the exercise price of R\$ 18.69. The shares whose grant period expired were exercised in the period ended June 30, 2021.

28.3 Other comprehensive income

The changes in Other comprehensive income in the period are as follow:

	Balance at December 31, 2020	Equity in net income of subsidiaries	Balance at 06/30/2021
Equity accounting on other comprehensive income of subsidiaries			
Actuarial gains and (losses): Post-employment benefits of subsidiaries and associated companies	(741,827)	70,834	(670,993)
	(741,827)	70,834	(670,993)

28.4 Treasury shares

The repurchase of own shares is classified in the line item Treasury Shares and recognized at cost of acquisition charged to shareholders' equity. When these shares are sold, their gain or loss on the transaction will be transferred to Capital reserves.

On August 28, 2020, the Company released a Material Fact stating that, on this date, the Board of Directors approved the program for the repurchase of common shares issued by it. The purpose of the repurchase was to acquire shares issued by the Company to be held in treasury, with the objective of investing available resources to maximize the generation of value for shareholders, since, in the view of the Company's management, the current value of its shares does not reflect the actual value of its assets combined with the prospect of profitability and generation of future results.

Management believes that this resolution is part of the Company's ongoing process of maximizing value for its shareholders and that its current financial situation is compatible with the possible execution of the Buyback Program under the approved conditions, with no impact on the fulfillment of the obligations assumed to the clients, creditors and other commitments. On April 9, 2021, the Company released a Notice to the Market informing the end of the share buyback program. The characteristics of the Share Repurchase Program were as follows:

Deadline for carrying out operations	Quantity repurchased of shares	Average price for acquisition	Funds available	Interim financial institutions
7 months after RCA	24,164,000	18.91	Profit or capital reserves of the Company, except for the reserves described in the first paragraph of article 7, CVM Instruction No. 567/15	BTG Pactual CTVM S.A.; Itaú Corretora de Valores S.A.; Santander CCVM S.A.; and Safra Corretora de Valores e Câmbio Ltda.

28.5 Non-controlling interest

Balance as of June 30, 2021, of R\$ 1,168,131 (R\$ 1,135,193 as of December 31, 2020) refers to interest that other shareholders hold on subsidiaries (Note 16.2).

The total non-controlling interest on the balance sheet on June 30, 2021 is comprised of: (i) R\$ 512,614 corresponding to Lajeado; (ii) R\$ 380,972 corresponding to Investco; (iii) R\$ 239,835 corresponding to Enerpeixe; and (iv) R\$ 34,710 corresponding to EDP Transmissão Aliança.

The summarized information on the cash flows of the subsidiaries that hold non-controlling interests is presented below:

	Investco	Enerpeixe	Lajeado	EDP Transmissão Aliança	Total
Net cash from operating activities	34,713	(263,322)	126,501	46,403	(55,705)
Net cash invested in investment activities	(619)	(213)	19,638	(147,533)	(128,727)
Net cash invested in financing activities	(34,694)	10,785	(91,559)	(5,523)	(120,991)
Increase (Decrease) in cash and cash equivalents	(600)	(252,750)	54,580	(106,653)	(305,423)

29 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized on monthly basis when there is convincing evidence that: (i) identification of rights and obligations in contract with client; (ii) identification of performance obligation in the contract; (iii) determination of price for each type of transaction; (iv) allocation of transaction price to performance liabilities stipulated in contract; and (v) compliance with contract's performance liabilities. Revenue is not recognized if there are significant uncertainties as to its realization.

The services provided to the clients have mainly the following characteristics: (i) are routine and recurrent; (ii) have the same transfer pattern; and (iii) are provided to the client over a specific period of time. Therefore, in relation to meeting the performance obligation of the Company and its subsidiaries, they are substantially met over time.

The Company and its subsidiaries recognize their revenue net of any discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items.

The revenue of the Company and its subsidiaries is measured according to the performance obligations identified in agreements with clients. The main recognition and measurement criteria per segment are presented below:

Distribution

• **Billed supply:** They are recognized by power supply occurring in a given period. This measurement takes place in accordance with the reading schedule set by the distributor. Revenue from electricity distribution services is therefore made according to this schedule, and the revenue from services recorded as invoices are issued based on current tariff approved by regulatory agency.

• **Distribution system use tariff - Billed:** Recognized by the availability of the infrastructure of the electric network of distribution to its customers (free and captive), where the fair value of the payment is calculated according to the system use tariff, which is defined by the regulatory agency.

• **Not billed:** Refers to the energy supplied and/or use of the distribution system which was not billed yet, corresponding to the period lapsed between the date of the last reading and the closing of financial statements. It is estimated and recognized as unbilled revenue, based on the actual amount of energy distributed during the month and the annual loss rate and current tariff.

• **Sectorial financial assets revenue:** It is recognized monthly as the difference between the costs belonging to Parcel "A" actually incurred in the result and those recognized in revenue from operations with electricity estimated at the current tariff by ANEEL.



- **Supply - Billed:** Refers to electric power supplied to other concessionaire, under contractual conditions. The amount of the payment is determined by the volume of energy delivered multiplied by the current tariff defined by the regulatory agency.
- **Short-term energy:** Revenue is recognized at fair value of consideration receivable at the time in which the excess of energy is traded in the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). Consideration corresponds to multiplication of sold energy volume by Difference Settlement Price - PLD.
- **Revenue from construction:** (iii) The recognition of construction revenue is directly associated with additions to Concession assets, without incorporating a profit margin into this construction activity in accordance with Technical Interpretation ICPC 01 (R1) - Concession Agreements. The establishment of the construction revenue results from the allocation of hours worked by the technical teams, the materials used, the measurement of the provision of third-party services and other directly allocated costs by means of input method in compliance with CPC 47. This revenue is recorded as counterparty to the cost of infrastructure construction for the same amount (Note 30).
- **Grants linked to granted service:** It is recognized when actually granting discounts on tariffs in the consumer units benefiting from government grants (Note 15.1) through the difference between the reference tariff for the respective consumer class and that actually applied to consumers benefiting from these grants.
- **Leases and rentals:** The lease revenue is measured at the fair value of the payment receivable and is recognized on monthly bases pursuant to the lease contracts.

Generation

- **Electricity supply:** Revenue is recognized based on the assured power and the tariffs specified in the supply agreements. The subsidiary may sell energy produced in two environments: (i) in Free Trade Market (ACL), where trading of electric power occurs through free negotiation of prices and conditions between the parties, with bilateral contracts; and (ii) in Regulated Contracting Environment (ACR), where there is trading of electric power to distribution agents, with energy price established by the Regulatory Agency through energy auctions.
- **Short-term energy:** Revenue is recognized at fair value of consideration receivable at the time in which excess of produced energy, after allocation of energy in MRE, is traded in the CCEE. Consideration corresponds to multiplication of sold energy volume by PLD.

Transmission

Revenue from construction of construction infrastructure

Construction revenue is recognized as a performance obligation that is met by the construction of the transmission line and its associated assets. The recognition of revenue from construction is directly associated with the additions to the contractual asset, according to the expenditures incurred (input method). The establishment of the construction revenue results from the allocation of hours worked by the technical teams, the materials used, the measurement of the provision of third-party services and other directly allocated costs. This revenue is recorded as counterparty to the Concession Assets, plus the construction margin and PIS and COFINS.

Margins of performance obligation for construction and improvement to form this revenue are an accounting estimate and, on June 30, 2021, it is from -23.73% to 47.25% on real construction cost in revenue.

This margin is estimated by transmission companies considering projected construction cost budget and possible efficiencies, considering regulatory deadline for construction work delivery. Possible revenue resulting from early end of Transmission Line is recognized in revenue for the year of effective early commercial operation authorized by ANEEL.

According to concept used by transmission companies, construction margin is a value creation component, represents present value of concession infrastructure construction service and, together with O&M margin and contract remuneration rate (implicit rate), contributes to zeroing present value of projected cash flow from investments and RAP receipts over the entire concession term.

Revenue from operation and maintenance (O&M)

O&M revenues are recognized monthly, as of the date that the Company is authorized to operate, as a performance obligation which is met by the operation and maintenance of the transmission line. This revenue is calculated based on the sums of costs anticipated to comply with the concession agreement, plus a margin.

O&M performance obligation margins for the formation of this revenue is an accounting estimate and on June 30, 2021 they are equivalent to 95% and 218%.

According to business model practiced by transmission companies, which work with markup range for pricing that should vary according to project profitability achieved in concession auction. This range is based on internal regulatory pricing studies, sectorial references for operation and maintenance, and previous experience with transmission projects. O&M revenue is adjusted monthly with RAP result actually allowed to be charged by the National System Operator (ONS).

Remuneration of concession assets

The concession agreements have a significant financing component, since the period of receipt for the infrastructure construction is long term (30 years). Therefore, as required by CPC 47, the return on concession assets is calculated based on the average funding rate of the project from the formalization of the concession agreement with the Concession Grantor on the balance of Concession Assets.

The SEP Circular Letter 01/2020 states that contractual remuneration should be made at the asset's remaining implicit rate after definition of concession's construction and O&M margins. However, still according to guidelines, rate should be close to financing market standard.

Remuneration rate for Transmission companies' Concession Assets represents 5.24% to 13.65% p.a. for the entire Concession period and is based on internal studies and own business model. In this sense, according to transmission companies' judgment, residual rate must be between weighted average cost of capital and debt contracting rate, both nominal values and before taxes.

Any changes in weighted average cost of capital promoted by ANEEL in Tariff Review processes with corresponding impact on RAP will have their effects recognized in revenue for the year in which Tariff Review is approved by regulatory body.

Trading

Revenue is recognized based on bilateral agreements with market agents and duly registered with the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). Future commitment contracts are classified as Financial Instruments, recognized at fair value through profit or loss, pursuant to CPC 48 - Financial Instruments (Note 14).

Services

The recognition of revenue is directly related to the measurement of the provision of third-party services and other directly allocated costs by means of input method in compliance with CPC 47. Certain agreements have a significant financing component. These are recognized proportionately over the duration of the agreement using the funding rate that would be reflected in a separate transaction between the parties.

Notes to the financial information
Period ended June 30, 2021
(In thousands of reais, unless otherwise indicated)



	Note	Changes in the period					
		Parent Company		Consolidated			
		R\$		MWh		R\$	
		04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020
Supply	29.2						
Residential				1,695,355	1,594,468	595,762	519,170
Industrial				342,836	290,649	127,422	110,246
Commercial				699,458	606,005	245,794	218,426
Rural				267,528	232,800	68,592	52,583
Government				113,739	102,759	45,945	37,839
Public lighting				166,644	195,853	36,085	37,852
Public service				103,091	113,106	40,818	37,273
Own consumption				3,255	2,574		
		-	-	3,391,906	3,138,214	1,160,418	1,013,389
Distribution system use tariff - Billed							
Captive consumers							
Residential						657,400	517,985
Industrial						101,366	75,224
Commercial						259,811	188,635
Rural						73,078	51,938
Government						37,852	28,626
Public lighting						38,690	38,316
Public service						27,543	22,302
Free consumers	29.4			3,070,721	2,530,202	550,839	411,331
		-	-	3,070,721	2,530,202	1,746,579	1,334,357
Not billed	7.3						
Supply						(11,126)	(985)
Distribution system use tariff- Billed						(27,674)	(15,594)
		-	-	-	-	(38,800)	(16,579)
Sectorial financial assets income	8						
CVA						194,892	(77,248)
Financial items - Extraordinary Tariff Review (RT)						(17,320)	(14,566)
Financial items - Other						33,170	116,267
PIS/COFINS						148,580	12,386
		-	-	-	-	359,322	36,839
Supply - Billed				3,086,169	3,193,725	580,620	398,582
Short-term energy	7.7			386,245	777,674	165,538	121,552
Sales						492,582	555,999
Revenue from construction						595,177	410,263
Restatement of concession assets						136,700	96,376
Restatement of indemnifiable financial assets	19					48,463	(21,748)
Revenue from operation and maintenance (O&M)						8,520	2,763
Chargeable Services						4,461	1,793
Grants linked to granted service	29.1					145,982	133,316
Refund for unavailability						(5,278)	2,746
Leases and rentals						32,631	33,202
Mark to market of Derivative Financial Instrument	14					1,570	
Other operating income		683	640			39,052	79,921
Gross operating income		683	640	9,935,041	9,639,815	5,473,537	4,182,771
(-) Operating revenue deductions							
Taxes on revenue							
ICMS (VAT taxes)						(696,073)	(560,177)
PIS/COFINS						(520,239)	(277,858)
ISS						(610)	(484)
		-	-	-	-	(1,216,922)	(838,519)
Consumer charges							
R&D	26					(23,979)	(20,157)
CDE	26					(247,586)	(311,772)
RGR	26					(1,087)	(1,109)
PROINFA – Free Consumers						(18,470)	(15,335)
Financial Compensation for the Use of Water Resources - CFURH						(6,769)	(7,674)
Other charges						(4,296)	(3,889)
		-	-	-	-	(302,187)	(359,936)
		-	-	-	-	(1,519,109)	(1,198,455)
Revenue		683	640	9,935,041	9,639,815	3,954,428	2,984,316



		Accumulated in the period							
		Parent Company		Consolidated					
		Six-month periods ended June 30							
		R\$		No. of consumers		MWh		R\$	
Note		01/01/2021– 06/30/2021	01/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020
Supply	29.2								
Residential				3,105,639	3,025,989	3,444,337	3,249,854	1,230,136	1,094,341
Industrial				22,598	24,094	699,763	664,918	224,581	252,172
Commercial				267,740	259,701	1,465,409	1,433,227	493,110	518,408
Rural				201,098	198,951	516,638	441,774	124,225	102,129
Government				21,470	20,346	244,152	242,448	84,978	89,025
Public lighting				4,717	4,576	330,413	341,042	58,850	66,332
Public service				3,234	3,166	220,655	223,222	70,448	74,002
Own consumption				406	386	6,817	5,766		
		-	-	3,626,902	3,537,209	6,928,184	6,602,251	2,286,328	2,196,409
Distribution system use tariff - Billed									
Captive consumers									
Residential								1,320,977	1,099,136
Industrial								176,519	170,420
Commercial								516,187	451,311
Rural								140,183	101,173
Government								70,288	67,816
Public lighting								62,508	66,867
Public service								47,926	45,619
Free consumers	29.4			1,542	1,165	6,126,624	5,241,663	1,091,772	857,764
		-	-	1,542	1,165	6,126,624	5,241,663	3,426,360	2,860,106
Not billed	7.3								
Supply								83,244	5,439
Distribution system use tariff								31,973	2,784
		-	-	-	-	-	-	115,217	8,223
Sectorial financial assets income	8								
CVA								264,351	(93,882)
Financial items - Extraordinary Tariff Review (RTE)								(32,123)	(32,543)
Financial items - Other								35,851	162,134
PIS/COFINS								188,196	15,005
		-	-	-	-	-	-	456,275	50,714
Supply - Billed						6,085,883	6,445,357	1,176,136	860,695
Short-term energy						630,145	1,132,255	311,404	379,152
Sales	29.4							1,097,333	1,467,774
Revenue from construction	18							1,163,801	766,021
Remuneration of concession assets	18							255,327	185,008
Restatement of indemnifiable financial assets	19							121,476	28
Revenue from operation and maintenance (O&M)								(7,848)	6,660
Chargeable Services								12,237	5,545
Grants linked to granted service	29.1							275,108	240,977
Refund for unavailability								(12,289)	21,491
Leases and rentals								72,538	65,846
Mark to market of Derivative Financial Instrument	14							52,925	
Other operating income		1,427	1,360					77,126	110,743
Gross operating income		1,427	1,360	3,628,444	3,538,374	19,770,836	19,421,526	10,879,454	9,225,392
(-) Operating revenue deductions									
Taxes on revenue									
ICMS (VAT taxes)								(1,380,704)	(1,207,477)
PIS/COFINS		(6)	(9)					(885,940)	(697,363)
ISS		(3)	(6)					(1,198)	(904)
		(9)	(15)	-	-	-	-	(2,267,842)	(1,905,744)
Consumer charges									
R&D	26							(48,031)	(43,332)
CDE	26							(552,829)	(623,544)
RGR	26							(2,174)	(2,219)
PROINFA – Free Consumers								(36,938)	(30,668)
Tariff flags (CCRBT)	26								(4,349)
Financial Compensation for the Use of Water Resources - CFURH	26							(15,834)	(18,143)
Other charges								(8,585)	(7,783)
		-	-	-	-	-	-	(664,391)	(730,038)
		(9)	(15)	-	-	-	-	(2,932,233)	(2,635,782)
Revenue		1,418	1,345	3,628,444	3,538,374	19,770,836	19,421,526	7,947,221	6,589,610

29.1 Tariff flags and Grants linked to granted service

Beginning January 1, 2015, by ANEEL Normative Resolution 547 of April 16, 2013, the Tariff Flag System came into effect. That mechanism aims to indicate to consumers the actual electric power generation costs of each month, by using four flags: green, yellow, red stage 1 and red stage 2. Every month, the system's operating conditions are evaluated by the National System Operator (ONS), which establishes the best power generation strategy to meet the demand. Based on that evaluation, a decision is made regarding which thermal plants are required to operate. The green flag indicates that the power generation cost is presently cost is at a regular level, and no increase in power tariff value is necessary. However, the yellow and red flags, level 1 and 2, indicate that the cost of energy generation has increased, and an increase in the energy tariff is applied.

On April 24, 2018, ANEEL, through Homologatory Resolution 2392, established the new criteria for activating tariff flags. The definition of the activation brackets will observe hydrologic risk thresholds defined according to the operational record of the National Interconnected System (SIN). The activation metric henceforth takes into account the definition of cost of hydrologic risk, where there is an indirect relationship between the depth of the generation scaling factor (GSF) and the electricity spot price (PLD, or different settlement price). The composition of these two variables, in trigger systematics, means the anticipated collection of income with the tariff flags is closer to the costs incurred.

On May 21, 2019, ANEEL, through ANEEL Homologatory Resolution 2551, published the new criteria for activating tariff flags, effective as of June 1, 2019. In October of the same year, Homologatory Resolution improved additional flag values, eliminating amount rounding applied until then, changing from R\$ 1.50 to R\$ 1.343 the additional value of yellow tariff flag validity for every 100-kWh consumed, from R\$ 4.00 to R\$ 4.169 additional value for red flag level 1 for every 100-kWh consumed, and from R\$ 6.00 to R\$ 6.243 additional value for red tariff flag level 2 for every 100 kWh consumed.

So, the balance related to the Tariff flags refers to the amounts to be transferred to the Centralizing Account for the Resources from Tariff Flags - CCRBT, related to the balance of grants linked to the service granted, managed by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), arising from the difference between the billed amounts net of ICMS and the estimated amounts not billed, for Tariff flags purposes, deducted of a portion of the energy and charges overhead.

Those funds are allocated to the coverage of costs not foreseen in the tariffs of several distributors in Brazil. Value monthly approved by ANEEL to be transferred or refunded is the difference between amount charged from customers and excess costs referring to: (i) Power Security of System Service Charge (Encargo de Serviço do Sistema - ESS); (ii) thermal dispatch; (iii) hydrologic risk; (iv) Itaipu quotas; (v) exposure to the short-term market; and (vi) excess Energy Reserve Account - CONER. The costs that are not covered by the income are considered in the next tariff process.

With additional amounts' annual adjustment, ANEEL Order 1551 determined, on May 26, 2020, maintenance of current values in force due to declaration of state of public calamity due to COVID-19 pandemic, with green flag activated until December 31, 2020 (Note 4.3.1.8). On November 30, 2020, this Order was revoked by Order 3363, which applied red flag level 2 for December 2020.

Public Consultation 11/2020, opened for the purpose of obtaining subsidies for the proposal of adjusting activation bands and additional values of Tariff Flags for the 2020/2021 Cycle, was closed due to decision that led to publication of Order 1551/20, with an indication by ANEEL that it shall be resumed in 2021 for discussion of the 2021/2022 Cycle.

Accordingly, ANEEL subsequently opened Public Consultation 10/2021, to collect subsidies for the definition of the new additional tariff flags, as well as parameters used as tariff coverage in the Company's adjustment and review processes. The topic was deliberated at the 23rd Ordinary Public Meeting of ANEEL's Board of Directors on June 29, 2021, which defined the new increases to be applied from July 1, 2021 (Note 4.8).

Furthermore, the Tariff flags applied in 2021 were the following:

Brands	Months
Yellow	January–April
Red Level 1	May
Red Level 2	June

29.2 Billed supply

When comparing the periods of the two years, there is a recovery in economic activity, reflecting the increased supply, whose main impacts of restrictions occurred in the second quarter of 2020 due to the COVID-19 scenario (Note 4.10).

29.3 Free Consumers

The change in free consumers reflects the 32% increase in the number of free customers due to the migration of several captive customers to the free market by the distributors EDP São Paulo and EDP Espírito Santo.

29.4 Sales

The reduction reflects the hydrological scenario (Note 4.8), where the market reduced the number of transactions, awaiting further updates on the meteorological and regulatory environment (Note 7.6).

30 Operating expenditures

Operating expenditures are recognized and measured: (i) in conformity with accrual regime, presented net of respective PIS and COFINS credits, when applicable; (ii) based on the direct association of income; and (iii) when they do not result in future economic benefits.

As required in the Article 187 of the Law 6404/76, the Company and its subsidiaries present operating expenditures as per the statement of income per position, the expenditures are divided into costs and expenses according to the origin and position.

In the segregation between costs and expenses, the following criteria are considered: (i) Costs: comprise the expenditures directly related to the rendering of electrical energy service related to the concession and also expenditures related to the energy generation, such as the purchase of electrical energy for resale, transmission charges, amortization of infrastructure concession right, expenditures related to commercial service and concession operation and maintenance and expenditures with raw material to produce energy; and (ii) Operating expenses: these are expenditures related to the management of the Company and its subsidiaries representing many general activities attributable to business phases, such as administrative personnel, management remuneration, estimated loss with doubtful accounts, and judicial, regulatory and administrative provisions.

The breakdown of operating expenditures, according to their nature, as required by the CPC 26 (R1) is as follows:

Parent Company						
Changes in the period						
04/01/2021–06/30/2021			04/01/2020–06/30/2020			
Operating expenses			Operating expenses			
Note	General and administrative	Other	Total	General and administrative	Other	Total
Personnel, Administrators and Private pension entity	30.3	13,926	13,926	7,776		7,776
Material		104	104	69		69
Third-party services	30.4	10,953	10,953	7,819		7,819
Depreciation - Construction in service		897	897	1,002		1,002
Depreciation - Assets related to right to use		730	730	431		431
Amortization		3,624	3,624	2,726		2,726
Civil, tax and labor provisions			57		63	63
Leases and rentals		302	302	(106)		(106)
Gain from acquisition of investments		(4,465)	(4,465)			
Other		2,065	2,065	2,438	(82)	2,356
Total		32,601	28,193	22,155	(19)	22,136

Notes to the financial information
Period ended June 30, 2021
(In thousands of reais, unless otherwise indicated)



Parent company									
Accumulated in the period									
01/01/2021–06/30/2021					01/01/2020–06/30/2020				
Operating expenses					Operating expenses				
Note	General and administrative	Other	Total		General and administrative	Other	Total		
Personnel, Administrators and Private pension entity	30.3	27,128	27,128		15,886		15,886		
Material		663	663		364		364		
Third-party services	30.4	18,089	18,089		17,174		17,174		
Depreciation - Construction in service		1,566	1,566		2,043		2,043		
Depreciation - Assets related to right to use		1,217	1,217		1,109		1,109		
Amortization		6,604	6,604		5,433		5,433		
Civil, tax and labor provisions			327	327		(96)	(96)		
Leases and rentals		871	871		144		144		
Gain from acquisition of investments			(4,465)	(4,465)					
Other		4,874	4,874		4,717	(245)	4,472		
Total		61,012	(4,138)	56,874	46,870	(341)	46,529		

Consolidated									
Changes in the period									
04/01/2021–06/30/2021									
Costs					Operating expenses				
Note	Costs of electricity	Production	Operation	Rendered to third-parties	PECLD	General and administrative	Other	Total	
Electricity purchased for resale	30.1	1,806,074						1,806,074	
Electricity network utilization charges	30.2	323,334						323,334	
Cost of consumed raw material			116,975					116,975	
Personnel, Administrators and Private pension entity	30.3			94,630	1,844	42,393		138,867	
Material				16,533	1,303	1,238		19,074	
Third-party services	30.4			73,880	2,584	50,460		126,924	
Depreciation - Construction in service				69,844		14,669		84,513	
Depreciation - Assets related to right to use						6,357		6,357	
Amortization				68,732		16,251		84,983	
Estimated loss from allowance for doubtful accounts / Net losses						34,050		34,050	
Civil, tax and labor provisions							6,044	6,044	
Leases and rentals			102	6		716		824	
Gains and losses from deactivating and disposal of assets							17,150	17,150	
Infrastructure construction costs	18				538,775			538,775	
Other		1,364		17,533	11	7,804	402	27,114	
Total		2,130,772	116,975	341,254	544,523	34,050	139,888	23,596	3,331,058

Consolidated									
Changes in the period									
04/01/2020–06/30/2020									
Costs					Operating expenses				
Note	Costs of electricity	Production	Operation	Rendered to third-parties	PECLD	General and administrative	Other	Total	
Electricity purchased for resale	30.1	1,405,209						1,405,209	
Electricity network utilization charges	30.2	230,394						230,394	
Cost of consumed raw material			6,143					6,143	
Personnel, Administrators and Private pension entity	30.3			72,378	828	44,973		118,179	
Material				7,955	546	2,688		11,189	
Third-party services	30.4			60,815	88	48,238		109,141	
Depreciation - Construction in service				68,078		20,619		88,697	
Depreciation - Assets related to right to use						6,825		6,825	
Amortization				60,716		10,289		71,005	
Estimated loss from allowance for doubtful accounts / Net losses						39,575		39,575	
Civil, tax and labor provisions						21	8,756	8,777	
Leases and rentals			896			118		1,014	
Gains and losses from deactivating and disposal of assets							19,054	19,054	
Infrastructure construction costs	18				383,594			383,594	
Other		42,410		8,147	205	15,103	(298)	65,567	
Total		1,678,013	6,143	278,985	385,261	39,575	148,874	27,512	2,564,363



Consolidated									
Accumulated in the period									
01/01/2021–06/30/2021									
Costs					Operating expenses				
Note	Costs of electricity	Production	Operation	Rendered to third-parties	PECLD	General and administrative	Other	Total	
Electricity purchased for resale	30.1	3,469,467						3,469,467	
Electricity network utilization charges	30.2	646,351						646,351	
Cost of consumed raw material			258,537					258,537	
Cost recovery with GSF - Concession Rights	30.5	(23,296)						(23,296)	
Personnel, Administrators and Private pension entity	30.3			182,324	3,108	84,026		269,458	
Material				27,907	4,441	2,195		34,543	
Third-party services	30.4			136,736	3,196	102,894		242,826	
Depreciation - Construction in service				139,927		27,960		167,887	
Depreciation - Assets related to right to use						11,789		11,789	
Amortization				132,950		31,884		164,834	
Estimated loss from allowance for doubtful accounts / Net losses						58,981		58,981	
Civil, tax and labor provisions							20,544	20,544	
Leases and rentals				(695)	5	1,199		509	
Gains and losses from deactivating and disposal of assets							27,034	27,034	
Infrastructure construction costs	18				1,039,546			1,039,546	
Other		3,146		26,745	44	24,566	346	54,847	
Total		4,095,668	258,537	645,894	1,050,340	286,513	47,924	6,443,857	

Consolidated									
Accumulated in the period									
01/01/2020–06/30/2020									
Costs					Operating expenses				
Note	Costs of electricity	Production	Operation	Rendered to third-parties	PECLD	General and administrative	Other	Total	
Electricity purchased for resale	30.1	3,313,836						3,313,836	
Electricity network utilization charges	30.2	477,284						477,284	
Cost of consumed raw material			63,717					63,717	
Personnel, Administrators and Private pension entity	30.3			155,466	1,910	92,906		250,282	
Material				18,036	2,215	4,865		25,116	
Third-party services	30.4			128,798	2,502	95,510		226,810	
Depreciation - Construction in service				135,766		32,022		167,788	
Depreciation - Assets related to right to use						13,400		13,400	
Amortization				112,937		27,996		140,933	
Estimated loss from allowance for doubtful accounts / Net losses						73,804		73,804	
Civil, tax and labor provisions							21	18,524	
Leases and rentals				2,274		2,046		4,320	
Gains and losses from deactivating and disposal of assets							47,102	47,102	
Infrastructure construction costs	18				713,467			713,467	
Other		44,248		16,703	223	31,811	(2,700)	90,285	
Total		3,835,368	63,717	569,980	720,317	300,577	62,905	5,626,668	

30.1 Electricity purchased for resale

Consolidated					
Note	Changes in the period		Accumulated in the period		
	04/01/2021–06/30/2021	04/01/2020–06/30/2020	01/01/2021–06/30/2021	01/01/2020–06/30/2020	
Energy purchase and sale agreements by availability	30.1.1	556,829	290,859	775,561	580,657
Energy purchase and sale agreements by quantity	30.1.2	208,091	208,638	415,012	647,858
PROINFA		30,913	25,644	61,827	51,287
Energy purchase and sale agreements by quotas	30.1.3	271,217	165,987	448,462	317,840
Short-term energy		125,712	57,128	187,794	156,309
Energia de Itaipu Binacional		271,931	314,348	573,699	599,741
EER (Reserve Energy Charge)		39,672	21,356	40,898	21,356
System Service Charge (Encargo de Serviço do Sistema – ESS)	30.1.4	49,276	(68,412)	218,213	(68,957)
Energy trading agreements	29.4	466,494	535,554	1,124,280	1,369,029
Other		(9,946)	(2,822)	(13,253)	(6,316)
(-) Reimbursements CCEE/CONER		(25,589)	(7,651)	(31,445)	(9,299)
(-) PIS/COFINS Tax credits		(178,526)	(135,420)	(331,581)	(345,669)
		1,806,074	1,405,209	3,469,467	3,313,836

30.1.1 Energy purchase and sale agreements by availability

The change in energy purchase values by availability is due to the seasonality in the energy scenario, influenced by the beginning of the so-called “dry” period, where there was the activation of thermal plants at a significant value outside the order of merit.

30.1.2 Energy purchase and sale agreements by quantity

The change for the period mainly refers to the subsidiary Porto de Pecém due to the reduction in the volume purchased in the short term compared to the same period of the previous year.



30.1.3 Energy purchase and sale agreements by quotas

The increase in contracts in the quota type is mainly due to the increase in the Hydrological Risk observed in the period of 2021, due to the hydrological scenario (Note 4.8) that caused an increase in prices during the year.

30.1.4 System Service Charge (Encargo de Serviço do Sistema – ESS)

The increase in the ESS refers to the distribution subsidiaries, due to the activation of thermal plants outside the order of merit and the import of energy from Argentina and Uruguay due to the low level of the reservoirs, thus increasing the cost of the ESS for agents whose consumption is served by the SIN.

30.2 Electricity network utilization charges

The increase is mainly due to the Tariff for the use of the transmission system - TUST, in which a tariff review is carried out at all transmission agents.

30.3 Personnel and Administrators

	Parent Company				Consolidated			
	Changes in the period 04/01/2021– 06/30/2021	Accumulated in the period 04/01/2020– 06/30/2020	Changes in the period 01/01/2021– 06/30/2021	Accumulated in the period 01/01/2020– 06/30/2020	Changes in the period 04/01/2021– 06/30/2021	Accumulated in the period 04/01/2020– 06/30/2020	Changes in the period 01/01/2021– 06/30/2021	Accumulated in the period 01/01/2020– 06/30/2020
Personnel								
Remuneration	4,715	2,699	9,610	5,255	62,646	57,484	121,625	118,277
Charges	1,958	1,060	3,755	2,001	24,083	19,555	45,379	41,213
Private pension plan - Current	251	93	517	207	3,483	3,233	6,912	6,690
Termination expenses	379	34	413	246	3,427	198	7,840	4,034
Profit sharing – PLR	610	716	1,658	1,227	7,056	9,062	17,535	19,092
Other benefits - Current	1,497	638	3,312	1,267	24,148	19,921	46,484	41,153
Other post-employment benefits – Actuarial deficit or surplus					623	1,015	1,246	2,026
Other	10	29	19	41	1,400	623	2,248	1,425
	9,420	5,269	19,284	10,244	126,866	111,091	249,269	233,910
Administrators								
Fees and charges	3,600	2,550	6,290	5,015	9,969	8,116	16,951	15,888
Administrators' benefits	906	(43)	1,554	627	2,032	(1,028)	3,238	484
	4,506	2,507	7,844	5,642	12,001	7,088	20,189	16,372
	13,926	7,776	27,128	15,886	138,867	118,179	269,458	250,282

30.4 Third-party services

	Parent Company				Consolidated			
	Changes in the period 04/01/2021– 06/30/2021	Accumulated in the period 04/01/2020– 06/30/2020	Changes in the period 01/01/2021– 06/30/2021	Accumulated in the period 01/01/2020– 06/30/2020	Changes in the period 04/01/2021– 06/30/2021	Accumulated in the period 04/01/2020– 06/30/2020	Changes in the period 01/01/2021– 06/30/2021	Accumulated in the period 01/01/2020– 06/30/2020
Consulting services	9,716	8,700	18,392	16,114	20,559	19,326	37,163	32,903
Commercial services		2		2	32,881	29,576	64,220	60,099
Maintenance services	1,858	352	1,961	794	34,160	25,957	59,739	61,709
Cleaning and surveillance services	210	171	314	372	7,274	5,640	14,513	11,383
IT services	3,045	2,876	6,125	5,861	20,641	19,701	41,912	39,001
Publishing and advertisement services	483	1,016	1,955	2,671	861	1,739	5,359	6,539
Transportation services	101	253	163	1,096	2,270	2,332	4,195	6,205
Shared services	(5,699)	(5,858)	(13,968)	(11,747)	131	(2)		(3)
(-) PIS/COFINS credit					(5,072)	(3,387)	(9,007)	(11,197)
Other	1,239	307	3,147	2,011	13,219	8,259	24,732	20,171
	10,953	7,819	18,089	17,174	126,924	109,141	242,826	226,810

30.5 Cost recovery with GSF - Concession Rights

The amount of R\$ 23,296 recorded on June 30, 2021, added to the amount of R\$ 388,859 on December 31, 2020, totals R\$ 412,155, refers to recovery of GSF costs earned by subsidiaries Enerpeixe, Lajeado and Energest, totaling estimated increase of 67 months, 13.6 months and 18.1 months, respectively, in their concession terms (Note 21.1.3.1) based on parameters regulated by ANEEL Resolution 895/2020.

31 Financial result

Note	Parent Company				Consolidated			
	Changes in the period 04/01/2021– 06/30/2021	Accumulated in the period 04/01/2020– 06/30/2020	Changes in the period 01/01/2021– 06/30/2021	Accumulated in the period 01/01/2020– 06/30/2020	Changes in the period 04/01/2021– 06/30/2021	Accumulated in the period 04/01/2020– 06/30/2020	Changes in the period 01/01/2021– 06/30/2021	Accumulated in the period 01/01/2020– 06/30/2020
Financial income								
Interest and inflation adjustment								
Income from financial investments and pledges	3,072	3,486	6,638	9,355	16,556	24,428	30,547	50,301
Electricity sold					56,631	37,520	111,725	78,594
Judicial deposits	33	40	77	106	2,592	3,100	4,620	6,438
Loan agreements	11 3,815	2,306	6,294	5,096	(4)	190	(1)	453
Sectorial financial assets/liabilities	8				23,857		25,113	
Interest and fines on taxes	9	122	926	122	2,145	(28,538)	15,728	(22,271)
Remuneration of preferred shares		1,285	535	1,833	1,066			
Leases and rentals	15.7	(52)		447	(2)	(504)		2,756
Other interest and inflation adjustment		58	(1)	58	65	(394)	65	537
Swap and hedge operations					(38,441)			
Changes in foreign currency		3,244		3,244	24,786	(14)	24,786	
Adjustments to present value	7.4				31	1,507	279	2,058
(-) Compound interest	18				26,488	(4,475)	(4,774)	(12,766)
(-) Taxes on financial income		(332)	(316)	(615)	(778)	(4,715)	(4,283)	(8,757)
Other financial income		(330)		434	703	(74)	2,081	602
	10,967	6,924	18,085	17,437	80,009	72,729	163,413	167,747



Note	Parent Company				Consolidated			
	Changes in the period		Accumulated in the period		Changes in the period		Accumulated in the period	
	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020
Financial expenses								
Debt charges								
Loans and financing	24.2	(784)	(1,282)		(58,386)	(48,650)	(120,797)	(91,563)
Debentures	23.2	(12,985)	(13,152)	(33,125)	(132,438)	(95,649)	(297,009)	(189,717)
Changes in foreign currency	34.1.2				29,545			
Swap and hedge operations					(24,458)		(24,458)	
Adjustments to present value					(1,480)	(1,223)	(2,752)	(2,438)
(-) Compound interest	18				57,326	49,844	190,669	92,144
Interest and inflation adjustment								
Interest and fines on taxes	9	(72)	(124)	(122)	(2,103)	(1,817)	(3,779)	(5,104)
Sectorial financial assets/liabilities	8				4,612	(7,867)		(25,311)
Civil, tax and labor provisions	27.1.1	(748)	(502)	(1,333)	(18,152)	(5,606)	(40,006)	(21,014)
Use of Public Property	31.1				(37,031)	(13,510)	(76,487)	(22,853)
Generation Scaling Factor - GSF	31.1				358	(7,349)	(52,050)	(16,015)
Post-employment benefits	25.1.1 25.2.1				(16,425)	(17,213)	(32,846)	(34,410)
Leases and rentals	15.7	(293)		(304)	(3,393)	(1,416)	(7,105)	(3,618)
Free Energy					(2,224)	(926)	(4,917)	(2,218)
Other interest and inflation adjustment					2,010	(2,422)	(4,954)	(4,059)
Changes in foreign currency		4,219	6,909	(9,282)	5,353	3,880	(5,670)	(15,305)
Swap and hedge operations					(11,420)		(11,420)	
Adjustments to present value					36	171	(384)	
(-) Compound interest					202		986	
Other financial expenses								
		(2,512)		(2,724)	(8,034)	(8,289)	(16,509)	(12,250)
		(10,663)	(9,381)	(36,166)	(216,102)	(158,042)	(509,488)	(353,731)
Total		304	(2,457)	(18,081)	(136,093)	(85,313)	(346,075)	(185,984)

31.1 Use of Public Property - UBP and Generation Scaling Factor - GSF

Changes in "Use of Public Property (UBP)" and "Generation Scaling Factor - GSF" captions refer to increase in IGP-M index of both items (Notes 21.1.2 and 21.1.3.1), which became an accumulated total of 15.08% in period ended June 30, 2021, while in period ended June 30, 2020, that was 4.32%.

32 Income tax and social contribution

Regarding the subsidiaries EDP Smart Soluções(*), EDP Smart Energia(*), UFV SP V Equipamentos, EDP Transmissão, EDP Transmissão MA II and EDP Transmissão Litoral Sul, the income and social contribution tax recorded in income are calculated based on the deemed profit method, where income and social contribution tax bases were computed considering tax rates of 8% and 12%, respectively, calculated on the amount of gross income in accordance with current legislation.

(*) Formerly EDP Soluções and EDP Varejista, according to Note 1.1.1.

For the Company and other subsidiaries, current income tax is calculated based on taxable income, at the rates applicable according to the legislation in force - 15%, plus 10% on the taxable income that exceeds R\$240 per annum and social contribution recorded in the result is calculated with a basis on taxable income, through the application of the rate of 9%. Both consider the offset of tax losses and negative basis of social contribution tax, limited to 30% of the taxable income (when applicable).

Income and social contribution tax expenses comprise current and deferred taxes, and they are recognized in the income statement unless they relate to items directly recognized in Shareholders' equity.

Note	Parent Company				Consolidated			
	Changes in the period		Accumulated in the period		Changes in the period		Accumulated in the period	
	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020	04/01/2021– 06/30/2021	04/01/2020– 06/30/2020	01/01/2021– 06/30/2021	01/01/2020– 06/30/2020
Income before income taxes	345,443	236,700	840,664	507,181	540,230	376,564	1,278,592	818,526
Rate	34%	34%	34%	34%	34%	34%	34%	34%
IRPJ and CSLL	(117,451)	(80,478)	(285,826)	(172,442)	(183,675)	(128,032)	(434,719)	(278,300)
Adjustments to reflect effective rate								
IRPJ and CSLL on permanent additions and exclusions								
Donations		(702)		(1,100)	(1,298)	(3,284)	(1,615)	(3,760)
Equity accounting result	127,276	89,197	311,980	196,049	18,004	14,255	41,243	14,134
Other	(64)	(187)	(340)	(449)	(1,543)	(162)	(2,260)	(892)
Deferred and unrecognized IRPJ & CSLL	(10,714)	13,674	(26,206)		(12,894)	9,499	(30,358)	(5,330)
(Addition) Reversal of permanent differences		(20,942)		(20,942)		(20,942)		(20,942)
Adjustments from prior accounting years	32.1	(24)		(24)		2,676	28,895	2,757
Deemed profit adjustment					(1,750)	(411)	(20,845)	(1,793)
Tax incentives								
SUDAM / SUDENE					22,385	20,805	43,840	47,809
Other					1,291	1,125	3,279	2,571
IRPJ and CSLL expenses	(953)	538	(392)	1,092	(159,480)	(104,471)	(372,540)	(243,746)
Effective rate	0.28%	-0.23%	0.05%	-0.22%	29.52%	27.74%	29.14%	29.78%

32.1 Adjustments from prior fiscal years

The amount on June 30, 2021 of R\$ 28,895 refers mainly to the transmission companies EDP Transmissão, EDP Transmissão MA II and EDP Transmissão Litoral Sul due to the change in their taxation regimes to the deemed profit.

33 Earnings per share

The basic earnings per share is calculated based on net income for the year attributable to the Company's shareholders and the weighted average value of common shares outstanding in the respective year. Diluted earnings per share is calculated by the same indicators, and the average of free-float shares adjusted by instruments potentially convertible into share, with diluting effect, in accordance with CPC 41 - Earnings per share.

The Company created the Share-Based Payment Plan, which grants future shares of the Company to its beneficiaries. Therefore, for calculating the diluted income per share the estimated amounts of these grants on the closing date of this interim accounting information was considered.

The calculation of "basic and diluted" earnings per share is presented below:

	Parent Company and Consolidated			
	Changes in the period		Accumulated in the period	
	04/01/2021-06/30/2021	04/01/2020-06/30/2020	01/01/2021-06/30/2021	01/01/2020-06/30/2020
Basic income (loss)				
Net income for the period attributable to shareholders	344,490	237,238	840,272	508,273
Weighted average of the number of common shares with controlling shareholders (thousand)	581,062	604,877	587,588	604,877
Basic earnings per share (reais/share)	0.59286	0.39221	1.43004	0.84029
Diluted earnings				
Net income for the period attributable to shareholders	344,490	237,238	840,272	508,273
Adjustment to net income (loss) for the period available to shares considering the potential increment of common shares as result of incentive and retention plans	(768)	392	(2,524)	(1,756)
Net income for the adjusted period attributable to shareholders	343,722	237,630	837,748	506,517
Weighted average of the number of common shares with controlling shareholders (thousand)	581,062	604,877	587,588	604,877
Potential increment to common shares based on incentive and long-term retention plans	958	799	958	799
Weighted average of the adjusted number of common shares with controlling shareholders (thousand)	582,020	605,676	588,546	605,676
Diluted earnings per share (reais/share)	0.59057	0.39234	1.42342	0.83628

* The number of common shares does not include treasury shares.

34 Financial instruments and risk management

The Company and its subsidiaries maintain operations with financial instruments. The Management of these instruments is executed by means of operating strategies and internal controls aiming to ensure credit, liquidity, safety and profitability. The contracting of financial instruments with hedging objectives is performed by means of a periodic analysis of the exposure to the financial risks (foreign exchange, interest rate etc.), which is included in regular risk reports to the Management.

In compliance with the Financial Risk Management Policy of Grupo EDP - Energias do Brasil, and based on periodic analyses con-substantiated by the risk reports, specific strategies are defined for the mitigation of financial risks, which are approved by Management, for the effective operation of the strategy. The control policy involves the permanent monitoring of the conditions contracted versus the conditions in force in the market through operating systems integrated into the SAP platform. The Company and its subsidiaries do not invest in derivatives or any other risk assets on a speculative basis. The results obtained from such operations are consistent with the policies and strategies defined by management.

Management of the risks associated with these operations is performed through the application of policies and strategies defined by Management and include the monitoring of levels of exposure of each market risk, forecasts of future cash flow and the establishment of exposure limits. This policy also determines that the updating of information in operating systems, as well as the confirmation and effective operation of transactions with the counterparties, shall be performed based on the appropriate segregation of duties.

34.1 Financial instruments

Financial instruments are defined as any agreement that creates a financial asset for the entity, and a financial liability or equity instrument for another entity.

These financial instruments are immediately recognized on the negotiation date, that is, when the obligation or right is formalized, and are initially recorded at fair value plus or less any directly attributable transaction costs.

Financial instruments are written off when the contract rights to cash flow expire, that is, when the end of the right or obligation to receive or deliver cash or membership certificate is certain. In this situation, Management, based on consistent information, records the settlement.

The recognition may be equity instrument due to cancellation, payment, receipt, transfer or when the debts expire.

34.1.1 Classification of financial instruments

Classification and measurement of financial assets and liabilities are as follows:

	Note	Levels	Parent Company			
			Fair value		Book value	
			06/30/2021	12/31/2020	06/30/2021	12/31/2020
Financial assets						
Fair value through profit or loss						
At initial recognition or subsequently						
Cash and cash equivalents	5					
Interest earning bank deposits		Level 2	149,644	895,376	149,644	895,376
			149,644	895,376	149,644	895,376
Amortized cost						
Cash and cash equivalents	5					
Cash and banks		Level 2	5,021	11,828	5,021	11,828
Securities receivable		Level 2	27,222	27,557	27,222	27,557
Loans receivable	11	Level 2	481,013	502,074	481,013	502,074
Pledges		Level 2	614	264	614	264
Other receivables - Related parties	11	Level 2	19,793	25,771	19,793	25,771
			533,663	567,494	533,663	567,494
			683,307	1,462,870	683,307	1,462,870
Financial liabilities						
Amortized cost						
Suppliers	22	Level 2	17,050	24,792	17,050	24,792
Debentures	23	Level 2	316,291	477,408	303,726	442,530
Loans and financing						
Loan agreements		Level 2	102,216	100,934	102,216	100,934
Other accounts payable - Related Parties	11	Level 2	54,008	47,445	54,008	47,445
Leases and rentals	15.7	Level 2	8,435	1,294	8,307	1,214
			498,000	651,873	485,307	616,915



			Consolidated			
	Note	Levels	Fair value		Book value	
			06/30/2021	12/31/2020	06/30/2021	12/31/2020
Financial assets						
Fair value through profit or loss						
At initial recognition or subsequently						
Cash and cash equivalents	5					
Interest earning bank deposits		Level 2	1,449,980	2,534,557	1,449,980	2,534,557
Indemnifiable financial asset	19	Level 3	3,877,390	3,486,960	3,877,390	3,486,960
Securities	6	Level 2	107,796	153,987	107,796	153,987
Future marketing commitments	14	Level 3	2,177,301	425,951	2,177,301	425,951
Other receivables – Derivatives		Level 2	648	(1,178)	648	(1,178)
			7,613,115	6,600,277	7,613,115	6,600,277
Amortized cost						
Cash and cash equivalents						
Cash and banks	5	Level 2	86,005	201,302	86,005	201,302
Accounts receivable	7	Level 2	2,419,552	3,041,019	2,419,552	3,041,019
Income receivable		Level 2	2,926	3,429	2,926	3,429
Loans receivable	11	Level 2	20,270	4,518	20,270	4,518
Pledges		Level 2	28,690	23,494	28,690	23,494
Securities	6	Level 2	2,503	1,753	2,503	1,753
Sectorial financial assets	8	Level 2	597,983	545,484	597,983	545,484
Other receivables - Related parties	11	Level 2	10,218	11,085	10,218	11,085
			3,168,147	3,832,084	3,168,147	3,832,084
			10,781,262	10,432,361	10,781,262	10,432,361

			Consolidated			
			Fair value		Book value	
	Note	Levels	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Financial liabilities						
Fair value through profit or loss						
At initial recognition or subsequently						
Loans, financing and debt charges	24					
Derivatives		Level 2		582		582
Future marketing commitments	14	Level 3	1,896,929	198,505	1,896,929	198,505
			1,896,929	199,087	1,896,929	199,087
Amortized cost						
Suppliers	22	Level 2	1,559,977	2,251,446	1,559,977	2,251,446
Debentures	23	Level 2	6,369,119	5,537,935	6,360,138	5,216,201
Use of Public Property		Level 2	446,351	393,877	501,018	442,835
Refund for unavailability		Level 2	3,205	5,307	3,205	5,307
Loans, financing and debt charges	24					
Domestic currency		Level 2	2,860,041	3,485,143	2,864,232	3,517,214
Foreign currency		Level 2	373,231	306,892	406,777	301,477
Other accounts payable - Related Parties	11	Level 2	53,661	48,723	53,661	48,723
Leases and rentals	15.7	Level 2	114,877	85,803	112,947	70,798
Environmental permits		Level 2	119,200	120,409	122,020	121,292
Sectorial financial liabilities	8	Level 2	1,968,512	2,397,401	1,968,512	2,397,401
			13,868,174	14,632,936	13,952,487	14,372,694
			15,765,103	14,832,023	15,849,416	14,571,781

34.1.2 Derivative financial instruments

A derivative financial instrument may be identified provided that: (i) its value is influenced by fluctuation of financial instrument rate or price; (ii) does not require initial investment or investment is much lower that it would be in similar contracts; and (iii) they will always be settled in a future date. Only if all those characteristics are met can a financial instrument be classified as a derivative.

Derivative financial instruments are recognized at their fair values, with gains and losses resulting from this revaluation being recorded in income for the year, except when derivative is classified as cash flow hedge, and gains and losses recorded in Other Comprehensive Income in shareholders' equity.

Operations with derivatives at the subsidiary EDP Comercializadora refer to energy purchase and sale operations, being traded on an active market and meeting the definition of financial instruments, due to the fact that they are settled in energy, and readily convertible into a financial amount. Such contracts are accounted for as derivatives under CPC 48, and are recognized in the financial statements at fair value, on the date on which the derivative is entered into, and are revalued at fair value on the balance sheet date. The subsidiary did not carry out speculative transactions in derivative instruments during the period.

On June 30, 2021, derivative operations in Consolidated refer to the subsidiaries Porto do Pecém, EDP Transmissão SP-MG, EDP Smart Serviços (*), EDP Espírito Santo and EDP São Paulo. Below table containing key information about the these derivatives:

(*) Formerly known as EDP GRID, as Note 1.1.1.

Notes to the financial information
Period ended June 30, 2021
(In thousands of reais, unless otherwise indicated)



					Consolidated						Six-month periods ended June 30, 2021
					06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	Effects in income (loss)
Description	Subsidiary	Counterparty	Effectiveness	Position	Notional USD		Notional - R\$		Fair value		
Swap											
Assets	EDP Transmissão SP-MG	Scotiabank Brasil S/A Banco Múltiplo	12/23/2020–12/10/2021	USD + 0.95% p.a.	59,055	59,055			296,274	306,104	7,041
Liabilities				CDI + 0.45% p.a.			(300,000)	300,000	(305,228)	(301,477)	(20,965)
					59,055	59,055	(300,000)	300,000	(8,954)	4,627	(13,924)
Assets	EDP São Paulo	Harvest	02/12/2021–01/15/2026	IPCA + 3.91% p.a.			700,000		709,979		(4,227)
Liabilities				CDI + 1.50% p.a.			(700,000)		(716,765)		(2,559)
					-	-	-	-	(6,786)	-	(6,786)
Assets	EDP Espírito Santo	Itaú	12/02/2021–15/07/2025	IPCA + 3.26% p.a.			500,000		505,855		3,366
Liabilities				CDI + 1.15% p.a.			(500,000)		(510,489)		(8,000)
					-	-	-	-	(4,634)	-	(4,634)
Assets	EDP GRID	Scotiabank Brasil S/A Banco Múltiplo	04/07/2021–04/12/2022	USD + 0.62% p.a.	17,986				89,731		(9,908)
Liabilities				CDI + 0.79% p.a.			(100,000)		(101,549)		(626)
					17,986	-	(100,000)	-	(11,818)	-	(10,534)
NDFs											
Call Sale	Porto do Pecém	Citibank	04/06/2020–01/04/2021	BRL/USD 5.30 76		4,902	25,470		794	794	
					-	(4,902)	-	(25,470)	-	794	(794)
Call Sale	Porto do Pecém	Citibank	04/06/2020–02/01/2021	BRL/USD 5.32 89		1,009	5,245		141	(28)	
					-	(1,009)	-	(5,245)	-	141	28
Call Sale	Porto do Pecém	Citibank	11/10/2020–01/22/2021	BRL/USD 5.37 47		3,100	16,109		(582)		
					-	3,100	-	16,109	-	(582)	-
Call Sale	Porto do Pecém	Citibank	04/16/2021–06/01/2021	BRL/USD 5.6020							2,400
					-	-	-	-	-	-	-
Call Sale	Porto do Pecém	Citibank	04/16/2021–07/01/2021	BRL/USD 5.6105	11,386		56,952		6,587		
					(11,386)	-	(56,952)	-	(6,587)	-	-
Call Sale	Porto do Pecém	Itaú	04/16/2021–08/01/2021	BRL/USD 5.6245	1,316		6,584		819		
					(1,316)	-	(6,584)	-	(819)	-	-
Call Sale	EDP GRID	Citibank	10/19/2020–05/31/2021	BRL/USD 5.62 21		1,366	7,097		(573)		
					-	1,366	-	7,097	-	(573)	-
Call Sale	EDP GRID	Citibank	10/19/2020–07/30/2021	BRL/USD 5.64 44	3,097	3,097	15,491	16,094	(1,989)	(1,313)	
					3,097	3,097	15,491	16,094	(1,989)	(1,313)	-
Call Sale	EDP GRID	Harvest	11/16/2020–07/30/2021	BRL/USD 5.49 40	298	298	1,491	1,549	(147)	(82)	
					298	298	1,491	1,549	(147)	(82)	-
Call Sale	EDP GRID	Harvest	11/16/2020–06/30/2021	BRL/USD 5.48 20		60	310		(16)		
					-	60	-	310	-	(16)	-
Call Sale	EDP GRID	Citibank	05/17/2021–12/27/2021	BRL/USD 5.4249	56		279		(17)		
					56	-	279	-	(17)	-	-
Call Sale	EDP GRID	Citibank	05/17/2021–05/17/2022	BRL/USD 5.5451	385		1,925		(115)		
					385	-	1,925	-	(115)	-	-
Call Sale	EDP GRID	Citibank	06/21/2021–12/27/2021	BRL/USD 5.1630	43		213		(2)		
					43	-	213	-	(2)	-	-
Call Sale	EDP GRID	Citibank	06/21/2021–03/31/2022	BRL/USD 5.2500	257		1,284		(15)		
					257	-	1,284	-	(15)	-	-
Options											
Call Sale	EDP GRID	Harvest	10/01/2020–11/18/2020	BRL/USD 5.64 50					(129)		
					-	-	-	-	-	(129)	-
Call Sale	Porto do Pecém	BTG Pactual	04/22/2021–06/01/2021	API2* 66.75 USD/ton	8,310		41,565				350
					8,310	-	41,565	-	-	-	350
Call Sale	Porto do Pecém	BTG Pactual	04/22/2021–07/01/2021	API2* 67.26 USD/ton	12,352		61,784				500
					12,352	-	61,784	-	-	-	500
Call Sale	Porto do Pecém	BTG Pactual	04/22/2021–08/02/2021	API2* 67.63 USD/ton	1,436		7,182				598
					1,436	-	7,182	-	-	-	598
Total									(41,883)	2,867	(37,596)

(*) API 2: API 2 is the benchmark price for the coal imported by Northeastern Europe.

The impacts of gains and losses in the period ended June 30, 2021 were as follows:

	Consolidated	
	Income (loss)	Shareholders' equity
	2021	06/30/2021
Derivatives intended for protection		
Foreign exchange risks	(8,816)	6,766
Interest and currency rate risks	(25,344)	
Total	(34,160)	6,766

34.1.2.1 Swap contracts

Swap contracts are used as insurance or hedge, with the objective of reducing risks and providing more predictability for different market agents.

EDP Transmissão SP-MG

As at December 23, 2020, the Subsidiary contracted derivative financial instrument classified as swap, recorded at fair value for the purpose of hedging against exchange-rate change and CDI interest rate related to financing contracted from Banco Scotiabank (Note 24).

EDP Espírito and EDP São Paulo

On February 12, 2021, the subsidiaries contracted a derivative financial instrument classified as a swap, recorded at its fair value, to hedge against inflation risks (IPCA) through the exchange of payment flows, from IPCA + Spread to CDI interest rate + Spread for the 10th issue of debentures by EDP Espírito Santo and the 11th issue of debentures by EDP São Paulo (Note 23).

EDP Smart Services (formerly known as EDP GRID)

As at April 12, 2021, the Subsidiary contracted derivative financial instrument classified as swap, recorded at fair value for the purpose of hedging against exchange-rate change and CDI interest rate related to financing contracted from Banco Scotiabank (Note 24).

34.1.2.2 Non-Deliverable Forward (NDF)

NDF contracts guarantee unto the buyer/seller or holder thereof the right to sell/receive a particular currency/stock/index/commodity at a previously determined price on a defined maturity date.

Porto do Pecém

On April 6, 2021, the subsidiary contracted derivative transactions in the amount of US\$ 10.3 million to mitigate the risk of pass-through mismatching between variable income and the cost of acquiring coal stock. Among other factors, the variable income was measured by CVU, which has as variables the calculation of coal in dollar (imported mineral coal) and the USD/BRL exchange rate. Company's strategy was to reduce the exposure of exchange variable, once that, according to the formula applied by the regulator, the appreciation of Reais against Dollars decreases the CVU value, and, accordingly, decreases the amount of Variable Income. The terms and amounts were aligned with the plant's dispatch forecast.

34.1.2.3 Non-deliverable forward - NDF - hedge accounting

NDF contracts - hedge accounting are financial instruments to hedge interest rate and exchange rate risk. The derivatives that do not qualify as hedge derivatives are recorded as trading derivatives.

EDP Smart Services (formerly known as EDP GRID)

As of 2020, the subsidiary adopted a hedge accounting methodology, recorded at its fair value, to protect the risks of changes in exchange rate in the acquisition of goods in foreign currency. As it refers to hedge accounting classified as cash flow, alterations generated by MTM (mark-to-market) variation, net of interest for which a provision was recorded, are recognized directly in shareholders' equity under Valuation Adjustment to Equity account, when considered effective. The difference between the fair value and the fixed rate corresponds to the ineffective portion, and it is consequently recognized in income (loss).

34.1.2.3.1 Hedge accounting

The hedge derivatives are recorded at fair value and gains or losses are recognized according to the hedge accounting model adapted, and for such the following requirements were met:

- (i) there is formal documentation of the hedge on the start date of the relationship;
- (ii) the hedge is expected to be highly effective;
- (iii) the hedge effectiveness can be measured reliably;
- (iv) the hedge is evaluated on a continual basis and effectively determined as being highly effective throughout the useful life of the hedge accounting structure period; and
- (v) in relation to the hedge of an anticipated transaction, this must be highly probable and must present exposure to cash flow variations that could ultimately affect the statement of income.

• Cash flow hedge

The effective portion of fair value variations of derivatives designated and qualified as cash flow hedges is recognized in Shareholders' equity, as Other comprehensive income. The gains or losses of the ineffective portion of the hedge relation are recognized by counter entry in statement of income for the year, at the time the ineffectiveness occurs.

Amounts accumulated in shareholders' equity are recorded in the statement of income in the years in which the item affects results; however, when the covered transaction results in the recognition of a non-financial asset or liability, gains and losses recorded in shareholders' equity are recognized as a contra entry to the initial cost of the asset or liability.

When a hedge instrument expires or is sold, or when the hedge relation fails to fulfill the criteria for hedge accounting, any accumulated gain or loss recorded in Shareholders' equity on the date is kept in Shareholders' equity until the foreseen transaction is recognized in net income. When the transaction is not expected to take place, the accumulated gains or losses recorded by counter entry of shareholders' equity are immediately recognized in the statement of income.

• Effectiveness

For a hedge relation to be classified as such, its effectiveness should be demonstrated. Hence, the subsidiary carries out prospective tests on the start date of the hedge relation and on each balance sheet date and in order to demonstrate its effectiveness and that alterations in the fair value of the hedged item are offset by alterations in the fair value of the hedge instrument, with respect to the hedged risk. Any ineffectiveness is recognized in the statement of income as soon as it occurs.

34.1.2.4 Put Options

It grants its holder the right to sell, at a certain price, a specific asset that was detailed in the contract, in which it has a pre-determined time for its maturity.

Porto do Pecém

On April 22, 2021, Porto do Pecém contracted a derivative operation via the purchase of PUT Options in the amount of USD 22.1 million to mitigate the risk of variation in the price of API2 Coal, aiming to mitigate the risk of pass-through mismatching between variable income and the cost of acquiring coal stock.

34.2 Risk management

Since 2006, Grupo EDP – Energias do Brasil has developed processes for monitoring and evaluating corporate risks. Starting in 2010, new methods have been created, as well as a new risk dictionary, consolidated in 2011 as a Corporate Risk Standard, which has kept up-to-date ever since.

The Grupo EDP – Energias do Brasil, following best governance practices and aligned with the “three lines of defense” model, segregated the Compliance and Internal Audit duties into two different divisions. Additionally, and in order to reinforce the Risk Management model, a Risk and Safety Management department was created.

Accordingly, the EDP - Energias do Brasil Group has a Risks and Crisis department, in which it carries out the integrated management of risks, opportunities and crises, aimed at ensuring that the various risks inherent to each of the areas are managed by those responsible and periodically reported to the Executive Board, so that the necessary measures can be taken.

Risk Management is defined through a Business Risk Policy, publicly available to the market, and the guidelines for its methodology are published in the Corporate Risk Standard. Still in line with best practices, this process is based on recognized methodologies, such as COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM, and standard ISO 31.000, which sets out guidelines for managing risks faced by organizations through a language and approach common to any types of risks.

In the EDP - Energias do Brasil Group, risks are prioritized according to strategic parameters and defined jointly through the Audit Committee, which is represented by the Executive Boards of the Business Units, in such a way as to ensure the governance of the process and to act as a link between the Company Management and the operation.

The Grupo EDP - Energias do Brasil once again had its good practices recognized, by maintaining its Certification in the ISO 37.001 Standard, which aims to support organizations to fight bribery based on a culture of integrity, transparency and compliance with laws in force, with the help of requirements, policies, procedures and suitable controls to deal with the respective risks. The result of maintaining this certification reinforces that the controls adopted by the Grupo EDP - Energias do Brasil are appropriate and compliant with the Anti-Bribery Management System in place.

34.2.1 Market risk

The market risk represents the possibility of losses due to the fluctuations of variables that affect market prices and rates. These fluctuations impact virtually all segments, thus, representing financial risks.

Debentures and Loans and financing raised by the Company and its subsidiaries, presented in notes 23 and 24 have contract rules for financial liabilities substantially linked to these exposures. On June 30, 2021, the Company and its subsidiaries are subject to market risks associated to CDI, TJLP, IPCA and foreign exchange rate. We should consider that the Company and its subsidiaries are exposed to Selic rate and inflation fluctuations, which may lead to a higher cost in these operations.

One of the goals of the Financial risk management policy of Grupo EDP - Energias do Brasil is to hedge assets and liabilities, minimizing exposure to market risks, mainly in connection with interest rate, price indexes and currency fluctuations.

The CDI (Certificate of Interbank Deposit), IPCA (Amplified Consumer Price Index) and TJLP (Long-term Interest Rate) debt indices reflect the effects of inflation either directly or indirectly. On the other hand, the indices that adjust the income of the subsidiaries are also related to changes in inflation (IGP-M and IPCA). Therefore, the changes in debts incurred with the above indices tend to be protected by the changes in income.

Subsidiaries EDP Transmissão MG-SP, Porto do Pecém and EDP Smart Serviços (formerly EDP GRID) are not exposed to exchange-rate change (US Dollar) and interest (CDI) linked to debts in foreign currency, however, have swap and NDF derivatives used as economic hedging to control all exposures to exchange-rate change and interest for these liabilities.

EDP São Paulo and EDP Espírito Santo are exposed to the risk of currency exchange rate pegged to the US Dollar, through the payments of energy purchased from Itaipu. However, changes in current exchange rate are transferred to the consumer in full in the tariff through the CVA mechanism.

Raising and maintenance of loans linked to Dollar are considered as favorable, given interest rates offered in the foreign market are lower to the rates of domestic market. In addition, the exchange rate risk in foreign currency transactions is considered. In an economy where exchange rate fluctuation is very high, this exposure is a relevant factor to analyze the possibility of a transaction.

The subsidiary EDP Comercializadora, as a result of its energy trading activity, it is exposed to the market price risk associated with future commitments resulting from bilateral energy purchase and sale contracts (Note 14). For the period ended June 30, 2021, the result of these contracts is determined as the difference, for each term, between the prices of bilateral contracts for the purchase and sale of energy and the respective market-to-market valuation using forward price curves. The result of future commitment contracts presents volatility linked to the fluctuation of the energy price, generating market price risk.

This market price risk management is carried out through the risk determination and daily monitoring, respecting the limits approved by the Company's Management and based on the Risk Management Policy of the EDP Group for the purchase and sale of energy using a methodology established in the Energy Risk Standard. The methodology adopted is the VaR (Value at Risk) with a 95% confidence level that considers a forward curve of market prices, portfolio exposure (difference between purchase and sale) and volatility and liquidity observed in the market free for each period.

With the COVID-19 pandemic (Note 4.10), the Company's Management assessed its main exposures and concluded that the significant risks are controlled for the period, based on the aforementioned reasons.

34.2.1.1 Sensitivity analysis

In compliance with CVM Instruction 475/08, the Company and its subsidiaries conduct the sensitivity analysis of their financial instruments, including derivatives.

This sensitivity analysis is intended to measure the impact of changes in market variables on each financial instrument. However, settling the transactions involving such estimates may result in sums different from those estimated, owing to the subjectivity contained in the procedure used to prepare these analyses. Information in the chart demonstrates the impact of each risk change in the results of the Company and its subsidiaries.

In the chart below, all financial instruments mentioned are presented in Note 34.1 which are exposed to indices, with fluctuations in interest rates and other indices up to the maturity of the transactions. The probable scenario adopted by the Company was based mainly on macroeconomic assumptions obtained from the Focus report of the Brazilian Central Bank, Scenarios II and III consider a risk increase of 25% and 50%, respectively, and Scenarios IV and V consider a risk reduction of 25% and 50%, respectively.



		Parent Company							
Operation	Risk	Balance of exposure	Aging - Probable scenario		Scenario (I)	Scenario (II)	Scenario (III)	Scenario (IV)	Scenario (V)
			Up to 1 year	2–5 years	Probable	Increased risk by 25%	Increased risk by 50%	Decreased risk by 25%	Decreased risk by 50%
Interest earning bank deposit - CDB	CDI	149,644	6,524		6,524	1,619	3,232	(1,623)	(3,252)
Pledges and restricted deposits	CDI	614	47	108	155	40	82	(40)	(79)
Loans receivable	CDI	481,013	32,107	41,356	73,463	19,567	39,632	(19,077)	(37,674)
Financial instruments – assets	CDI	631,271	38,678	41,464	80,142	21,226	42,946	(20,740)	(41,005)
Loans and financing - Loan	CDI	(102,216)	(6,581)	(14,399)	(20,980)	(5,654)	(11,477)	5,488	10,812
Financial instruments (liabilities)	CDI	(102,216)	(6,581)	(14,399)	(20,980)	(5,654)	(11,477)	5,488	10,812
		529,055	32,097	27,065	59,162	15,572	31,469	(15,252)	(30,193)
Financial instruments – assets	IPCA								
Debentures	IPCA	(304,540)	(24,487)	(7,134)	(31,621)	(31,621)	(2,359)	(4,750)	2,327
Financial instruments (liabilities)	IPCA	(304,540)	(24,487)	(7,134)	(31,621)	(31,621)	(2,359)	(4,750)	2,327
		(304,540)	(24,487)	(7,134)	(31,621)	(31,621)	(2,359)	(4,750)	2,327

		Consolidated								
Operation	Risk	Balance of exposure	Aging - Probable scenario			Scenario (I)	Scenario (II)	Scenario (III)	Scenario (IV)	Scenario (V)
			Up to 1 year	2–5 years	>5 years	Probable	Increased risk by 25%	Increased risk by 50%	Decreased risk by 25%	Decreased risk by 50%
Interest earning bank deposit - CDB	CDI	1,373,143	58,642	9,022		67,664	17,122	34,322	(17,039)	(33,997)
Interest earning bank deposit - Debentures	CDI	75,026	1,357			1,357	333	662	(335)	(673)
Investment Funds	CDI	1,811	72			72	17	35	(17)	(36)
Pledges and restricted deposits	CDI	27,945	1,593	3,171	17,249	22,013	10,110	23,215	(7,794)	(13,801)
Securities	CDI	110,299	6,212			6,212	1,547	3,092	(1,549)	(3,101)
Loans receivable	CDI	5,356	244	39		283	39	78	(39)	(77)
Financial instruments – assets	CDI	1,593,580	68,120	12,232	17,249	97,601	29,168	61,404	(26,773)	(51,685)
Debentures	CDI	(1,803,984)	(115,104)	(186,127)		(301,231)	(67,053)	(133,816)	67,996	136,304
Loans and financing - CCB	CDI	(390,168)	(18,221)	(1,613)		(19,834)	(4,223)	(8,553)	4,513	8,918
Loans and financing - NP	CDI	(731,966)	(53,586)	(61,157)		(114,743)	(21,543)	(48,858)	31,463	57,180
Financial instruments (liabilities)	CDI	(2,926,118)	(186,911)	(248,897)	-	(435,808)	(92,819)	(191,227)	103,972	202,402
Swap - Short position - Itaú	CDI	(510,489)	(36,461)	(113,809)		(150,270)	(31,121)	(62,042)	31,455	63,123
Swap - Short position - Scotiabank	CDI	(20,772)	(16,075)			(16,075)	(3,009)	(4,224)	(2,344)	4,252
Swap - Short position - Safra	CDI	(716,765)	(53,557)	(195,192)		(248,749)	(49,252)	(98,194)	49,782	99,892
Derivative financial instruments	CDI	(1,248,026)	(106,093)	(309,001)	-	(415,094)	(83,382)	(164,460)	78,893	167,267
		(2,580,564)	(224,884)	(545,666)	17,249	(753,301)	(147,033)	(294,283)	156,092	317,984
Financial instruments – assets	TJLP									
Loans and financing - BNDES	TJLP	(791,064)	(53,192)	(88,191)		(141,383)	(22,058)	(43,875)	22,307	44,871
Financial instruments (liabilities)	TJLP	(791,064)	(53,192)	(88,191)	-	(141,383)	(22,058)	(43,875)	22,307	44,871
		(791,064)	(53,192)	(88,191)	-	(141,383)	(22,058)	(43,875)	22,307	44,871
Future commitments	AML	1,533,109	1,210,105	1,194,105		2,404,210	1,248,365	2,496,731	(1,248,365)	(2,496,731)
Financial instruments – assets	AML	1,533,109	1,210,105	1,194,105	-	2,404,210	1,248,365	2,496,731	(1,248,365)	(2,496,731)
Future commitments	AML	(2,863,602)	(1,483,694)	(1,445,577)		(2,929,270)	(1,682,390)	(3,364,779)	1,682,390	3,364,779
Financial instruments (liabilities)	AML	(2,863,602)	(1,483,694)	(1,445,577)	-	(2,929,270)	(1,682,390)	(3,364,779)	1,682,390	3,364,779
		(1,330,493)	(273,589)	(251,471)	-	(525,060)	(434,024)	(868,048)	434,024	868,048
Scotiabank										
Principal	USD	(386,005)	(397,574)			(397,574)	(99,394)	(198,787)	99,394	198,787
Financial instruments (liabilities)	Dollar	(386,005)	(397,574)	-	-	(397,574)	(99,394)	(198,787)	99,394	198,787
Swap - Long position - Scotiabank	USD	386,005	397,574			397,574	99,394	198,787	(99,394)	(198,787)
Derivative financial instruments	Dollar	386,005	397,574	-	-	397,574	99,394	198,787	(99,394)	(198,787)
		-	-	-	-	-	-	-	-	-
Debentures	IPCA	(4,504,268)	(482,679)	(1,110,380)	(811,875)	(2,404,934)	(359,730)	(755,078)	328,358	629,016
Loans and financing - BNDES	IPCA	(581,406)	(60,224)	(147,738)	(220,726)	(428,688)	(66,482)	(132,521)	66,944	134,367
Financial instruments (liabilities)	IPCA	(5,085,674)	(542,903)	(1,258,118)	(1,032,601)	(2,833,622)	(426,212)	(887,599)	395,302	763,383
Swap - Long position - Itaú	IPCA	502,441	42,542	107,404		149,946	21,402	43,523	(20,705)	(40,737)
Swap - Long position - Safra	IPCA	716,103	65,745	165,011		230,756	30,189	61,396	(29,203)	(57,451)
Derivative financial instruments	IPCA	1,218,544	108,287	272,415		380,702	51,591	104,919	(49,908)	(98,188)
		(3,867,130)	(434,616)	(985,703)	(1,032,601)	(2,452,920)	(374,621)	(782,680)	345,394	665,195

The futures curves of the financial indicators CDI (Interbank deposit certificate), TJLP (Long-term interest rate), Dollar and National Extended Consumer Price Index (Índice Nacional de Preços ao Consumidor Amplo - IPCA) are as projected by the market and are aligned with the expectations of the Management of the Company and its subsidiaries. The indicators had their ranges as shown below: CDI between 4.1% and 6.6% p.a.; TJLP between 5.3 and 4.6% p.a.; USD rate R\$ 4.73–5.10; and IPCA between 3.4% and 6.1% p.a.

For the sensitivity analysis of EDP Comercializadora's PLD, the exposures of the portfolio of operations are evaluated through variations of 25% and 50% in the forward energy price curves, represented by Dcide (company in the sector for calculating future price curves of energy).

34.2.2 Liquidity risk

Liquidity risk relates to the capacity to settle its liabilities of the Company and its subsidiaries. In order to determine the financial capacity to meet the commitments assumed, the maturities of funds raised and other liabilities are also disclosed. More detailed information on debentures and loans raised by the Company and its subsidiaries are presented in notes 23 and 24.

The management of the Company and its subsidiaries uses only credit lines that allow operating leverage. This premise is reaffirmed by the characteristics of the funds effectively raised.

The most expressive financial assets of the Company and its subsidiaries are presented in captions: (i) Cash and cash equivalents (Note 5) - the Company and its subsidiaries have in cash an immediately available amount and cash equivalents, which are interbank funds applied promptly convertible into known cash amounts; (ii) Securities (Note 6) refer to investment in investment fund, with daily liquidity and variable yield, with its portfolio of assets linked to Treasury Bills – LFT, and which have extremely low credit risk and short-term maturity; (iii) Accounts receivable (Note 7), balances comprise the estimated flow of receivables; (iv) Indemnifiable financial assets (Note 19) whose balance presented in distribution subsidiaries corresponds to the amount receivable from the Concession Grantor at the end of the concession and it is measured at the new adjustment value; and (v) Financial assets per industry (Note 8) are homologated by the Concession Grantor and received through tariff in subsequent tariff adjustments or reviews.

The liquidity risks attributed to Debenture and loans and financing accounts refer to future interest, are consequently not accounted for, and are shown in note 35.1.

The Company and its subsidiaries also manage the liquidity risk by continuously monitoring expected and real cash flows, as well as the maturity analysis of its financial liabilities. The table below details the contractual maturities of the financial liabilities recorded on June 30, 2021, including principal and interest, considering the closest date on which the Company and its subsidiaries expect to pay off the respective liabilities.

	Parent Company						12/31/2020
	06/30/2021						
	Up to 1 month	1–3 months	3–12 months	1–5 years	>5 years	Total	
Financial liabilities							
Suppliers	16,977		73			17,050	24,792
Other accounts payable - Related Parties			50,173	3,835		54,008	47,445
Debentures		73,752	169,799	60,175		303,726	442,530
Loans and financing				102,216		102,216	100,934
Leases and rentals	152	35	1,016	4,030	3,074	8,307	1,214
	17,129	73,787	221,061	170,256	3,074	485,307	616,915
	Consolidated						12/31/2020
	06/30/2021						
	Up to 1 month	1–3 months	3–12 months	1–5 years	>5 years	Total	
Financial liabilities							
Suppliers	1,236,183	134,968	188,826			1,559,977	2,251,446
Other accounts payable - Related Parties			51,892	1,769		53,661	48,723
Debentures		115,019	794,538	4,714,257	736,324	6,360,138	5,216,201
Loans, financing and debt charges	181,004	76,323	1,168,481	1,478,222	358,025	3,262,055	3,823,318
Derivatives			8,954			8,954	(4,045)
Use of Public Property	3,057	8,532	27,524	180,257	281,648	501,018	442,835
Refund for unavailability			3,205			3,205	5,307
Leases and rentals	3,073	2,366	25,038	53,612	28,858	112,947	70,798
Environmental permits	4,543	70,390	22,751	24,336		122,020	121,292
Future commitment	322,543	618,972	508,551	446,863		1,896,929	198,505
Sectorial financial liabilities			530,517	1,437,995		1,968,512	2,397,401
	1,750,403	1,026,570	3,330,277	8,337,311	1,404,855	15,849,416	14,571,781

34.2.2.1 Overcontracting risk

As provided in the electric sector's regulation, especially in Decree 5163/04, if the contracted energy is within the limit of up to 5% above the total demand of the distributor, full transfer to the cost incurred with the purchase of energy and the resulting settlement of spot market price (PLD). However, when the distributor exceeds such limit, this having occurred voluntarily, it is exposed to the change between the purchase and selling price of the surplus amount in the short-term market.

The strategy for contracting energy by the distributors aims at assuring that the contract level remains in the range between 100% and 105%, risks with energy purchase to serve the captive market. For such, each process of the decision on the energy purchase declaration amount in auction and interest in Surplus and Deficit Offsetting Mechanism - MCSD or sale of energy by means of MVE, use statistical models to make projections of several consumption scenarios, in which there is correlation with climate, economic and tariff variables, besides streamlining models that aims at minimizing cost, and risk of penalty and non-transfer of tariffs.

In the current regulation, the backed domestic energetic system expansion is guaranteed by the long-term energy contracting by the distributors, through projection of its captive market, with three to six years in advance in relation to the acquired electric energy supply, (amended by Decree 9143/17) that is, the decisions on contracts use long-term economic projections that in situations of normality do not present great changes. Amount of contract commitments for the purchase of future energy entered into up to June 30, 2021 are presented in Note 35.1.

In the current scenario, besides the drop in consumption caused by an adverse and unpredictable context, the strong increase in the regulated market tariffs, in the face of a low price in the free market caused many customers to migrate from the loyal environment to the free one, motivated by cost reduction in energy purchase. Both factors took the distributors to a generalized overcontracting scenario.

In order to mitigate the risks of over and undercontracting (exposure), there are instruments provided in the regulation so that distributors may increase or reduce the contracted energy volume, that is, manage their contract portfolios. They are:

- Increase in the contracting level: by means of the contracting in Auctions A-7, A-6, A-5, A-4, A-3, A-2, A-1, A-0, of Alternative Sources (amended by Decree 9143/17), of Adjustment, and also through participations in the Surplus and Deficit Offsetting Mechanism (MCSD) of Existing Energy and new energy with deficit declaration;
- (i) Reduction in the contracting level by reduction in the volumes of Energy Trading Contracts in the Regulated Environment (CCEAR) for Existing Energy per quantity, with annual reduction of up to 4% of the contracted volume by market changes; (ii) a statement less than 96% of the restitution amount in Auctions A-1 (amended by Decree 8828/16); (iii) reduction in energy agreements that exist due to the migration number of conventional and special consumers (Provided by Normative Resolution 726/2016) to the Free Trade Market (ACL); (iv) bilateral agreements; and (v) participation in the MCSD's with plenty statement, and sale of energy to the ACL through the MVE.

With the publication of Law 12783/13, which dealt with the extension of the electric energy sector concessions, the agents that own hydroelectric power plants which concession term end in up to five year could request the concession renewal, submitting to the Physical Guarantee Quotas regime, allocated to the distributors by means of the Physical Guarantee Quotas Contracts - CCGFs. So, from 2013, the CCGFs replaced part of the CCEARs for Existing Energy of the distributors.

However, to the CCGFs no prerogative of contracted volume reduction was provided so that the distributor could manage its contracting level. With this change, foreign to the management of distributors, this segment no longer had enough mechanisms for protecting itself against consumption reduction and migration of customer to free environment. Namely, the participation in the MCSD 4%, or the Free Exchanges MCSD and the Monthly MCSD was limited. So, the realization volume in the CCEARs of Existing Energy was reduced, as provided in the Law 10848/04 and in Article 29 of Decree 5163/04.

Besides the Physical Guarantee Quotas Contracts (CCGFs) that do not represent a prerogative for reducing the contracted volume, the distributors' flexibility loss in the management of its contract surplus was powered by the introduction of the CCEARs of Existing Energy by Availability in their portfolios, which also do not provide specific contractual clause that allows the reduction in the contracted amount.

In 2016 the Technical Note 109/2016 proposed the improvement in the Regulatory Resolution 693/2015 allowing the creation of the MCSD of Energia Nova as an additional mechanism so that both distributors and generators could cancel the contract of energy in the regulated environment. In 2018, through Regulatory Decision No. 824 of July 10 and Decision No. 833 of December 10 of the same year (revoked by Decision 869 of January 28, 2020), MVE was regulated as an additional management tool surplus energy for the distributors. However, this new regulation also limited the efficiency of the MCSD Energia Nova and the bilateral contracts in the reduction of contracting level, allowing the use of such mechanisms only with plants that are not in commercial operation.

With the publication of Decree 9143/17 (Resolution 453 of 2011), the involuntary contractual exposures of distributors started to be recognized whenever it was noted the condition of maximum effort by the agent, in view of the following: (i) frustrated purchase of electric energy in Auctions for purchase; (ii) extraordinary and unpredictable events arising from events beyond the will of the selling agent, recognized by ANEEL; (iii) changes in the distribution of the CCGFs, energy availability and potency of Itaipu Binacional, PROINFA and, from the year 2013, of Usinas Angra 1 and Angra 2; and (iv) exercise of the purchase option by free and special consumers. However, despite the involuntary exposure is recognized, the criteria for fulfillment of the condition of maximum effort by the distributor are being discussed by ANEEL for the 2016 and onwards.

Regulatory Resolution 869/20 also determines that to meet the criterion of maximum effort, it will be required to declare in MCSD Energia Nova all amounts of distributors' involuntary exposure.

With the COVID-19 scenario, there was a reduction in the electricity distribution market for the year 2020, thus causing over-contracting of the contracted energy (Note 4.10.4.2). Decree 10350 of May 18, 2020 amended Decree 5163/2004, Art.3, §7 by adding text stipulating that the load reduction resulting from the effects of the aforementioned pandemic, determined per the ANEEL regulation, shall be considered as involuntary contractual exposure of electricity distributors.

Therefore, ANEEL is expected to define – in specific regulations – the assessment of involuntary overcontracting by such companies, as well as possible additional adjustments to the economic balance of concession agreements. According to Resolution 885/2020, Art. 15, §1 (60 days after publication of the Resolution), Public Consultation 35 was initiated by the Regulatory Agency, and the closing of its 3rd phase occurred on February 01, 2021, for the improvement of the mechanisms related to economic and financial rebalancing arising from triggering events as a consequence of the pandemic, in addition to the treatment of involuntary over-contracting and reimbursement, to consumers, of administrative, financial and tax costs of the "Covid-Account" credit operation. The Agency's Board of Directors has not yet decided on the 3rd phase of the aforementioned Public Consultation, so the issue remains undefined.

The overcontracting of energy for the period of June 30, 2021 had a negative impact of R\$ 1,595 on the results of EDP São Paulo and of R\$ 1,423 at EDP Espírito Santo, already including the COVID-19 effects.

34.2.2.2 Early maturity of debts

The Company and its subsidiaries have loan, financing and debenture agreements with covenants usually applicable to these types of operations, related to compliance with economic and financial indexes, cash generation, among others.

Covenants are financial indicators that control the financial health of the Company and its subsidiaries, as required by fund raising contracts. Non-compliance with covenants of debt agreements may result in an immediate disbursement or early maturity of a liability with defined flow and periodicity. The ratio of covenants by agreement appears described individually in notes 23 and 24. Up to June 30, 2021, all covenants of contracted liabilities were fully complied with.

In addition to controlling the covenants linked to liquidity risk, there are contracted guarantees (Note 35.2) for the headings of Loans, Financing and Debentures. Those contractual guarantees are the maximum that the Company and its subsidiaries may be required to settle, in accordance with the terms of the financial guarantee agreements, if the full guaranteed amounts are put to execution by the creditors for lack of payment. For the account of purchase of power, the guarantees are mostly tied to the Company's receivables, which may undergo changes as a result of possible losses of credit in these receivables.

34.2.3 Hydrologic risk

Generation

The power sold by the subsidiaries depends on the hydrological conditions. In addition, income from the trading is linked to the assured power, whose volume is determined by the regulatory body and is included in the concession agreement. Cyclical conditions system in recent years, with low flow rates and low storage hydroelectric, has caused a significant decrease in energy production with hydropower and increasing costs in purchasing power. Mitigation of this risk is through the Energy Reallocation Mechanism (MRE), which is a financial mechanism of sharing hydrologic risk among participants plants of the National Interconnected System - SIN operated by the National System Operator - ONS. However, in extreme moments of low storage, MRE exposes the subsidiaries to one apportionment based on PLD, generating an expenditure with GSF for hydro generators.

In order to reduce the exposure to this risk, generation accepted the proposal to renegotiate the hydrologic risk for energy amount contracted at ACR through transfer of 92% (valid for UHE Luiz Eduardo Magalhães (Investco and Lajeado)) and transfer of 94% (valid for UHE Mascarenhas (Energest)) of this remaining hydrologic risk to CCRBT (tariff flag centralizing account) through premium payment (Note 15.3).

Additionally, anticipating the scenario of deterioration of the PLD and GSF as a result of the worsening of the Brazilian hydrological scenario, the generation subsidiaries implemented several initiatives in order to strengthen strategies to protect the impacts caused by high energy prices on the free market, increasing the share of decontracted energy in its portfolio, in addition to the seasonality of sale contracts.

Distribution

The Brazilian energy matrix is predominantly hydropower and a prolonged drought would reduce the volume of water in the reservoirs of the hydroelectric power plants, which also cause a electric power rationing and an increase in the purchase cost of energy in the short term market and the increase of electric system charges as a result of the dispatch of the thermoelectric plants, generating a cash need and as a result, from future tariff readjustments for the economic-financial balance of the Concession Agreement of distribution subsidiaries.

As a tool to monitor the risk of rationing, the distribution subsidiaries use the Energy Risk Subcommittee which has the following practices: (i) assessment of the energy supply and demand scenario in different regions of operation, the macro and microeconomic variables and the specificities of each market, in a horizon of five years; (ii) anticipation of potential impacts on the generation of electricity to ensure the supply of power; (iii) minimizing impacts on Income; and (iv) avoid shortages at the Concessionaires.

34.2.4 Credit risk

Credit risk includes the possibility that the Company may not be able to realize their rights. This description is mainly related to the following captions:

• Accounts receivable

In the electrical power industry, the operations carried out are reported to the regulatory agency, which maintains updated information on power volume produced and consumed. Power is traded through auctions, contracts, among other mechanisms, bringing reliability and control on default among sectorial participants.

The priority of Concession Agreements for power distribution is to serve the market without excluding low income population and areas with lower population density. Thus, accepting and serving these new captive consumers dwelling in the concessionaire's operating area is a standard of the concession agreement.

Thus, for the distribution of electricity the financial instrument with the ability to expose the Company to credit risk is accounts receivable from consumers. However, the subsidiaries of distribution prepare comprehensive studies to determine the estimated loss for these assets.

The main tool used to mitigate the risk of non-realization of accounts receivable from consumers is to suspend power supply to consumers in default. Before this stage, the subsidiaries use many collection methods, such as administrative collection, notice in the energy bill, and by SMS, protest in protest offices, credit restriction at credit protection companies, among others. The subsidiaries offer to consumers several communication channels, as follows call centers, service stores and Internet, application, besides the realization of fairs for payment agreements.

As mentioned in Note 4.10.4.1, Normative Resolution 936/2021 prohibited the suspension of electricity supply (power shut-off) for certain consumption classes up to September 30, 2021. However, the Company has not identified significant impacts for the period ended June 2021 and is evaluating possible future impacts.

Furthermore, with a view to maintaining the economic and financial balance of the concession, ANEEL's regulations provide for the transfer of the sum of uncollected income to the tariffs, after the 5-year collection period, pursuant to the regulations in force through PRORET submodule 2.2.

Regarding generation subsidiaries, the risk arising from the possibility of subsidiaries sustaining losses as a result of experiencing difficulty receiving amounts billed to its customers, is considered low according to the contractual guarantees presented in the scope of energy agreements in the Regulated Trading Environment.

Regarding the subsidiaries of trading and services, the risk arising of the subsidiaries sustaining losses as a result of experiencing difficulty receiving amounts billed to its customers, is also considered low. The Company and its subsidiaries in these segments have a policy focused on credit risk mitigation, which consists of identifying the credit rating of the proponent customer, and a grade is assigned to the financial health of the counterparty (separated into A, B, C, D and E) which takes into account, among other aspects, the analysis of the financial statements of the counterparty associated with a probability of default. For each credit rating, maximum terms of contracts and financial guarantees are established, and the lower the counterparty's rating, the shorter the contract terms and the more liquid the financial guarantees will be. The credits of all these customers and exposure thereof to the various sectors of the economy are evaluated periodically, so as to maintain the diversification of their portfolio and reduce their exposure to risk.

In relation to the COVID-19 pandemic (Note 4.10), the distributors and EDP Comercializadora have energy contracts with "free" and "captive" customers, whereby, during 2020, some of these customers requested better payment terms to alleviate the impact on their cash flows and/or triggered the Unforeseeable Events or Force Majeure clause in order to suspend payment of the contracted volume for the duration of the pandemic, and pay only the energy actually measured in the contracts. The Management of subsidiaries carried out a legal assessment indicating that there is no reason for this clause to be activated and, thus, is presenting installment payment proposals to clients. Therefore, for the period, there was no accounting record related to credit risk.

• Cash, Cash equivalents, Guarantees and Securities

The management of these financial assets is through operating strategies based on corporate policies and internal controls, aimed at assuring liquidity, security and profitability.

Specific mitigation strategies of the Financial Risk Management Policy of Grupo EDP - Energias do Brasil are periodically conducted based on risk reports.

Decisions about financial investments, also complying with the same policy, establishes conditions and limits of exposure to market risks appraised by specialized agencies. The policy determines levels of concentration of investments at financial institutions in accordance with the bank's rating and the total sum of investments of the Company and its subsidiaries, in order to maintain a balanced proportion that is less subject to losses.

Regarding investments related to Bank Deposit Certificates or backed by debentures, the Company and its subsidiaries operate only with financial institutions whose risk rating is at least A by Fitch Ratings (or equivalent to Moody's or Standard & Poor's). The following are the amounts of financial investments segregated by risk classification:

Classification of the financial institution	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
AAA	29,122	610,091	1,099,906	1,995,063
AA	120,522	285,285	348,263	539,237
	149,644	895,376	1,448,169	2,534,300

The Risk Management Policy also money to be paid into a Restricted Investment Fund with a portfolio of assets tied to LFTs (floating-rate bonds) issued by the Brazilian Government, or Repurchase agreement backed by Federal Government Bonds, considered a highly-liquid security with an extremely low risk (Notes 5.3 and 6).

Management understands that the contracted financial investments do not expose the Company and its subsidiaries to significant credit risks that might generate material losses in the future.

• Indemnifiable financial assets

The balance refers to the amounts receivable as indemnity from the Concession Grantor and arises from the investments made in the infrastructure of the concessionaire that will not be recovered by the service provision granted up to the concession termination. The concession agreement entitles the Company to indemnity for the infrastructure assets not yet amortized, provided that authorized by ANEEL, and determined in inspection branch procedures.

• Concession assets - Transmission

The transmission subsidiaries maintain Transmission Service Agreements with the National System Operator - ONS, regulating the provision of their services linked to basic network users, with a bank guarantee clause that ensures payments are received and mitigates the risk of default.

• Sectorial financial assets

Sectorial financial assets refer to the difference between costs estimated by ANEEL and included in the tariff at the beginning of the tariff period, compared to those that are actually incurred during the tariff period. Annually, ANEEL reviews the tariffs of distribution subsidiaries and include such assets in them. Additionally, the concession agreement also guarantees that the distribution subsidiaries will be indemnified for the outstanding balances of possible shortage of refund for the tariff as a result of termination, for any reason, of the concession.

• Future commitments

The subsidiary EDP Comercializadora has short- and long-term bilateral future commitment contracts. Default risk is mitigated through specific guarantee clauses, always in accordance with the financial capacity of each counterparty; this can be a corporate guarantee, bank guarantee, performance bond, or registration against payment, the latter being only for short-term contracts.

34.2.5

Regulatory risks

Subsidiaries' activities are regulated and inspected by regulatory agencies (ANEEL, ARSP-ES, ARSESP, etc.) and other bodies related to the sector (MME, CCEE, ONS etc). Grupo EDP - Energias do Brasil is committed to comply with all the regulations issued, therefore, any change in the regulatory environment may affect its activities.

The mitigation of regulatory risks is made by monitoring scenarios involving the parties interested in the Company's business. Grupo EDP - Energias do Brasil is engaged in the discussion of themes of its interest, and discloses studies, theses and experiences to opinion leaders.

34.2.6 Environmental risks

Company's activities may cause significant negative impacts and damage to environment. The Law imposes to the entity that directly or indirectly causes environmental degradation the obligation of repairing or indemnifying damage caused to environment and affected third parties. The costs of recovering the environment and environmental indemnities may force the Company to delay or reroute investments to other areas. However, the Company ensures a balance between the risks related to climate change, social impacts, environmental conservation and the development of its activities, by establishing guidelines and practices that can be seen in operations that reduce the risks of impact on the environment, remaining focused on sustainable development, social responsibility, and environmental preservation of its business.

34.2.7 Climatic risks

The risks related to climate change were characterized as Strategic from the Environmental Perspective of the EDP - Energias do Brasil Group. At this level, we evaluate the way in which climate change affects the business of the Company and its subsidiaries, considering the effects of weather, global warming, ocean tides, hydrology, droughts, or other disruptive events. These factors are discussed periodically by Company Management. In this regard, to mitigate any financial and social impact, the Company has a Sustainability Board that is directly committed to issues of climate change in the Group. The Sustainability Board is responsible for approving policies and guidelines related to sustainability, social responsibility, and environmental preservation.

Its plans for activity include topics such as climate change, encompassing impacts of carbon pricing and performance improvement in the climate dimension of the Corporate Sustainability Index (ISE).

The Grupo EDP - Energias do Brasil actively participates in sharing experiences that contribute toward increasing and building knowledge about the energy sector and issues relating to climate change.

34.2.8 Operating risk - Porto do Pecém

The subsidiary Porto do Pecém has – as an operational risk – the possible shortage of inputs, including coal. The UTE Porto do Pecém uses coal as an input, and usually sourced from mines in Colombia. Its coal purchase contracts are signed for a minimum period of one year, providing for coal sourced from other parts of the world, in addition to the qualified mines in Colombia, in order to mitigate possible production risks, such as labor strikes, weather- or climate-related events, and major contingencies of the mining company.

The coal purchase contract is managed so as guarantee speedy decision-making processes regarding coal purchases, given the systemic information, and considering projections of future demand.

Water is another input that Porto do Pecém may have a shortage of, due to having its water supplied by the subsidiary of Companhia de Gestão dos Recursos Hídricos (COGERH), a state-owned company that manages the raw water reservoirs and distribution systems of the state of Ceará. Such supply is carried out by means of a contract signed between the parties, which establishes the supply of water for a volume less than or equal to the amount granted, (500 l/s for Pecém I and 250 l/s for Pecém) which is sufficient to meet demand required by the processes of the thermoelectric complex.

This contract may be overwritten, pursuant to Law 9433 of January 8, 1997, which deals with the National Water Resources Policy, in article 1 item III, which establishes that, in situations of shortage, the priority use of water resources is human consumption and livestock watering. Thus, due to the water scenario in the state of Ceará, which has been impacted by successive periods of drought that occurred over the last eight years (thereby reducing reservoir levels), some supply sanctions were imposed, as well as the implication of a contingent surcharge in the rates charged by the water utility.

Since then, several mitigation actions have been taken by Porto do Pecém, aiming at reducing water consumption as well as favoring the reuse of the wastewater generated by the power generating units. Such actions resulted in a reduction of more than 10% in the water volume consumed by the port complex, and the reuse of nearly 40% of the wastewater generated.

Additionally, the subsidiary manages inventories considering minimum and maximum safety limits so that, for any contingencies or changes in future demand, they can be absorbed without major risks.

34.2.9 Capital management

The purpose of the Grupo EDP - Energias do Brasil's capital management is to safeguard business continuity of the Group in order to offer returns to shareholders and benefits to other stakeholders, as well as maintaining an optimal capital structure to reduce such cost and maintain a proper financial liquidity to the Group's companies.

In order to maintain or adjust its capital structure and financial liquidity, Grupo EDP - Energias do Brasil may review its dividend payment policy, return capital to shareholders, issue new shares, make new financing, renegotiate the existing debts or sell assets.

Regarding the capital structure, the Company monitors the index represented by "Consolidated Net Debt" divided by "Consolidated EBITDA", whose maximum limit is up to 3.5 times. As of June 30, 2021, this ratio was 2.0x.

	Note	Consolidated	
		06/30/2021	12/31/2020
Total loans and debentures	23 and 24	9,631,147	9,034,892
(-) Cash and cash equivalents	5	(1,535,985)	(2,735,859)
(-) Securities	6	(107,799)	(153,990)
(-) Pledges linked to debt		(15,464)	(9,326)
Net debt		7,971,899	6,135,717
Total shareholders' equity		11,914,544	11,256,273
Total capital		19,886,443	17,391,990
Leverage ratio – %		40.09	35.28

35 Contractual commitments and guarantees

35.1 Contractual commitments

On June 30, 2021, the Company and its subsidiaries have contractual commitments not recognized in the interim financial information, which are presented by aging.

The contractual commitments of the Company and its subsidiaries referred to in the table above are at present value and essentially reflect agreements and commitments necessary to the normal course of the operating activities of the Company and its subsidiaries, including those contractual commitments beyond the end date of concession, restated at the respective projected rates and adjusted to present value at the rate representing the average cost of capital (WACC) of Grupo EDP Energias do Brasil.

	Parent Company					
	06/30/2021					12/31/2020
	July 2021 –July 2022	July 2022 –June 2024	July 2024 –June 2026	As from 2027	Total	Total
Liabilities with operating leases	183	242			425	-
Liabilities for purchases						
Materials and services	37,478	24,011	1,067	153	62,709	84,690
Interest Falling Due Loans, Financing and Debentures	31,068	18,309	367		49,744	69,820
	68,729	42,562	1,434	153	112,878	154,510



	Consolidated					
	06/30/2021					12/31/2020
	July 2021	July 2022	July 2024	As from 2027	Total	Total
	~July 2022	~June 2024	~June 2026			
Liabilities with operating leases	2,295	1,439	125	6	3,865	5,154
Liabilities for purchases						
Purchase of energy	5,176,923	8,982,846	7,014,016	23,448,712	44,622,497	44,447,460
Energy connection and transportation charges	761,497	1,353,954	1,126,379	1,262,744	4,504,574	6,317,365
Materials and services	1,669,950	1,445,644	466,138	109,640	3,691,372	3,767,808
Risk premium - GSF			1,181	25,377	26,558	26,301
Interest Falling Due Loans, Financing and Debentures	825,534	941,373	417,621	510,594	2,695,122	2,366,318
	8,436,199	12,725,256	9,025,460	25,357,073	55,543,988	56,930,406

Contractual commitments mentioned in the chart below reflect the same contractual commitments shown above, however, they are adjusted at respective rates on base date June 30, 2021, that is, without projection of correction indices, and are not adjusted at present value.

	Parent Company					12/31/2020
	06/30/2021					
	July 2021	July 2022	July 2024			
	~July 2022	~June 2024	~June 2026	As from 2027	Total	
Liabilities with operating leases	177	266			443	
Liabilities for purchases						
Materials and services	36,266	26,036	1,299	251	63,852	84,277
Interest Falling Due Loans, Financing and Debentures	34,679	18,543	697		53,919	60,955
	71,122	44,845	1,996	251	118,214	145,232

	Consolidated					12/31/2020
	06/30/2021					
	July 2021 ~July 2022	July 2022 ~June 2024	July 2024 ~June 2026	As from 2027	Total	
Liabilities with operating leases	2,220	1,541	159	9	3,929	5,175
Liabilities for purchases						
Purchase of energy	5,176,906	10,381,454	9,297,187	43,448,317	68,303,864	65,620,683
Energy connection and transportation charges	761,485	1,562,294	1,493,755	1,873,040	5,690,574	7,887,884
Materials and services	1,615,902	1,596,852	594,480	162,457	3,969,691	3,868,313
Risk premium - GSF			1,611	53,848	55,459	55,460
Interest Falling Due Loans, Financing and Debentures	909,174	1,387,098	907,372	1,656,025	4,859,669	2,618,646
	8,465,687	14,929,239	12,294,564	47,193,696	82,883,186	80,056,161

35.2 Guarantees

Guarantees	Type of guarantee	Maximum guaranteed limit			
		Parent Company		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Life insurance	Shareholder's co-signature	360,057	322,714	360,057	322,714
Lawsuits	(i) Blocked Deposit, (ii) Bank Guarantee and (iii) Insurance bond.	237,403	245,602	237,403	245,602
Lease contract				26,089	27,555
Construction performance bond	Insurance bond	252,377	240,491	267,813	234,457
Other	Insurance bond	33,693	12,230	111,692	113,467
		883,530	821,037	1,003,054	943,795

The amounts regarding guarantee for Energy purchase (Note 23) and Loans, financing and debt charges (Note 24) are presented in their respective notes.

36 Segment reporting

A business segment is an identifiable component of the Group engaged in providing an individual product or service of a group of related products and services, and that is subject to risks and benefits that may be distinguished from other business segments.

The operating segment information is shown consistently with the internal report supplied to the main operating decision maker. The main operating decision maker, in charge of allocating funds and evaluating performance of operating segments is the Company's Executive Board, in charge of the strategic decision-making of Grupo EDP - Energias do Brasil.

Grupo EDP - Energias do Brasil develops a set of power supply activities, with special emphasis on the generation, distribution, transmission and sales of electrical power.

Based on internal reports, the Executive Board is responsible for evaluating the performance of several segments and deciding on the allocation of funds to each of the identified business segments.

36.1 Segment characterization

The amounts reported for each business segment are the result of the consolidation of subsidiaries and business units within each segment and the cancellation of intra-segment transactions.

The column "Holding company" refers to the parent company, and origin of this income is substantially related to the evaluation of investment in subsidiaries, associated companies and jointly-controlled subsidiaries by the equity accounting method, as required by the accounting practices had been adopted in Brazil.

The "Holding" column above, as well as the "Others" column, are presented for purposes of consolidating the result.



36.1.1 Statement of Income

Six-month periods ended June 30								
2021								
	Distribution	Generation	Trading	Transmission	Holding company	Other	Elimination	Total
Revenue	4,846,543	1,486,737	1,403,319	873,266	1,418	36,877	(700,939)	7,947,221
Cost of production for electricity services								
Electricity services cost	(3,088,076)	(387,986)	(1,316,818)				697,212	(4,095,668)
Cost of production for electricity		(250,632)				(9,516)	1,611	(258,537)
Cost of operation	(395,864)	(229,573)	(8,736)	(2,878)		(10,915)	2,072	(645,894)
Cost of service rendered to third-parties	(492,028)		(17)	(547,763)		(10,576)	44	(1,050,340)
	(3,975,968)	(868,191)	(1,325,571)	(550,641)	-	(31,007)	700,939	(6,050,439)
Gross profit	870,575	618,546	77,748	322,625	1,418	5,870	-	1,896,782
Operating expenses and income								
Selling expenses	(63,959)		4,783			195		(58,981)
General and administrative expenses	(132,276)	(41,408)	(7,547)	(10,521)	(61,012)	(10,751)	(22,998)	(286,513)
Other operating expenses and income	(51,425)	(617)	(13)	11	4,138	(18)		(47,924)
	(247,660)	(42,025)	(2,777)	(10,510)	(56,874)	(10,574)	(22,998)	(393,418)
Income (loss) from equity interest		(8,439)	(21,721)		914,201	482	(763,220)	121,303
Income (loss) before financial result and taxes	622,915	568,082	53,250	312,115	858,745	(4,222)	(786,218)	1,624,667
Financial result								
Financial income	105,021	19,783	5,788	14,130	18,085	10,109	(9,503)	163,413
Financial expenses	(213,481)	(200,825)	(6,688)	(48,232)	(36,166)	(13,599)	9,503	(509,488)
	(108,460)	(181,042)	(900)	(34,102)	(18,081)	(3,490)	-	(346,075)
Income (loss) before income taxes	514,455	387,040	52,350	278,013	840,664	(7,712)	(786,218)	1,278,592
Income taxes								
Income tax and social contribution - current	(141,245)	(102,999)	(5,430)	(1,074)		(2,988)		(253,736)
Deferred income tax and social contribution	(27,502)	1,175	(19,743)	(83,147)	(392)	2,986	7,819	(118,804)
	(168,747)	(101,824)	(25,173)	(84,221)	(392)	(2)	7,819	(372,540)
Net result for the period	345,708	285,216	27,177	193,792	840,272	(7,714)	(778,399)	906,052
Attributable to controlling shareholders	345,708	226,488	27,177	186,740	840,272	(7,714)	(778,399)	840,272
Attributable to non-controlling shareholders		58,728		7,052				65,780

Six-month periods ended June 30								
2020								
	Distribution	Generation	Trading	Transmission	Holding company	Other	Elimination	Total
Revenue	3,740,503	1,336,158	1,823,986	557,222	1,345	23,424	(893,028)	6,589,610
Cost of production for electricity services								
Electricity services cost	(2,405,477)	(522,325)	(1,797,607)				890,041	(3,835,368)
Cost of production for electricity		(61,650)				(3,680)	1,613	(63,717)
Cost of operation	(368,241)	(192,110)	(3,762)	(2,367)		(4,874)	1,374	(569,980)
Cost of service rendered to third-parties	(343,818)		(7)	(369,993)		(6,499)		(720,317)
	(3,117,536)	(776,085)	(1,801,376)	(372,360)	-	(15,053)	893,028	(5,189,382)
Gross profit	622,967	560,073	22,610	184,862	1,345	8,371	-	1,400,228
Operating expenses and income								
Selling expenses	(71,462)		(1,287)			(1,055)		(73,804)
General and administrative expenses	(141,701)	(53,093)	(12,350)	(7,976)	(46,870)	(11,152)	(27,435)	(300,577)
Other operating expenses and income	(65,903)	659	(88)	12	341	(86)	2,160	(62,905)
	(279,066)	(52,434)	(13,725)	(7,964)	(46,529)	(12,293)	(25,275)	(437,286)
Income (loss) from equity interest		(4,585)	(276)		573,228		(526,799)	41,568
Income (loss) before financial result and taxes	343,901	503,054	8,609	176,898	528,044	(3,922)	(552,074)	1,004,510
Financial result								
Financial income	124,446	25,924	3,997	1,463	17,437	301	(5,821)	167,747
Financial expenses	(171,529)	(127,490)	(3,538)	(14,888)	(38,300)	(3,807)	5,821	(353,731)
	(47,083)	(101,566)	459	(13,425)	(20,863)	(3,506)	-	(185,984)
Income (loss) before income taxes	296,818	401,488	9,068	163,473	507,181	(7,428)	(552,074)	818,526
Income taxes								
Income tax and social contribution - current	(101,804)	(83,014)	(1,156)	(608)	(24)	(1,093)		(187,699)
Deferred income tax and social contribution	6,835	(15,508)	(2,195)	(55,090)	1,116	1,699	7,096	(56,047)
	(94,969)	(98,522)	(3,351)	(55,698)	1,092	606	7,096	(243,746)
Net result for the period	201,849	302,966	5,717	107,775	508,273	(6,822)	(544,978)	574,780
Attributable to controlling shareholders	201,849	240,416	5,717	103,818	508,273	(6,822)	(544,978)	508,273
Attributable to non-controlling shareholders		62,550		3,957				66,507

36.1.2 Balance sheet

06/30/2021								
	Distribution	Generation	Sales	Transmission	Holding company	Other	Eliminations	Total
Current assets	3,458,938	1,134,470	2,849,340	586,874	402,542	79,292	(902,238)	7,609,218
Non-current assets	7,780,783	6,762,572	1,397,293	5,182,725	10,843,060	433,685	(8,287,927)	24,112,191
Current liabilities	2,739,926	1,209,599	2,871,597	817,737	353,769	194,072	(902,208)	7,284,492
Non-current liabilities	6,073,074	2,102,714	1,122,081	3,929,890	404,286	119,970	(970,776)	12,781,239
Total shareholders' equity and non-controlling shareholders	2,426,721	4,584,729	252,955	1,021,972	10,487,547	198,935	(7,317,181)	11,655,678

12/31/2020								
	Distribution	Generation	Sales	Transmission	Holding company	Other	Eliminations	Total
Current assets	3,582,928	1,589,232	800,618	658,444	1,427,839	70,766	(660,748)	7,469,079
Non-current assets	7,828,393	6,909,916	806,765	4,395,888	9,996,062	289,966	(7,404,810)	22,822,180
Current liabilities	4,270,337	2,105,126	776,186	714,124	758,096	124,379	(689,166)	8,059,082
Non-current liabilities	5,070,060	1,853,357	519,523	3,617,736	544,725	138,315	(767,812)	10,975,904
Total shareholders' equity and non-controlling shareholders	2,070,924	4,540,665	311,674	722,472	10,121,080	98,038	(6,608,580)	11,256,273



37 Statements of cash flow

37.1 Financing activities

In compliance with CPC 03 (R2) – Statement of Cash Flows, the changes in assets and liabilities derived from financing activities, including adjustments to reconcile income are as follows:

		Parent Company						
		Balance at December 31, 2020	Cash effect	Non-cash effect		Balance at 06/30/2021		
				Inflation adjustment and exchange- rate change	Mark-to- Market/ Adjustment to present value		Additions / write-offs	
Note								
(Increase) decrease in financing assets								
	Securities and loans receivable	27,557	(2,167)		(1,103)	2,935	27,222	
		27,557	(2,167)	-	(1,103)	2,935	27,222	
Increase (decrease) in financing liabilities								
	Dividends	360,362	(562,914)			205,495	2,943	
	Debentures	442,530	(171,929)	16,535		16,590	303,726	
23	Loans, financing and debt charges	100,934				1,282	102,216	
24	Treasury shares	(145,988)	(342,065)			2,025	(486,028)	
28.4								
	Leases and rentals	1,214	(984)		304	7,773	8,307	
15.7		759,052	(1,077,892)	16,535	304	233,165	(68,836)	
Changes related to financing activities (Financing liabilities (-) Financing assets)								
		731,495	(1,075,725)	16,535	1,407	230,230	(96,058)	
		Parent Company						
		Balance at 12/31/2019	Cash effect	Non-cash effect		Balance at June 30, 2020		
				adjustment and exchange- rate change	Market/ Adjustment to present value		Additions / write-offs	
Note								
(Increase) decrease in financing assets								
	Securities and loans receivable	251,603			(1,067)	148,483	399,019	
		251,603	-	-	(1,067)	148,483	399,019	
Increase (decrease) in financing liabilities								
	Dividends	324,790	(4)				324,786	
	Debentures	494,537	(20,126)	3,875		21,221	499,507	
	Treasury shares	(32,155)	70			1,051	(31,034)	
	Leases and rentals	4,965	(947)	(584)	137	(1,766)	1,805	
	Capital	4,682,716				820,000	5,502,716	
		5,474,853	(21,007)	3,291	137	840,506	6,297,780	
Changes related to financing activities (Financing liabilities (-) Financing assets)								
		5,223,250	(21,007)	3,291	1,204	692,023	5,898,761	
		Consolidated						
		Balance at December 31, 2020	Cash effect	Non-cash effect		Other	Balance at 06/30/2021	
				adjustment and exchange- rate change	Market/ Adjustment to present value			Additions / write-offs
Note								
(Increase) decrease in financing assets								
	Pledges linked to loans, financing and debentures	9,326	6,040	98			15,464	
		9,326	6,040	98	-	-	15,464	
Increase (decrease) in financing liabilities								
	Dividends	514,171	(693,700)			229,769	13,159	63,399
13								
	Debentures	5,216,201	835,508	135,860		172,569		6,360,138
23								
	Loans, financing and debt charges	3,818,691	(675,679)	(6,003)	20,369	113,631		3,271,009
24								
	Treasury shares	(145,988)	(342,065)			2,025		(486,028)
28.4								
	Leases and rentals	70,798	(19,456)		7,105	54,500		112,947
15.7								
	AFAC/Capital decrease by non-controlling shareholders	-	3,800			(3,800)		-
		9,473,873	(891,592)	129,857	27,474	568,694	13,159	9,321,465
Changes related to financing activities (Financing liabilities (-) Financing assets)								
		9,464,547	(897,632)	129,759	27,474	568,694	13,159	9,306,001
		Consolidated						
		Balance at 12/31/2019	Cash effect	Non-cash effect		Other	Balance at June 30, 2020	
				Inflation adjustment and exchange- rate change	Mark-to- Market/ Adjustment to present value			Additions / write-offs
Note								
(Increase) decrease in financing assets								
	Pledges linked to loans, financing and debentures	133,834	1,092	1,757			136,683	
	Securities and loans receivable	26,186				1,399	27,585	
		160,020	1,092	1,757	-	1,399	164,268	
Increase (decrease) in financing liabilities								
	Dividends	399,596	(12,240)			21,106	8,847	417,309
	Debentures	6,187,721	(720,988)	23,783		165,934		5,656,450
	Loans, financing and debt charges	2,277,117	1,125,930	5,030	2,436	84,357		3,494,870
	Treasury shares	(32,155)	70			1,051		(31,034)
	Leases and rentals	96,565	(14,782)	(2,999)	3,861	1,996		84,641
	Advance for future capital increase – AFAC	10,000				(10,000)		-
	Capital	4,682,716				820,000		5,502,716
		13,621,560	377,990	25,814	6,297	1,084,444	8,847	15,124,952
Changes related to financing activities (Financing liabilities (-) Financing assets)								
		13,461,540	376,898	24,057	6,297	1,083,045	8,847	14,960,684



37.2 Non-cash transactions

In accordance with CPC 03 (R2) - Statement of cash flows, investing and financing transactions not required the use of cash or cash equivalents should not be included in the statement of cash flows.
All investing and financing activities that did not involve cash and, consequently, are not included in any caption of the statement of cash flows are shown below:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Formation of dividends and interest on own capital receivable	235,658	623,929	18,847	27,764
Formation of dividends and interest on own capital payable	205,480		242,933	30,616
Capitalization of interest on loans and debentures to property, plant and equipment, intangible assets and concession assets.			190,669	79,378
Capitalization in Intangible Assets, in Indemnifiable Intangible asset and Concession assets relating to contingencies			(10,248)	1,966
Provision for costs of environmental permit in property, plant and equipment and concession assets			5,153	7,077
Acquisition of assets - Inova Soluções de Energia (Note 4.5)	33,480		33,480	
Capital increase through payment of advance for future capital incre			3,800	10,000
Capital increase through payment of reserves		820,000		820,000
future capital increase	75,930	105,520		(50)
Formation of concession right - GSF			23,296	
Formation of leases and rentals in Property, plant and equipment	7,773	1,766	54,500	4,984
Provision for suppliers of concession assets			101,185	
Total	558,321	1,551,215	663,615	981,735

38 Subsequent events

38.1 Distributors - Definition of the additional amount of the Level 2 Red Tariff Flag

Due to the exceptionality arising from the water shortage, ANEEL opened a new Public Consultation 041/2021, with a period of contributions from July 1, 2021 to July 30, 2021, aiming to gather inputs for the definition of a new surcharge for the Level 2 rede tariff flag. The proposal presented by ANEEL is to change the value from R\$ 9.492 to approximately R\$ 11,500 for each 100 kWh consumed.

38.2 Law 14182/21

On July 13, 2021, Law 14182/21 was enacted, as a conversion of PM 1031, which addresses the privatization of Eletrobras. Among other topics, regarding the GSF, article 18 of the aforementioned law amended Law 13203/15, so that the pre-2015 ACR energy portion was considered not renegotiated, thus allowing its renegotiation under the same terms as Law 14052/20 (ACL GSF). The generation subsidiaries are evaluating the possible impacts and are awaiting CCEE's calculations on this portion (Note 21.1.3.1).

* * *

BOARD OF DIRECTORS

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President

João Manuel Veríssimo Marques da Cruz
Vice-President

Vera de Moraes Pinto Pereira Carneiro
Board Member

Ana Paula Garrido de Pina Marques
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Modesto Souza Barros Carvalhosa
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Pedro Sampaio Malan
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Francisco Carlos Coutinho Pitella
Board Member

Rui Manuel Rodrigues Lopes Teixeira
Board Member

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Adir Pereira Keddi
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Arnaldo José Vollet
Board Member

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Henrique Manuel Marques Faria Lima Freire
Finance and Investor Relations Officer and Vice-President

João Manuel Brito Martins
Director Vice-President for Distribution

Carlos Emanuel Baptista Andrade
Director Vice-President for Customers

Luiz Otavio Assis Henriques
Vice President for Generation, Transmission and Trading

Fernanda Nascimento Pires Carsughi
Director Vice President for People and ESG

ACCOUNTING

Leandro Carron Rigamonte
Chief Accounting and Asset Management Officer
(Corporate)

Laercio Gomes Proença Junior
Accountant - CRC 1SP216218/O-6

1. SIGNIFICANT EVENTS

Conclusion of the Share Buyback Program

On April 06, the Company concluded the share buyback program launched on August 28, 2020, and now holds 26.1 million treasury shares.

Completed Acquisition of a Transmission Line in Maranhão

On May 12, the Company completed acquisition of 100% of the equity stock of Mata Grande Transmissora de Energia LTDA ("MGTE") on the secondary market. The MGTE lot was won at transmission auction 002/2018, held in June 2018, and comprises 113 km of 230 kV transmission lines in the state of Maranhão.

Partial Operational Startup – Lot Q

On May 19, the Company completed the steps needed to energize and connect into the National Interconnected System (SIN) one of two stretches of the EDP Litoral Sul transmission line ("Lot Q"), acquired on the secondary market in May 2019. Lot Q was put up in phase 1 of transmission auction 13/2015, held in April 2016. This first phase saw completion of 10.7 km, the Siderópolis Substation and the Tubarão Sul Substation.

Partial Operational Startup – Lot 21

On June 14, the Company completed the steps needed to energize and connect into the National Interconnected System (SIN) one of the two stretches of EDP Transmissão Aliança SC S.A. (Lot 21). The first phase saw completion of 180 km on two transmission lines, and the Siderópolis 2 Substation.

Completed Investment in AES Inova Soluções de Energia LTDA

On June 14, the Company completed acquisition of AES Inova Soluções de Energia Ltda. AES Inova is an investment platform for distributed solar generation that holds a portfolio of approximately 34 MWp.

Acquisition of Lot 1 in Transmission Auction No. 1/2021

On June 30, the Company acquired Lot 1 in transmission auction No. 1/2021, interconnecting the states of Acre and Rondônia. The Lot comprises one substation and a 350-km transmission line.

Funds released and raised

The following funds were disbursed in the quarter:

Company	Source	Release Date	Amount (Thousand)
EDP Grid	Scotia Bank - 4131	Apr-21	100,000
EDP Comercializadora	MUFG - 4131	Apr-21	200,000
Mata Grande Transmissora de Energia LTDA. (Lote MGTE)	CCB	May-21	24,500
EDP Transmissão SP-MG (Lote 18)	MUFG - Currency Exchange	Jun-21	150,000
Lajeado	Debentures - 5 th Emission	Jun-21	150,000
EDP Transmissão MA II (Lote 11)	BNB - 5 ^o liberation	Jun-21	1,678
Total until June 30 th			626,178

The information next concerns the second quarter and first half of 2021 compared with the same periods in 2020.

2. CONSOLIDATED

2.1 Consolidated Results

Items in R\$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Consolidated Commc.	Transmission	Holding	Others ²	Eliminations	Consolidated ³
	2Q21	2Q21	2Q21	2Q21	2Q21	2Q21	2Q21	2Q21	2Q21
Net Revenue¹	306,923	400,466	2,246,505	567,444	144,958	683	18,408	(286,858)	3,398,529
Infrastructure Construction Revenue	-	-	267,261	-	271,514	-	-	-	538,775
Transmission Construction Margin	-	-	-	-	17,124	-	-	-	17,124
Non-Manageable Expenditures	(75,493)	(225,804)	(1,682,905)	(544,679)	-	-	(4,531)	285,665	(2,247,747)
Gross Margin	231,430	174,662	563,600	22,765	162,082	683	13,877	(1,193)	1,167,906
Manageable Expenditures	(54,373)	(88,489)	(598,643)	(8,896)	(278,290)	(28,193)	(16,125)	(10,302)	(1,083,311)
PMTO	(17,880)	(40,546)	(239,907)	(7,254)	(6,571)	(27,407)	(13,161)	1,193	(351,533)
Gain and Loss on the Deactivation and Asset Sale	19	36	(21,681)	-	11	4,465	-	-	(17,150)
Gain and Losses on Alienation of Property	-	-	-	-	-	-	-	-	-
EBITDA	213,569	134,152	302,012	15,511	155,522	(22,259)	716	-	799,223
Depreciation and Amortization	(36,512)	(47,979)	(69,794)	(1,642)	(216)	(5,251)	(2,964)	(11,495)	(175,853)
Result of Statutory Participation	(6,886)	-	-	(4,851)	-	372,649	482	(308,441)	52,953
Net Financial Result	(46,054)	(12,056)	(54,746)	(864)	(20,143)	304	(2,534)	-	(136,093)
Income Tax and Social Contribution	(41,252)	(11,513)	(58,725)	(4,438)	(47,017)	(953)	510	3,908	(159,480)
Net Income Before Minority Interests	82,865	62,604	118,747	3,716	88,146	344,490	(3,790)	(316,028)	380,750
Minority Interests	(31,668)	-	-	-	(4,592)	-	-	-	(36,260)
Net Income	51,197	62,604	118,747	3,716	83,554	344,490	(3,790)	(316,028)	344,490

Items in R\$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Consolidated Commc.	Transmission	Holding	Others ²	Eliminations	Consolidated ³
	2Q20	2Q20	2Q20	2Q20	2Q20	2Q20	1Q19	2Q20	2Q20
Net Revenue¹	275,048	245,979	1,580,936	650,765	99,004	640	10,875	(261,665)	2,601,582
Infrastructure Construction Revenue	-	-	176,307	-	207,287	-	-	-	383,594
Transmission Construction Margin	-	-	-	-	(860)	-	-	-	(860)
Non-Manageable Expenditures	(70,717)	(79,902)	(1,147,287)	(645,437)	-	-	(1,769)	260,956	(1,684,156)
Gross Margin	204,331	166,077	433,649	5,328	98,144	640	9,106	(709)	916,566
Manageable Expenditures	(48,551)	(68,855)	(490,153)	(10,320)	(212,348)	(22,136)	(10,334)	(17,510)	(880,207)
PMTO	(15,921)	(21,298)	(232,723)	(9,837)	(4,971)	(17,977)	(9,014)	709	(311,032)
Gain and Loss on the Deactivation and Asset Sale	-	534	(19,587)	-	-	-	(1)	-	(19,054)
Gain and Losses on Alienation of Property	-	-	-	-	-	-	-	-	-
EBITDA	188,410	145,313	181,339	(4,509)	93,173	(17,337)	91	-	586,480
Depreciation and Amortization	(32,630)	(48,091)	(61,536)	(483)	(90)	(4,159)	(1,319)	(18,219)	(166,527)
Result of Statutory Participation	6,440	-	-	112	-	260,653	-	(225,281)	41,924
Net Financial Result	(32,001)	(22,378)	(19,055)	(439)	(7,558)	(2,457)	(1,425)	-	(85,313)
Income Tax and Social Contribution	(36,984)	(12,841)	(32,109)	1,907	(29,120)	538	223	3,915	(104,471)
Net Income Before Minority Interests	93,235	62,003	68,639	(3,412)	56,405	237,238	(2,430)	(239,585)	272,093
Minority Interests	(32,604)	-	-	-	(2,251)	-	-	-	(34,855)
Net Income	60,631	62,003	68,639	(3,412)	54,154	237,238	(2,430)	(239,585)	237,238

Items in R\$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Consolidated Commc.	Transmission	Holding	Others ²	Eliminations	Consolidated ³
	Var	Var	Var	Var	Var	Var	Var.	Var	Var
Net Revenue¹	11.6%	62.8%	42.1%	-12.8%	46.4%	6.7%	69.3%	9.6%	30.6%
Infrastructure Construction Revenue	n.a.	n.a.	51.6%	n.a.	31.0%	n.a.	n.a.	n.a.	40.5%
Transmission Construction Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Non-manageable Expenditures	6.8%	182.6%	46.7%	-15.6%	n.a.	n.a.	156.1%	9.5%	33.5%
Gross Margin	13.3%	5.2%	30.0%	327.3%	65.1%	6.7%	52.4%	68.3%	27.4%
Manageable Expenditures	12.0%	28.5%	22.1%	-13.8%	31.1%	27.4%	56.0%	-41.2%	23.1%
PMTO	12.3%	90.4%	3.1%	-26.3%	32.2%	52.5%	46.0%	68.3%	13.0%
Gain and Loss on the Deactivation and Asset Sale	n.a.	-93.3%	10.7%	n.a.	n.a.	n.a.	-100.0%	n.a.	-10.0%
Gain and Losses on Alienation of Property	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	13.4%	-7.7%	66.5%	n.a.	66.9%	28.4%	686.8%	n.a.	36.3%
Depreciation and Amortization	11.9%	-0.2%	13.4%	240.0%	140.0%	26.3%	124.7%	-36.9%	5.6%
Result of Statutory Participation	n.a.	n.a.	n.a.	n.a.	n.a.	43.0%	n.a.	36.9%	26.3%
Net Financial Result	43.9%	-46.1%	187.3%	96.8%	166.5%	n.a.	77.8%	n.a.	59.5%
Income Tax and Social Contribution	11.5%	-10.3%	82.9%	n.a.	61.5%	n.a.	128.7%	-0.2%	52.7%
Net Income Before Minority Interests	-11.1%	1.0%	73.0%	n.a.	56.3%	45.2%	56.0%	31.9%	39.9%
Minority interests	-2.9%	n.a.	n.a.	n.a.	104.0%	n.a.	n.a.	n.a.	4.0%
Net Income	-15.6%	1.0%	73.0%	n.a.	54.3%	45.2%	56.0%	31.9%	45.2%

¹ Excludes construction revenues. ² Includes Services and Ventures. ³ Considering group intercompany elimination.

Items in R\$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Consolidated Commerc.	Transmission	Holding	Others ²	Eliminations	Consolidated ³
	6M21	6M21	6M21	6M21	6M21	6M21	6M21	6M21	6M21
Net Revenue¹	697,002	789,735	4,354,760	1,403,319	247,024	1,418	36,877	(700,939)	6,829,196
Infrastructure Construction Revenue	-	-	491,783	-	547,763	-	-	-	1,039,546
Transmission Construction Margin	-	-	-	-	78,479	-	-	-	78,479
Non-Manageable Expenditures	(185,833)	(452,785)	(3,088,076)	(1,316,818)	-	-	(9,516)	698,823	(4,354,205)
Gross Margin	511,169	336,950	1,266,684	86,501	325,503	1,418	27,361	(2,116)	2,553,470
Manageable Expenditures	(107,097)	(164,501)	(1,135,552)	(11,530)	(561,151)	(56,874)	(32,065)	(20,882)	(2,089,652)
PMTO	(35,371)	(69,344)	(474,980)	(9,366)	(12,985)	(51,952)	(26,680)	2,116	(678,562)
Gain and Loss on the Deactivation and Asset Sale	19	174	(31,703)	-	11	4,465	-	-	(27,034)
EBITDA	475,817	267,780	760,001	77,135	312,529	(46,069)	681	-	1,847,874
Depreciation and Amortization	(71,745)	(95,331)	(137,086)	(2,164)	(414)	(9,387)	(5,385)	(22,998)	(344,510)
Result of Statutory Participation	(8,439)	-	-	(21,721)	-	914,201	482	(763,220)	121,303
Net Financial Result	(144,906)	(36,136)	(108,460)	(900)	(34,102)	(18,081)	(3,490)	-	(346,075)
Income Tax and Social Contribution	(78,039)	(23,785)	(168,747)	(25,173)	(84,221)	(392)	(2)	7,819	(372,540)
Net Income Before Minority Interests	172,688	112,528	345,708	27,177	193,792	840,272	(7,714)	(778,399)	906,052
Minority Interests	(58,728)	-	-	-	(7,052)	-	-	-	(65,780)
Net Income	113,960	112,528	345,708	27,177	186,740	840,272	(7,714)	(778,399)	840,272

Items in R\$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Consolidated Commerc.	Transmission	Holding	Others ²	Eliminations	Consolidated ³
	6M20	6M20	6M20	6M20	6M20	6M20	6M20	6M20	6M20
Net Revenue¹	591,838	744,320	3,397,029	1,823,986	191,746	1,345	23,424	(893,028)	5,880,660
Infrastructure Construction Revenue	-	-	343,474	-	369,993	-	-	-	713,467
Transmission Construction Margin	-	-	-	-	(4,517)	-	-	-	(4,517)
Non-Manageable Expenditures	(200,648)	(383,327)	(2,405,477)	(1,797,607)	-	-	(3,680)	891,654	(3,899,085)
Gross Margin	391,190	360,993	991,552	26,379	187,229	1,345	19,744	(1,374)	1,977,058
Manageable Expenditures	(97,690)	(146,854)	(991,125)	(17,494)	(380,324)	(46,529)	(23,666)	(23,901)	(1,727,583)
PMTO	(32,640)	(51,186)	(478,636)	(16,522)	(10,192)	(37,944)	(21,307)	3,534	(644,893)
Gain and Loss on the Deactivation and Asset Sale	-	588	(47,703)	-	-	-	13	-	(47,102)
Gain and Losses on Alienation of Property	-	-	-	-	-	-	-	-	-
EBITDA	358,550	310,395	465,213	9,857	177,037	(36,599)	(1,550)	2,160	1,285,063
Depreciation and Amortization	(65,050)	(96,256)	(121,312)	(972)	(139)	(8,585)	(2,372)	(27,435)	(322,121)
Result of Statutory Participation	(4,585)	-	-	(276)	-	573,228	-	(526,799)	41,568
Net Financial Result	(59,593)	(41,973)	(47,083)	459	(13,425)	(20,863)	(3,506)	-	(185,984)
Income Tax and Social Contribution	(67,927)	(30,595)	(94,969)	(3,351)	(55,698)	1,092	606	7,096	(243,746)
Net Income Before Minority Interests	161,395	141,571	201,849	5,717	107,775	508,273	(6,822)	(544,978)	574,780
Minority Interests	(62,550)	-	-	-	(3,957)	-	-	-	(66,507)
Net Income	98,845	141,571	201,849	5,717	103,818	508,273	(6,822)	(544,978)	508,273

Items in R\$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Consolidated Commerc.	Transmission	Holding	Others ²	Eliminations	Consolidated ³
	Var	Var	Var	Var	Var	Var	Var.	Var	Var
Net Revenue¹	17.8%	6.1%	28.2%	-23.1%	28.8%	5.4%	57.4%	-21.5%	16.1%
Infrastructure Construction Revenue	n.d.	n.d.	43.2%	n.d.	48.0%	n.d.	n.d.	n.d.	45.7%
Transmission Construction Margin	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Non-manageable Expenditures	-7.4%	18.1%	28.4%	-26.7%	n.d.	n.d.	158.6%	-21.6%	11.7%
Gross Margin	30.7%	-6.7%	27.7%	227.9%	73.9%	5.4%	38.6%	54.0%	29.2%
Manageable Expenditures	9.6%	12.0%	14.6%	-34.1%	47.5%	22.2%	35.5%	-12.6%	21.0%
PMTO	8.4%	35.5%	-0.8%	-43.3%	27.4%	36.9%	25.2%	-40.1%	5.2%
Gain and Loss on the Deactivation and Asset Sale	n.d.	-70.4%	-33.5%	n.d.	n.d.	n.d.	-100.0%	n.d.	-42.6%
Gain and Losses on Alienation of Property	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
EBITDA	32.7%	-13.7%	63.4%	682.5%	76.5%	25.9%	n.d.	-100.0%	43.8%
EBITDA Margin	0.1 p.p.	-0.2 p.p.	0.3 p.p.	9.2 p.p.	0.4 p.p.	0.2 p.p.	n.d.	n.d.	0.2 p.p.
Depreciation and Amortization	10.3%	-1.0%	13.0%	122.6%	197.8%	9.3%	127.0%	-16.2%	7.0%
Result of Statutory Participation	84.1%	n.d.	n.d.	7769.9%	n.d.	59.5%	n.d.	44.9%	191.8%
Net Financial Result	143.2%	-13.9%	130.4%	n.d.	154.0%	-13.3%	-0.5%	n.d.	86.1%
Income Tax and Social Contribution	14.9%	-22.3%	77.7%	651.2%	51.2%	n.d.	n.d.	10.2%	52.8%
Net Income Before Minority Interests	7.0%	-20.5%	71.3%	375.4%	79.8%	65.3%	13.1%	42.8%	57.6%
Minority interests	-6.1%	n.d.	n.d.	n.d.	78.2%	n.d.	n.d.	n.d.	-1.1%
Net Income	15.3%	-20.5%	71.3%	375.4%	79.9%	65.3%	13.1%	42.8%	65.3%

1) Does not consider Infrastructure Construction Revenue; 2) Considers EDP Ventures and EDP Varejista; 3) Intragroup elimination.

2.1.1 GROSS MARGIN

Items in R\$ Thousand or %	Consolidated					
	2Q21	2Q20	Var	6M21	6M20	Var
Net Operating Revenue	3,415,653	2,600,722	31.3%	6,907,675	5,876,143	17.6%
Non-Manageable Expenditures	(2,247,747)	(1,684,156)	33.5%	(4,354,205)	(3,899,085)	11.7%
Energy Purchased to Resell	(1,806,074)	(1,405,209)	28.5%	(3,469,467)	(3,313,836)	4.7%
Charges for Usage of Basic Network	(323,334)	(230,394)	40.3%	(646,351)	(477,284)	35.4%
Others	(118,339)	(48,553)	143.7%	(238,387)	(107,965)	120.8%
Gross Margin	1,167,906	916,566	27.4%	2,553,470	1,977,058	29.2%

Note: Gross Margin excludes Construction Revenues.

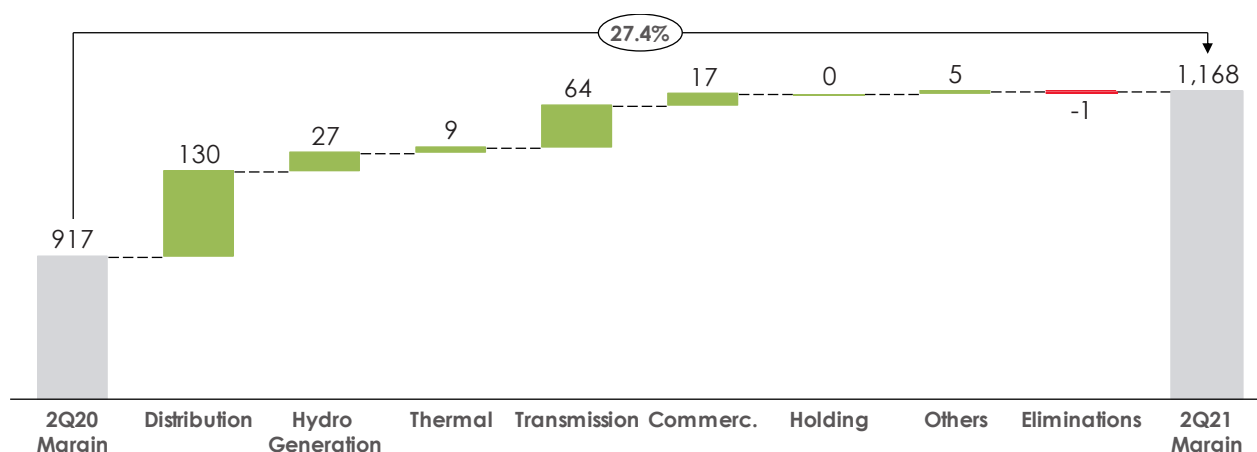
Gross Margin was up 27.4% in the quarter, due to:

- (i) **Distribution:** up BRL 130.0 million, due mainly to: (i) increased new replacement value (VNR) recognition because of the annual restatement at the IPCA index (+BRL 70.2 million); (ii) tariff effect associated with the adjustments had at EDP Espírito Santo ("EDP ES") and EDP São Paulo ("EDP SP") in August and October, respectively, with a larger effect at EDP SP because of the more intense IGPM effect at that time; and (iii) 16.0% growth of the distributed energy market;
- (ii) **Hydro:** up BRL 27.1 million, due to the integrated management strategy of Comercializadora and hydro Generation, keeping the portfolio hedged despite the hydrology risk arising from the water crisis Brazil is experiencing. In addition, the annual adjustments to bilateral agreements also had a positive impact;
- (iii) **Pecém:** up BRL 8.6 million, due to the annual adjustment to the selling agreement had in November;
- (iv) **Transmission:** up BRL 63.9 million, due to effects of concession assets restatement, reflecting IFRS standards. It is worth emphasizing that gradual operational startup of assets is already reflected in the Company's cash flow; and
- (v) **Trading:** up BRL 17.4 million, due to long-term operations booked through mark-to-market, considering a 4-year period and with Decid energy prices as a reference; and

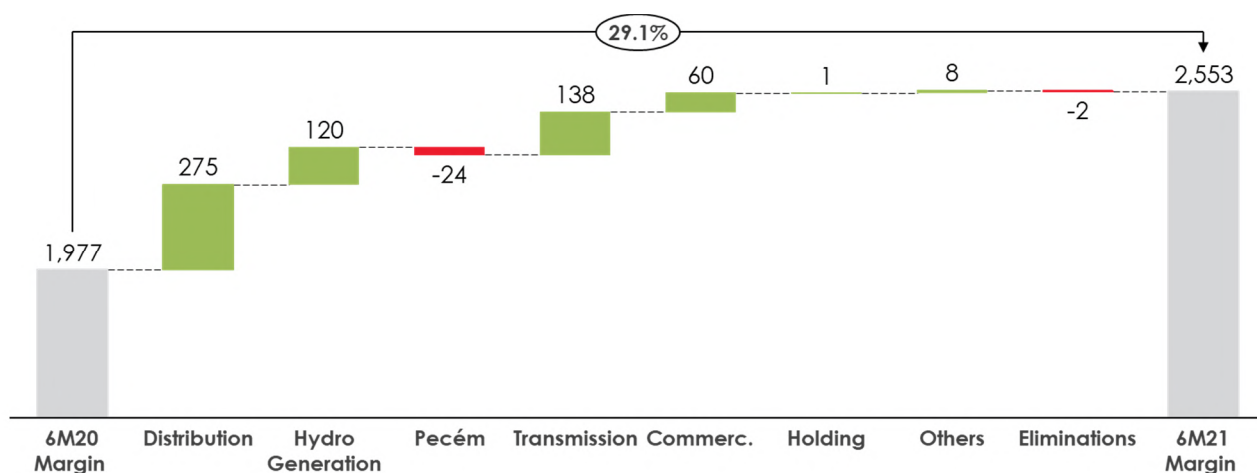
Gross Margin was up 29.2% in the first half, due to:

- (vi) **Distribution:** up BRL 275.1 million, due to the previously discussed effects: (i) increased VNR recognized (+BRL 121.4 million); (ii) tariff effect associated with the tariff adjustment had in 2020; and (iii) 10.0% growth of the distributed energy market;
- (vii) **Hydro:** up BRL 120.0 million, due to the Company's seasonal weighting strategy, with additional energy allocated to the first half compared with the same period in 2020, in addition to the annual adjustment to bilateral agreements;
- (viii) **Pecém:** down BRL 24.0 million, due to the regularization of the ADOMP balance that took place chiefly in the first quarter of 2020;
- (ix) **Transmission:** up BRL 138.3 million, due to the effects of concession asset restatements as previously discussed; and
- (x) **Trading:** up BRL 60.1 million, due long-term operations recognized in mark-to-market terms, as discussed.

2Q21 Gross Margin Breakdown (BRL million)



6M21 Gross margin Breakdown (BRL million)



Note: Transmission's Gross Margin concerns revenues from Concession Asset Remuneration.

2.1.2 MANAGEABLE EXPENDITURES

The Company adopted the Zero-Based Budget ("ZBB") method in 2015 and the program has since then undergone five cycles focusing on an efficient path of expenditures control and management, in addition to automation of operating procedures that enabled capturing in excess of BRL 384 million.

The quarter was marked by economic recovery, with impacts on contract restatements, resumed structural projects, increased maintenance at generation units, new hires in line with the expansion of the Company's operating activities. In this sense, recurring PMTO was up 14.6% and 6.1% in the quarter and first half, respectively.

	2Q21	2Q20	Var	6M21	6M20	Var
PMTO	(311,439)	(262,680)	18.6%	(599,037)	(552,565)	8.4%
IFRS 16 Accountability (Rental)	(6,953)	(6,665)	4.3%	(14,844)	(12,049)	23.2%
New Businesses ¹	18,905	13,202	43.2%	35,995	27,890	29.1%
PIS/COFINS Credit	(6,200)	(3,800)	63.2%	(11,200)	(15,200)	-26.3%
Fights default and fraud/Outsourcing	15,200	8,200	85.4%	26,100	16,800	55.4%
Pecém Maintenance	24,400	7,500	225.3%	38,600	29,000	33.1%
COVID equipment material donations	-	13,380	n.a.	-	14,635	n.a.
Costs With Associated Revenue	3,131	1,496	109.2%	7,896	4,880	61.8%
Recurrent PMTO	(262,956)	(229,367)	14.6%	(516,490)	(486,609)	6.1%

¹ Transmission, EDP Varejista, EDP Ventures, EDP GRID and Soluções.

Items in R\$ Thousand or %	Consolidated					
	2Q21	2Q20	Var	6M21	6M20	Var
Personnel	(138,867)	(118,179)	17.5%	(269,458)	(250,282)	7.7%
Material	(19,074)	(11,189)	70.5%	(34,543)	(25,116)	37.5%
Third-Party Services	(126,924)	(109,141)	16.3%	(242,826)	(226,810)	7.1%
Provision	(40,094)	(48,352)	-17.1%	(79,525)	(92,328)	-13.9%
Other	(26,574)	(24,171)	9.9%	(52,210)	(50,357)	3.7%
PMTO	(351,533)	(311,032)	13.0%	(678,562)	(644,893)	5.2%
PMTO (Excluding Provisions)	(311,439)	(262,680)	18.6%	(599,037)	(552,565)	8.4%
Gain/Loss on the Deactivation/Asset Sale	(17,150)	(19,054)	-10.0%	(27,034)	(47,102)	-42.6%
Infrastructure Construction Costs	(538,775)	(383,594)	40.5%	(1,039,546)	(713,467)	45.7%
Depreciation and Amortization	(175,853)	(166,527)	5.6%	(344,510)	(322,121)	7.0%
Manageable Expenditures	(1,083,311)	(880,207)	23.1%	(2,089,652)	(1,727,583)	21.0%

The main items affecting the increase in PMTO in the quarter and first half were:

- (i) Personnel – up 17.5% (+BRL 20.7 million) in the quarter and 7.7% (+BRL 19.2 million) in the first half, due to the wage adjustment had in November 2020, increased severance and hiring expenses associated with the previous year's freeze on payroll changes, increased healthcare usage costs, and increased overtime;
- (ii) Materials – up 70.5% (+BRL 7.9 million) in the quarter and 37.5% (+BRL 9.4 million) in the first half, due to the increase in maintenance materials at Pecém because of greater dispatching;
- (iii) Third-Party Services – up 16.3% (+BRL 17.8 million) in the quarter and 7.1% (+BRL 16.0 million) in the first half, reflecting maintenance works at Pecém, loss-combat action expenditures at the distribution companies and contract adjustments; and
- (iv) Other – up 9.9% (+BRL 2.4 million) in the quarter and 3.7% (+BRL 1.9 million) in the first half, reflecting increased spending on strategic projects and non-recurring expenditures demobilizing the Company's former headquarters.

The **Provisions** account was down 17.1% and 13.9% in the quarter and first half, respectively, mainly in the PECLD line, as discussed in the Distribution chapter.

The **Gains and Losses from Asset Decommissioning and Disposal account** was down 10.0% and 42.6% in the quarter and first half, respectively, due to increased grid recovery activities booked at the distribution companies in the previous year.

The **Depreciation and Amortization** account was up 5.6% and 7.0% in the quarter and first half, respectively, due to increased unitization at distribution companies and new projects.

2.1.3. Equity Income

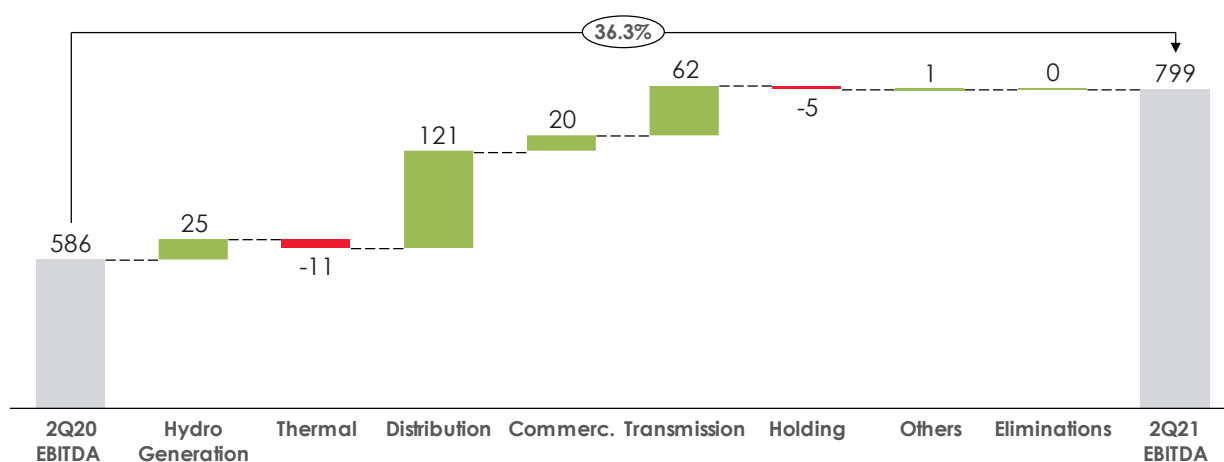
Items in R\$ Thousand or %	2Q21	2Q20	Var	6M21	6M20	Var
Santo Antônio do Jari (50.0%) ¹	2,845	9,429	-69.8%	9,938	12,963	-23.3%
Cachoeira Caldeirão (50.0%) ¹	(5,250)	(300)	n.a.	(8,898)	(4,027)	121.0%
São Manoel (33.3%) ¹	(4,480)	(2,689)	66.6%	(9,478)	(13,520)	-29.9%
Celesc (29.90%) ¹	59,540	36,515	63.1%	129,391	53,078	143.8%
Others ²	298	(1,031)	n.a.	350	(6,926)	n.a.
Minority Interests Result	52,953	41,924	26.3%	121,303	41,568	191.8%

¹ Considers stakes in the assets and, in the case of Celesc, equity income relies on financial statements lagged one quarter from the date of the Company's financial statements preceding the subsidiary's disclosures calendar; ² Considers equity income from Pecém TM, Pecém OM and Mabe.

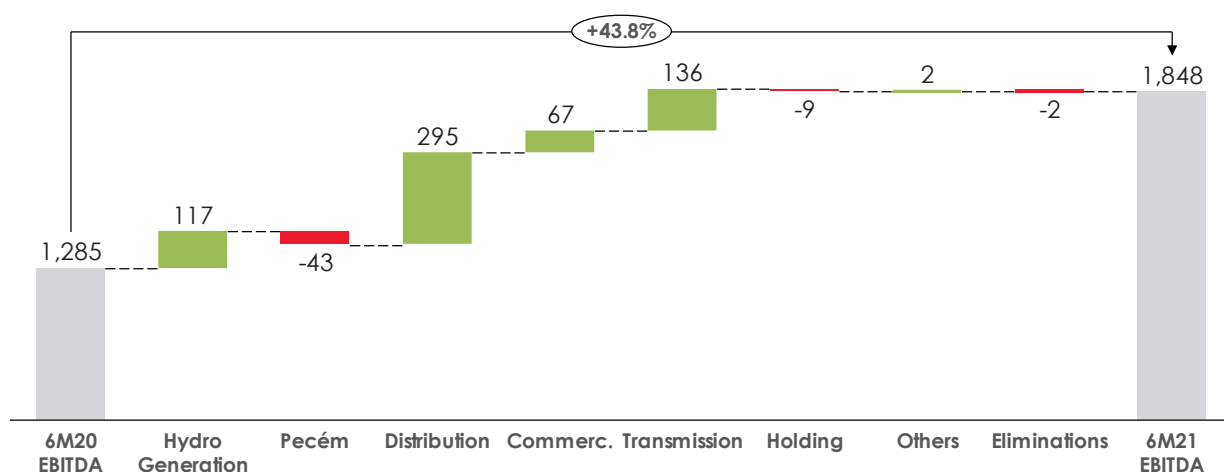
The increase in equity income both in the quarter and the first half reflects larger gains from Celesc arising from the tariff adjustment had in 2020, in addition to operational improvements leading to and OPEX reduction, as reported in the subsidiary's results release.

2.1.4 EBITDA

2Q21 EBITDA Breakdown (BRL million)



6M21 EBITDA Breakdown (BRL million)



Note: Booking of the Transmission segment's results is in line with ICPC 01,IFRIC12

EBITDA was BRL 799.2 million and BRL 1.8 billion, up 36.3% and 43.8% in the quarter and first half, respectively, in line with the effects mentioned for the business units in the graph above.

Items in R\$ Thousand or %	2Q21	2Q20	Var	6M21	6M20	Var
EBITDA	799,223	586,480	36.3%	1,847,874	1,285,063	43.8%
Update of Indemnifiable Financial Assets (VNR)	(48,463)	21,748	n.a.	(121,476)	(28)	433742.9%
Transmission EBITDA (IFRS)	(155,522)	(93,173)	66.9%	(312,529)	(177,037)	76.5%
Transmission RAP (IFRS)	22,728	8,025	183.2%	34,865	16,470	111.7%
Risk Premium - GSF	-	-	n.a.	(23,296)	-	n.a.
Adjusted EBITDA	617,966	523,080	18.1%	1,425,438	1,124,468	26.8%
Minority Interests Result	52,953	41,924	n.a.	121,303	41,568	n.a.
EBITDA in Accordance with CVM 527 Instruction	852,176	628,404	35.6%	1,969,177	1,326,631	48.4%

EBITDA, once adjusted for non-recurring and non-cash effects, was BRL 618.0 million and BRL 1.4 billion, up 18.1% and 26.8% in the quarter and first half, respectively. Pursuant to CVM Instruction 527, EBITDA was BRL 852.2 million, up 35.6%.

2.1.5. FINANCIAL RESULT

Financial Results (R\$ Thousand)	Consolidated					
	2Q21	2Q20	Var	6M21	6M20	Var
Financial Revenue	80,009	72,729	10.0%	163,413	167,747	-2.6%
Interest and Monetary Variation	71,157	80,068	-11.1%	149,798	187,217	-20.0%
Hedge and Swap Operations	(38,441)	-	n.a.	-	-	n.a.
Variações em moeda estrangeira	24,786	(14)	n.a.	24,786	-	n.a.
Adjustments to Present Value	31	1,507	-97.9%	279	2,058	-86.4%
(-) Capitalized Interests	26,488	(4,475)	n.a.	(4,774)	(12,766)	-62.6%
(-) Taxes on Financial Income	(4,715)	(4,283)	10.1%	(8,757)	(9,364)	-6.5%
Other Financial Revenues	703	(74)	n.a.	2,081	602	245.7%
Financial Expenditures	(216,102)	(158,042)	36.7%	(509,488)	(353,731)	44.0%
Debt Charges	(129,891)	(95,678)	35.8%	(254,347)	(191,574)	32.8%
Interest and Monetary Variations	(72,348)	(58,126)	24.5%	(222,144)	(134,602)	65.0%
Variations in Foreign Currency	5,353	3,880	38.0%	(5,670)	(15,305)	-63.0%
Adjustments to Present Value	36	171	-78.9%	(384)	-	n.a.
(-) Capitalized Interests	202	-	n.a.	986	-	n.a.
Other Financial Expenditures	(8,034)	(8,289)	-3.1%	(16,509)	(12,250)	34.8%
Total	(136,093)	(85,313)	59.5%	(346,075)	(185,984)	86.1%

Financial Revenue was up 10.0% in the quarter and down by 2.6% in the first half, due to:

- An increase in capitalized interest, resulting from swap and hedge operations, debited in financial expenses, mainly due to the funding of the SP-MG transmission line (lot 18);
- A decrease in the interest and monetary variations line arising from: (i) lower income from financial investments due to the reduced balance invested; mitigated by the increase in the energy sold account, concerning late-payment consumer interest and fines at the distribution companies; and
- A decrease in the tax-bill interest and fines line, associated with the review of the base of eligible invoices for ICMS balances as part of the PIS/COFINS taxable base, with no impact on the Company's financial results.

Financial Expenses were up 36.7% and 44.0% in the quarter and first half, due to:

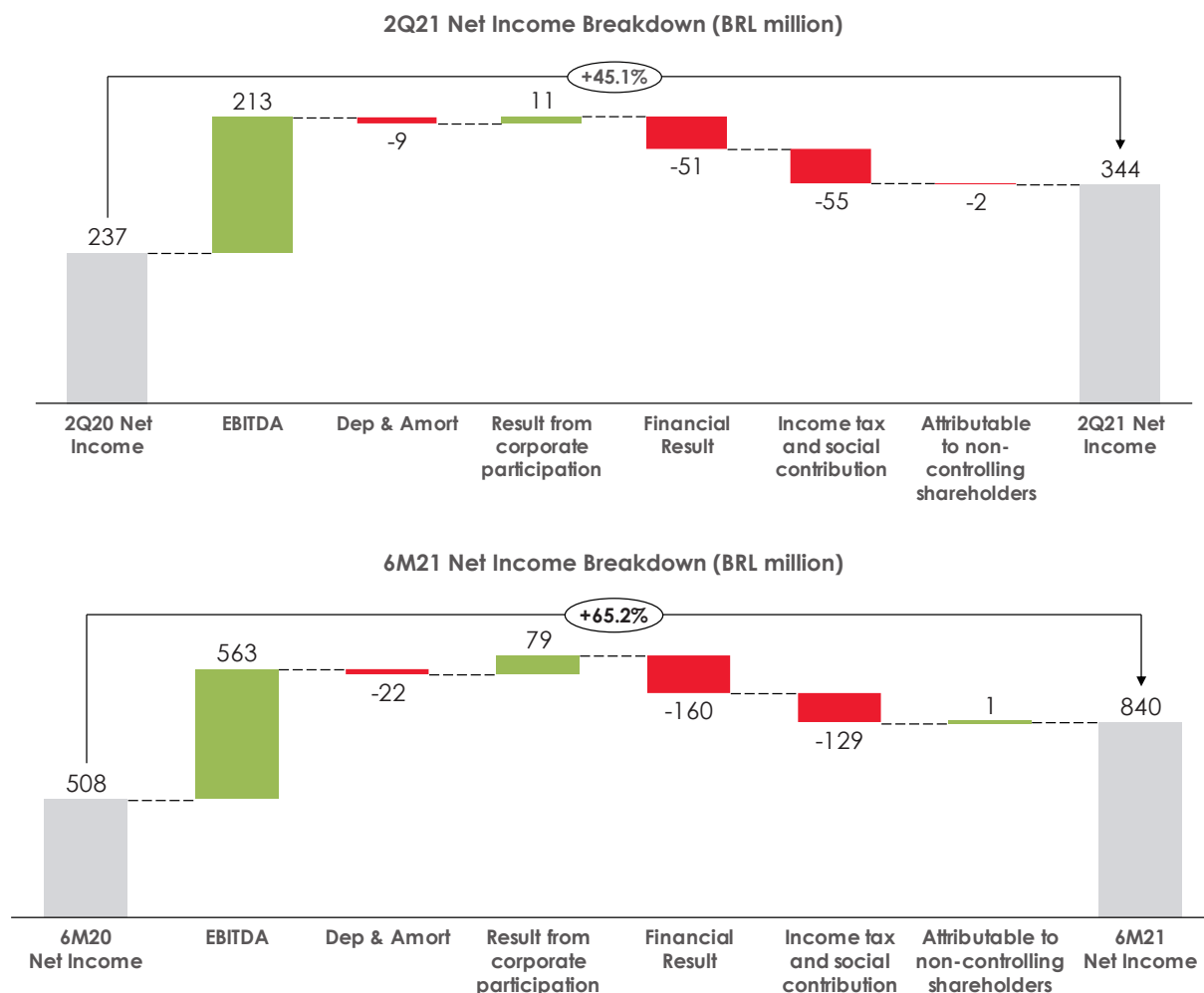
- Higher debt charges, reflecting the increase in the debt charges line due mainly to the higher IPCA and debt balance; and
- An increase in the interest and monetary variations line, reflecting the adjusted UBP, which is indexed to the IGP-M.

2.1.6. INCOME TAX AND SOCIAL CONTRIBUTION (IR/CS)

	2Q21	2Q20	Var	6M21	6M20	Var
Income Before Taxes on Profit	540,230	376,564	43.5%	1,278,592	818,526	56.2%
Tax Rate	34%	34%		34%	34%	
IR/CS	(183,678)	(128,032)	43.5%	(434,721)	(278,299)	56.2%
Additions/Eliminations						
Donations	(1,298)	(3,284)	-60.5%	(1,615)	(3,760)	-57.0%
Unrecognized Deferred Taxes	(12,894)	(11,443)	12.7%	(30,358)	(26,272)	15.6%
Adjustment to Prior Years	-	2,676	n.a.	28,895	2,757	948.1%
Adjustment Presumed Income	(1,750)	(411)	325.8%	(20,845)	(1,793)	1062.6%
Results from Corporate Participation	18,004	14,255	26.3%	41,243	14,134	191.8%
SUDAM/SUDENE (Tax Benefits)	22,385	20,805	7.6%	43,840	47,809	-8.3%
Others	(249)	963	-125.8%	1,021	1,678	-39.1%
Total	(159,480)	(104,471)	52.7%	(372,540)	(243,746)	52.8%
Effective Tax Rate	29.5%	27.7%	1.8%	29.1%	29.8%	-0.6%

IR/CS was BRL 159.5 million and BRL 372.5 million, up 52.7% and 52.8% in the quarter and first half, due to YoY income increase and to taxable base reductions, reflecting an effective tax rate of 29.5% and 29.1% in the quarter and first half, respectively.

2.1.7. NET INCOME



Net Income was BRL 344.5 million and BRL 840.3 million, up 45.2% and 65.3% in the quarter and first half, respectively.

Items in R\$ Thousand or %	2Q21	2Q20	Var	6M21	6M20	Var
Income	344,490	237,238	45.2%	840,272	508,273	65.3%
Update of Indemnifiable Financial Assets (VNR)	(31,986)	14,354	n.a.	(80,174)	(18)	433742.9%
Transmission EBITDA (IFRS)	(102,645)	(61,494)	66.9%	(206,269)	(116,844)	76.5%
Transmission RAP (In Operation)	15,000	5,297	183.2%	23,011	10,870	111.7%
Risk Premium - GSF	-	-	n.a.	(15,375)	-	n.a.
Adjusted Net Income	224,860	195,394	15.1%	561,464	402,280	39.6%

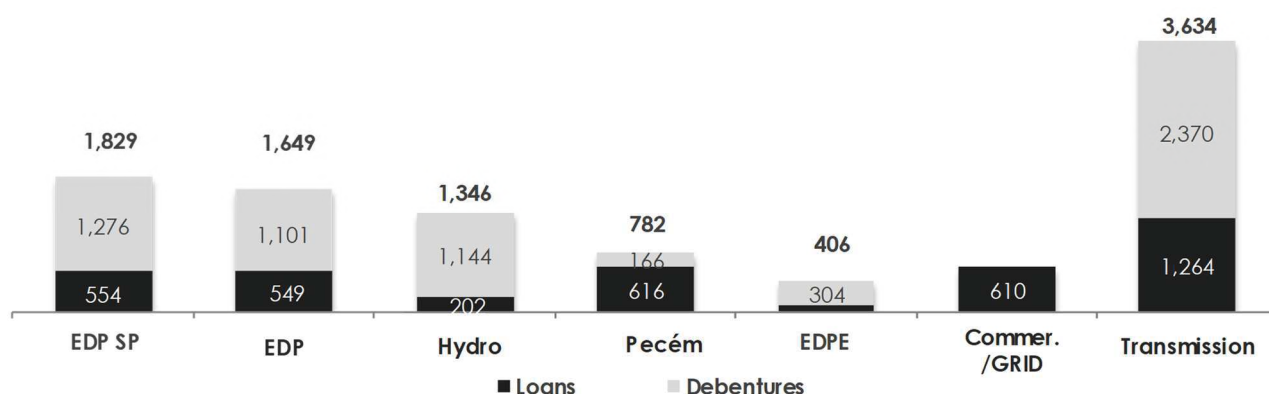
Net income adjusted for the effects discussed in the EBITDA section was BRL 224.9 million and BRL 561.5 million, up 15.1% and 39.6% in the quarter and first half, respectively.

2.2. DEBT

2.2.1. GROSS DEBT

The Company reached the end of the quarter with BRL 9.6 billion in Gross Debt, ex- the debt of unconsolidated assets, which added up to BRL 1.3 billion. Annex IX shows the period's main funding efforts.

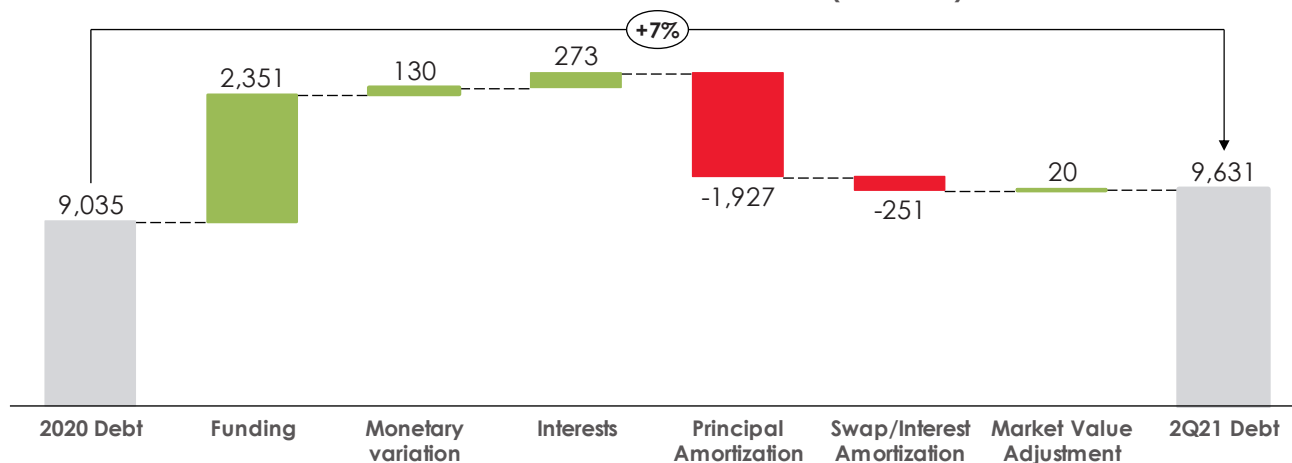
Gross Debt by Company (BRL million)



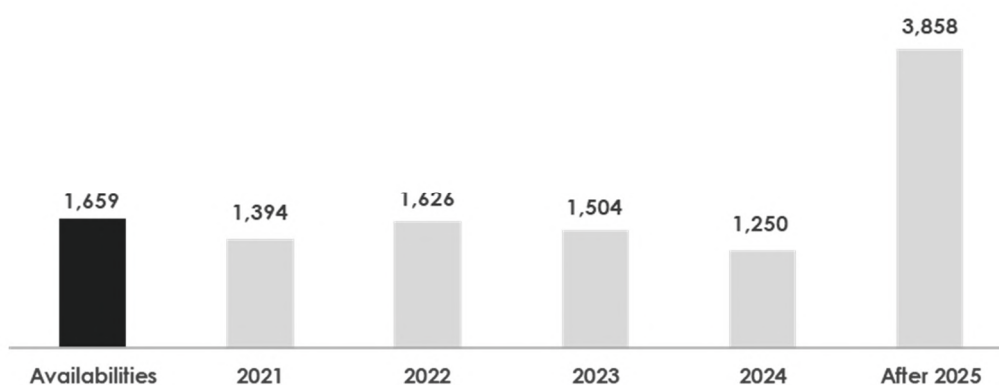
Note: does not include intra-group intercompany eliminations in the amount of BRL 625.8 million (Investco preferred shares categorized as debt and group intercompany loans).

Principal Interest debt as shown in the figure next concern: (i) BNDES at the distribution companies and Pecém; (ii) 8th, 9th and 10th Debentures Issues and 6th and 7th Promissory Notes Issue at EDP SP; (iii) 6th, 7th, 8th and 9th Debentures issues, 1st Promissory Note and Bank Credit Note at EDP ES; (iv) 4th and 5th Debentures Issues at the Holding Company; (v) EDP Grid Bank Credit Note; and (vi) 1st Promissory Note Issue and 2nd Debenture Issue at Enerpeixe.

2Q21 Consolidated Gross Debt Breakdown (BRL million)



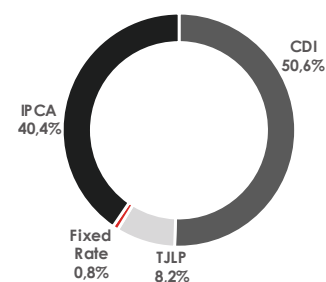
Note: Funding includes transaction costs incurred with debenture issues.

Debt Maturity Profile ¹ (BRL million)

Note: ¹Amounts include principal + charges + hedge operation income/loss

The average cost of debt at the end of the quarter was 7.5% p.a., from 6.9% p.a. at yearend 2020, considering the capitalized interest on debt and charges incurred. The change in average cost reflects the increase in IPCA during the period, partly offset by the lower TJLP. Average debt maturity reached 4.2 years. Considering the debt of the companies in which the Company has a stake, average maturity would be 4.7 years and the average cost would be 7.3% p.a.

Gross Debt by Index as at 06/30/2021



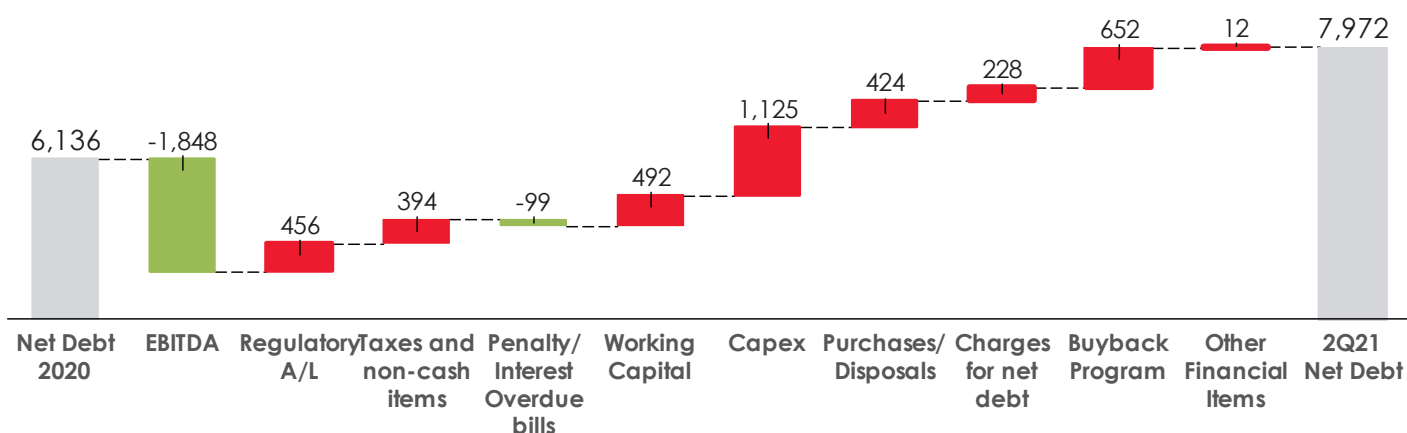
Note: disregards the fact that foreign currency-denominated financing is hedged against FX (USD) risk, exposure would be 3.8% in USD and 46.9% in CDI, all other indices unchanged.

2.2.2 OPERATIONAL CASH FLOW, NET DEBT AND LEVERAGE

Net Debt, considering the period's operational cash generation and outlays, was BRL 8.0 billion, up 29.9% from the balance as at yearend 2020.

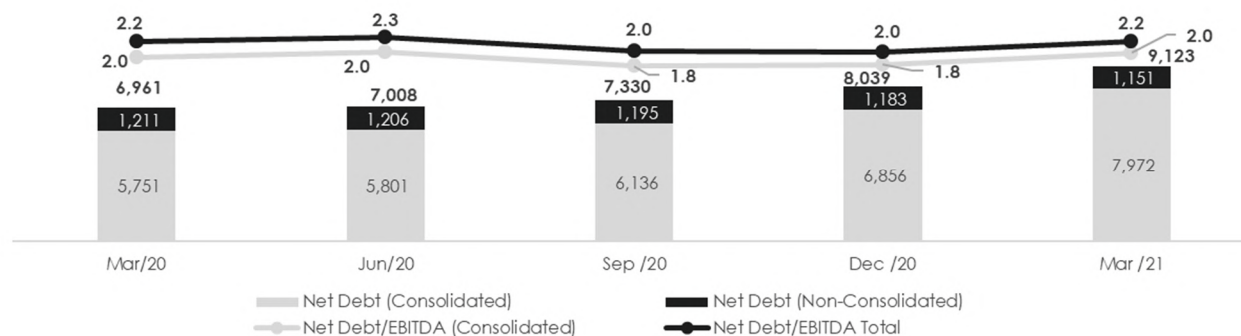
The Company is moving ahead with implementation of the funds raising plan established in 2021 to lengthen average debt maturity and meet payments coming due in the next months, which partly concern debt taken in the early days of the pandemic. Funds raised in the quarter totaled BRL 626.2 million, including the operation under 4.131 at EDP Comercializadora at EDP Transmissão SP-MG, the 5ª Debentures Issue of Lajeado Energia, the Mata Grande Transmissão de Energia Credit Note, and the BNB outlay to EDP Transmissão MA II.

Net Debt Evolution (BRL million)



The Net Debt-to-EBITDA ratio of the consolidated assets was 2.0X and 2.2X, considering the equity stakes in Jari, Cachoeira Caldeirão and São Manoel. Ex- non-cash effects of the past 12 months, the Net Debt-to-Adjusted EBITDA ratio would be 2.8X.

Net Debt-to-EBITDA evolution (BRL million)



Note: Considers EDP's proportional stake in unconsolidated projects. Cash considers cash at hand, securities and the security deposit associated with funding for the Santa Catarina and Maranhão II Transmission Lines

2.3. VARIATION IN FIXED ASSETS

Total						
Capex (R\$ Thousand)	2Q21	2Q20	Var	6M21	6M20	Var
Distribution	267,261	176,307	51.6%	491,783	343,474	43.2%
EDP São Paulo	123,122	93,155	32.2%	220,222	184,460	19.4%
EDP Espírito Santo	144,139	83,152	73.3%	271,561	159,014	70.8%
Generation	9,270	834	1011.5%	19,960	11,590	72.2%
Enerpeixe	1,567	155	910.7%	1,703	719	136.8%
Energest	36	195	-81.5%	408	400	2.0%
Lajeado / Investco	533	95	460.7%	631	823	-23.4%
Pecém	7,135	95	7410.0%	17,219	9,648	78.5%
Transmission	271,514	389	69697.9%	547,763	369,993	48.0%
Others	31,097	14,519	114.2%	43,283	25,160	72.0%
Total	579,142	398,947	45.2%	1,102,789	750,217	47.0%

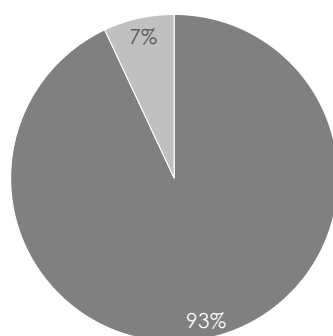
In line with the investment plan set for the 2021-2025 period, the Company prioritized investments in distribution and transmission, up 45.2% and 47.0% in the quarter and first half, respectively.

Distribution investments totaled BRL 267.3 million and BRL 491.8 million, up 51.6% and 43.2% in the quarter and first half, respectively, due to reinforced investments on grid efficiency gains, intensifying the use of technology. The main investments were allocated to expansion works (substations and distribution grids for new customer connections), grid upgrades (equipment replacement), telecommunications and information technology associated with loss-combat.

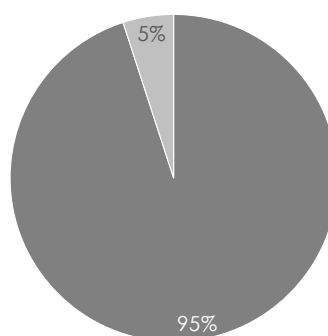
EDP São Paulo						
Capex - Distribution (R\$ Thousand)	2Q21	2Q20	Var	6M21	6M20	Var
Total Capex Net of Special Obligations	122,447	93,423	31.1%	219,765	185,925	18.2%
(+) Special Obligations	2,269	725	213.0%	2,269	1,218	86.3%
Gross Value	124,716	94,148	32.5%	222,034	187,143	18.6%
(-) Interest Capitalization	(1,594)	(993)	60.4%	(1,812)	(2,683)	-32.5%
Value net of Interest Cap.	123,122	93,155	32.2%	220,222	184,460	19.4%

EDP Espírito Santo						
Capex - Distribution (R\$ Thousand)	2Q21	2Q20	Var	6M21	6M20	Var
Total Capex Net of Special Obligations	148,084	86,324	71.5%	278,776	166,705	67.2%
(+) Special Obligations	4,113	754	445.5%	4,113	1,532	168.5%
Gross Value	152,197	87,078	74.8%	282,889	168,237	68.1%
(-) Interest Capitalization	(8,058)	(3,926)	105.3%	(11,328)	(9,223)	22.8%
Value net of Interest Cap.	144,139	83,152	73.3%	271,561	159,014	70.8%
Distribution	267,261	176,307	51.6%	491,783	343,474	43.2%

EDP SP 6M21



EDP ES 6M21



■ Eletric CAPEX (RAB) ■ Non-Eletric CAPEX

On Transmission, investments were up 31.0% and 48.0% in the quarter and first half, respectively, due to construction execution schedule, maintaining the early operational startup program vis-à-vis the ANEEL deadlines.

Capex (R\$ Thousand)						
Transmission Lines (Lot)	2Q21	2Q20	Var	6M21	6M20	Var
Transmissão	(277)	1	n.a.	(293)	120	n.a.
Transmissão MA I	6,972	45,166	-84.6%	30,324	62,251	-51.3%
Transmissão MA II	279	14,757	-98.1%	311	35,872	-99.1%
Transmissão MA III	19,180	-	n.a.	19,180	-	n.a.
Transmissão Aliança SC	86,149	94,710	-9.0%	207,983	155,245	34.0%
Transmissão SP-MG	118,674	49,252	141.0%	225,670	107,360	110.2%
Litoral Sul Transmissora de Energia	40,537	3,401	1091.9%	64,588	9,145	606.3%
Total	271,514	207,287	31.0%	547,763	369,993	48.0%

On Generation, investments were up BRL 8.4 million, due to the implementation of investments postponed from 2020 to 2021 because of the worsening COVID pandemic in the previous period.

Investment in other segments, (Holding, Services and Grid) totaled BRL 31.1 million and BRL 43.3 million in the quarter and first half, respectively, particular emphasis due on construction of the new headquarters, in addition to energy efficiency projects, technology, and business development.

Considering unconsolidated assets, investments totaled BRL 578.6 million and BRL 1.1 billion, up 44.0% and 46.0% in the quarter and first half, respectively.

Capex (R\$ Thousand)	2Q21	2Q20	Var	6M21	6M20	Var
Distribution	267,261	176,307	51.6%	491,783	343,474	43.2%
Generation	8,756	3,752	133.3%	20,393	17,250	18.2%
Generation Others	9,270	834	1011.5%	19,960	11,590	72.2%
Unconsolidated generation	(514)	2,918	n.a.	433	5,660	-92.4%
Transmission	271,514	207,287	31.0%	547,763	369,993	48.0%
Others	31,097	14,519	114.2%	43,283	25,160	72.0%
Total	578,628	401,865	44.0%	1,103,222	755,877	46.0%

¹ Considering EDP's 50% stake; ² Considering EDP's 33.3% stake

3. PERFORMANCE BY BUSINESS SEGMENT

3.1. DISTRIBUTION

3.1.2. RESULTS

Items in R\$ Thousand or %	EDP São Paulo			EDP Espírito Santo			Consolidated		
	2Q21	2Q20	Var	2Q21	2Q20	Var	2Q21	2Q20	Var
Net Operating Revenue	1,262,818	886,299	42.5%	983,687	694,637	41.6%	2,246,505	1,580,936	42.1%
Non-Manageable Expenditures	(968,220)	(657,130)	47.3%	(714,685)	(490,157)	45.8%	(1,682,905)	(1,147,287)	46.7%
Energy Purchased to Resell	(812,719)	(551,826)	47.3%	(586,467)	(403,314)	45.4%	(1,399,186)	(955,140)	46.5%
Charges for Usage of Basic Network	(155,235)	(105,041)	47.8%	(128,018)	(86,632)	47.8%	(283,253)	(191,673)	47.8%
Other	(266)	(263)	1.1%	(200)	(211)	-5.2%	(466)	(474)	-1.7%
Gross Margin	294,598	229,169	28.6%	269,002	204,480	31.6%	563,600	433,649	30.0%
Manageable Expenditures	(294,117)	(257,376)	14.3%	(304,526)	(232,777)	30.8%	(598,643)	(490,153)	22.1%
PMTO	(126,258)	(124,555)	1.4%	(113,649)	(108,168)	5.1%	(239,907)	(232,723)	3.1%
Personnel	(44,884)	(41,865)	7.2%	(39,580)	(37,470)	5.6%	(84,464)	(79,335)	6.5%
Material	(4,332)	(4,104)	5.6%	(3,874)	(4,121)	-6.0%	(8,206)	(8,225)	-0.2%
Third-Party Services	(40,882)	(38,680)	5.7%	(46,589)	(42,488)	9.7%	(87,471)	(81,168)	7.8%
Provision	(23,233)	(29,157)	-20.3%	(16,756)	(17,310)	-3.2%	(39,989)	(46,467)	-13.9%
Other	(12,927)	(10,749)	20.3%	(6,850)	(6,779)	1.0%	(19,777)	(17,528)	12.8%
Gain and Loss on the Deactivation and Asset Sale	(10,300)	(9,775)	5.4%	(11,381)	(9,812)	16.0%	(21,681)	(19,587)	10.7%
EBITDA	158,040	94,839	66.6%	143,972	86,500	66.4%	302,012	181,339	66.5%
EBITDA Margin	12.5%	10.7%	1.8%	14.6%	12.5%	2.2%	13.4%	11.5%	2.0%

Items in R\$ Thousand or %	EDP São Paulo			EDP Espírito Santo			Consolidated		
	6M21	6M20	Var	6M21	6M20	Var	6M21	6M20	Var
Net Operating Revenue	2,406,934	1,874,083	28.4%	1,947,826	1,522,946	27.9%	4,354,760	3,397,029	28.2%
Non-Manageable Expenditures	(1,748,565)	(1,378,337)	26.9%	(1,339,511)	(1,027,140)	30.4%	(3,088,076)	(2,405,477)	28.4%
Energy Purchased to Resell	(1,438,203)	(1,159,274)	24.1%	(1,083,139)	(841,228)	28.8%	(2,521,342)	(2,000,502)	26.0%
Charges for Usage of Basic Network	(309,829)	(218,536)	41.8%	(255,972)	(185,486)	38.0%	(565,801)	(404,022)	40.0%
Other	(533)	(527)	1.1%	(400)	(426)	-6.1%	(933)	(953)	-2.1%
Gross Margin	658,369	495,746	32.8%	608,315	495,806	22.7%	1,266,684	991,552	27.7%
Manageable Expenditures	(549,196)	(519,377)	5.7%	(586,356)	(471,748)	24.3%	(1,135,552)	(991,125)	14.6%
PMTO	(248,108)	(254,027)	-2.3%	(226,872)	(224,609)	1.0%	(474,980)	(478,636)	-0.8%
Personnel	(89,339)	(89,815)	-0.5%	(76,926)	(79,190)	-2.9%	(166,265)	(169,005)	-1.6%
Material	(7,586)	(8,535)	-11.1%	(7,210)	(7,833)	-8.0%	(14,796)	(16,368)	-9.6%
Third-Party Services	(79,442)	(78,071)	1.8%	(93,455)	(87,218)	7.2%	(172,897)	(165,289)	4.6%
Provision	(45,984)	(52,284)	-12.0%	(37,697)	(37,378)	0.9%	(83,681)	(89,662)	-6.7%
Other	(25,757)	(25,322)	1.7%	(11,584)	(12,990)	-10.8%	(37,341)	(38,312)	-2.5%
Gain and Loss on the Deactivation and Asset Sale	(13,361)	(21,993)	-39.2%	(18,342)	(25,710)	-28.7%	(31,703)	(47,703)	-33.5%
EBITDA	396,900	219,726	80.6%	363,101	245,487	47.9%	760,001	465,213	63.4%
EBITDA Margin	16.5%	11.7%	4.8%	18.6%	16.1%	2.5%	17.5%	13.7%	3.8%

Note: Gross Margin excludes Construction Revenues.

Net Revenue was BRL 2.2 billion and BRL 4.3 billion, up 42.1% and 28.2% in the quarter and first half, respectively, due to: (i) higher Non-Indemnified Financial Asset – VNR (+BRL 70.2 million in the quarter and +BRL 121.4 million in the first half), due to the higher IPCA; (ii) tariff adjustments at the distribution companies, with average effect perceived by consumers of 4.82% at EDP SP and 8.02% at EDP ES; (iii) 16.0% and 10.0% increase in the volume of distributed energy in the quarter and first half, respectively, reflecting the higher temperatures and economic recovery, as discussed in the [Market Report](#); and (iv) other revenues and effects.

The average tariff given the market mix was up 10.5% and 12.9%, at EDP SP and EDP ES, respectively, reflecting the tariff adjustments had in 2020 and the worsening tariff flag status YoY.

	Average Tariff (R\$/MWh)					
	EDP São Paulo			EDP Espírito Santo		
	2Q21	2Q20	Var	2Q21	2Q20	Var
Residential	553.76	495.96	11.7%	528.99	480.61	10.1%
Industrial	505.12	480.15	5.2%	547.12	533.23	2.6%
Commercial	565.29	513.85	10.0%	577.74	537.74	7.4%
Rural	470.23	397.25	18.4%	471.90	365.98	28.9%
Others	405.98	371.33	9.3%	446.03	379.30	17.6%
Total	533.84	483.27	10.5%	519.79	460.58	12.9%

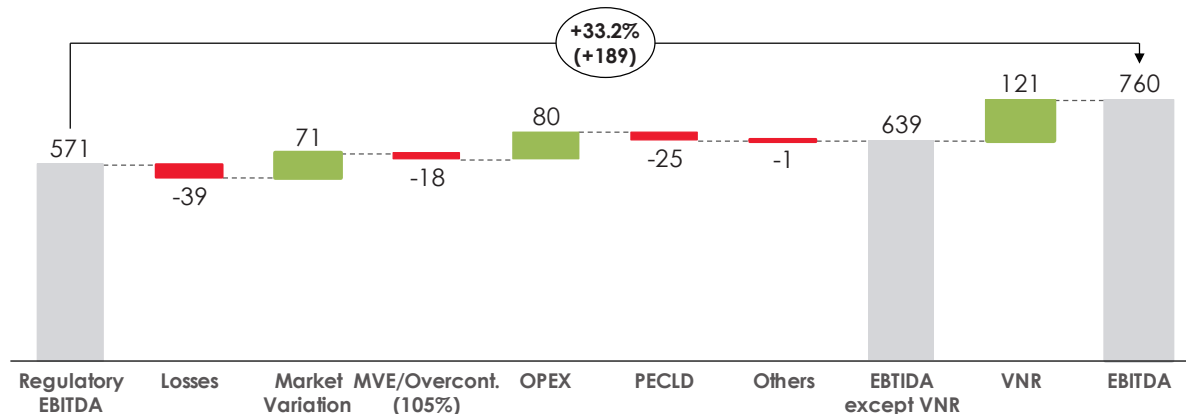
Non-manageable expenditures were BRL 1.7 billion and BRL 3.1 billion, up 46.7% and 28.4% in the quarter and first half, respectively, due to the higher price of energy purchases, in addition to the higher grid usage charges associated with grid expansion and the connection of new free customers.

Gross Margin was BRL 563.6 million and BRL 1.3 billion in the quarter and first half, respectively, due to the effects mentioned before, as well as:

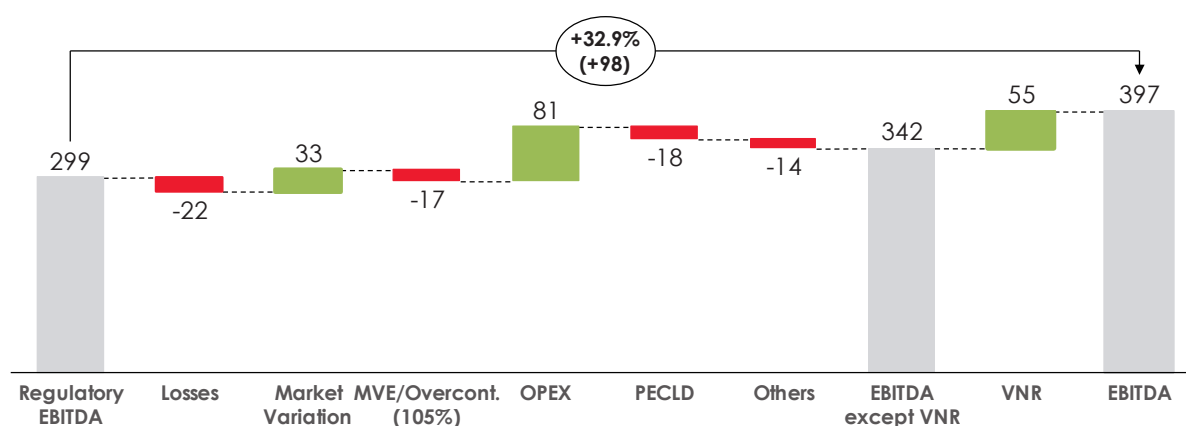
R\$ Million	EDP São Paulo			EDP Espírito Santo			Total Distribution		
	2Q21	2Q20	Var	2Q21	2Q20	Var	2Q21	2Q20	Var
Non-Indemnified Financial Asset	24.1	(10.1)	34.1	24.4	(11.7)	36.1	48.5	(21.7)	70.2
Losses	(10.4)	(8.4)	(2.0)	(13.0)	(11.3)	(1.7)	(23.4)	(19.7)	(3.7)
Overcontracting	(21.4)	(20.9)	(0.5)	(11.0)	(15.6)	4.6	(32.4)	(36.4)	4.0
Market	23.5	-	23.5	26.1	-	26.1	49.6	-	49.6
Tariff Effect	50.5	-	50.5	4.2	-	4.2	54.7	-	54.7
Other Revenues	21.6	18.8	2.8	11.2	8.9	2.3	32.8	27.7	5.1
Other Effects	(43.0)	-	(43.0)	(6.8)	-	(6.8)	(49.8)	-	(49.8)
Total	44.9	(20.5)	65.4	35.1	(29.6)	64.7	80.0	(50.1)	130.1

R\$ Million	EDP São Paulo			EDP Espírito Santo			Total Distribution		
	6M21	6M20	Var	6M21	6M20	Var	6M21	6M20	Var
Non-Indemnified Financial Asset	54.9	(0.9)	55.8	66.6	0.9	65.7	121.5	0.0	121.4
Losses	(21.8)	(15.7)	(6.1)	(17.1)	(14.9)	(2.1)	(38.9)	(30.6)	(8.2)
Overcontracting	(16.3)	(32.0)	15.7	(2.7)	(20.6)	17.9	(19.0)	(52.6)	33.6
Market	32.6	-	32.6	38.8	-	38.8	71.4	-	71.4
Tariff Effect	103.9	-	103.9	8.5	-	8.5	112.4	-	112.4
Other Revenues	47.0	37.2	9.7	29.0	20.6	8.4	75.9	57.8	18.1
Other Effects	(49.0)	-	(49.0)	(24.5)	-	(24.5)	(73.5)	-	(73.5)
Total	151.2	(11.4)	162.6	98.6	(14.0)	112.6	249.8	(25.3)	275.2

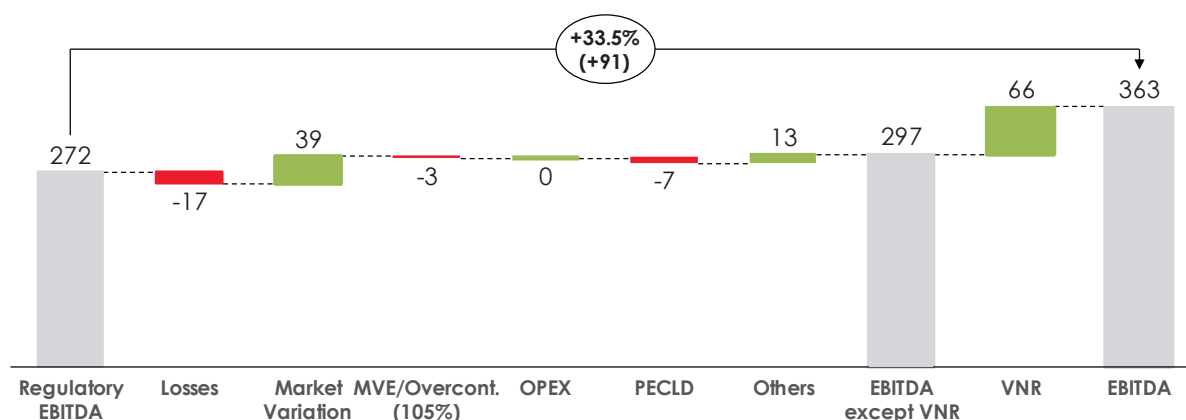
2Q21 Consolidated EBITDA of the Distribution Companies vs. Regulatory EBITDA



2Q21 EBITDA of the Distribution Companies vs. Regulatory EBITDA – EDP SP



2Q21 EBITDA of the Distribution Companies vs. Regulatory EBITDA – EDP ES



3.1.3 Consolidated Energy Balance (GWh)

Out of the total required energy, 62.5% concern EDP SP and 37.5% concern EDP ES.

	EDP São Paulo	EDP Espírito Santo	EDP Distribution
Itaipu + Proinfa	569,803	392,511	962,314
Auction	2,173,747	1,502,670	3,676,417
Others ¹	2,572	38,700	41,273
Energy in Transit	2,017,434	1,028,737	3,046,171
Total Required Energy	4,763,557	2,962,619	7,726,176
Transmission Losses (+)	53,939	27,195	81,134
Losses from Itaipu (+)	31,563	21,484	53,047
Short Term Sales (-)	-284,981	-169,288	-454,269
Short Term Adjustments (-)	-7,453	2,260	-5,193
Total Losses	377,936	215,706	593,642
MCSD New Energy Assignment (+)	-62,869	17,441	-45,429
MVE (Surplus Commercialization Mechanism)	-139,121	-20,966	-160,087
Total Sales	-201,990	-3,526	-205,516
Required Energy	4,587,611	2,750,438	7,338,049
Wholesale Supply	12,127	0	12,127
Retail Supply	1,849,240	1,483,717	3,332,957
Losses and Differences	305,047	330,966	636,013
Energy in Transit	2,017,434	1,028,737	3,046,171
Total Energy Distributed	4,183,847	2,843,421	7,027,268

¹ Bilateral Agreements and Short-Term Purchases. Note: Energy balance considers metered energy.

3.1.4 LOSSES

Accumulated Losses in the Last 12 Months (GWh or %)	EDP São Paulo						EDP Espírito Santo					
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	ANEEL	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	ANEEL
Input of Energy in Grid (A)	16.237	16.269	16.445	16.631	17.221		11.002	10.988	11.111	11.230	11.548	
Total (B+C)	1.355	1.406	1.413	1.439	1.437		1.405	1.427	1.485	1.460	1.484	
Total	8,34%	8,64%	8,59%	8,66%	8,34%	7,02%	12,77%	12,99%	13,36%	13,00%	12,85%	11,56%

Total losses at EDP SP remained steady YoY. Technical losses were up because of the higher volume of energy on the grid, whereas non-technical losses were down, reflecting the loss-combat plan focusing on meter replacement, field inspections, network armoring, remote meter installations, and maintenance of tele-metering assets.

Total losses were down 0.32 p.p. from 1Q21, influenced by lower non-technical losses.

At EDP ES, total losses were up YoY. Technical losses were down, reflecting resumed operations at Samarco, basic grid reinforcement works, the installation of a new substation, the reconfiguration of the high-voltage system, and energy from Micro and Mini Distributed Generation. Non-technical losses were up, reflecting reduced irregularity inspections over the year because of field work interruptions in the wake of the pandemic in 2020.

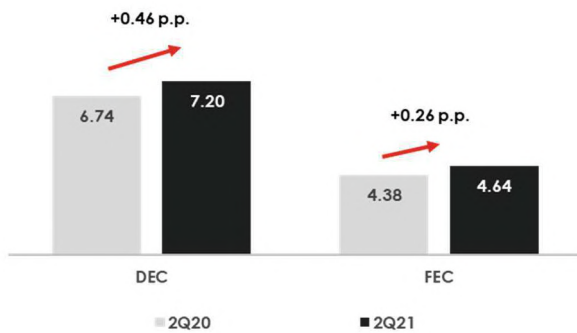
Total losses were down -.15 p.p. from 1Q21 due to reduced technical losses as a result of the works discussed above.

3.1.5. QUALITY INDICATORS

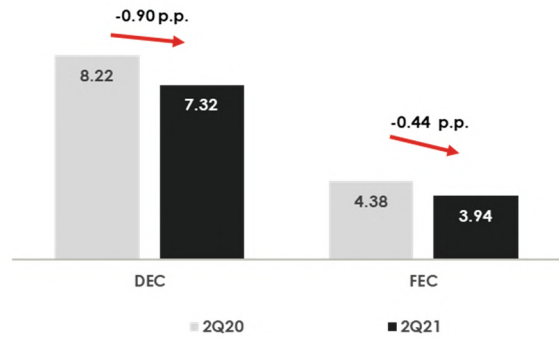
At both distribution companies, indicators remained below Aneel's regulatory targets because of improvement measures including preventive maintenance, the "DEC Down" Project (treatment of repetitive delinquents' disconnection, improved internal processes and acquisition of new technologies) and the use of digital platforms for field teams (quick information flow and service agility and efficiency).

Both indicators were up at EDP SP, reflecting weather-related factors seen in the latter half of 2020, particularly in October-December, and the higher rate of external grid factors. At EDP ES, both quality indicators were down, due to investment in structuring works focusing on predictive and preventive maintenance works.

EDP SP



EDP ES



ANEEL Annual Regulatory Target for 2021

EDP São Paulo: DEC 7.38 / FEC: 5.79

EDP Espírito Santo: DEC: 9.31 / FEC: 6.54

3.1.6. PECLD - ESTIMATED LOSSES FROM DELINQUENCY AND DEFAULT

The distribution companies' consolidated PECLD was BRL 33.8 million and BRL 64.0 million, down BRL 4.1 million and BRL 7.5 million in the quarter and first half, respectively. The reduction is due to the effects of: (i) reduced credit risk as seen by monitoring delinquent customers between periods; and (ii) application of new analytics models resorting to machine learning algorithms that enable increased effectiveness and assertiveness applying revenues recovery tools.

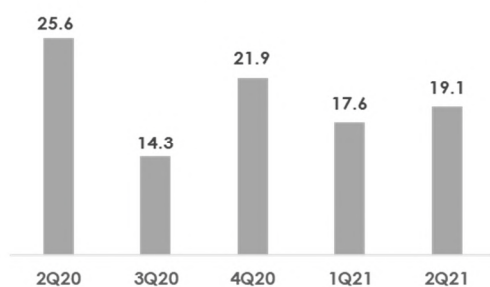
EDP SP's PECLD was down BRL 6.5 million and BRL 7.4 million in the quarter and first half, respectively, due to the effects mentioned above, as well as the 2020 assumption change in line with IFRS 9, which extended the time series from 48 to 60 months. PECLD at EDP ES was up BRL 2.4 million in the quarter and remained steady in the first half due to the time series change.

PECLD-to-Gross Revenues in the quarter was 1.1% at EDP SP and 1.0% at EDP ES. In the first half, PECLD-to-Gross Revenues was 1.0%, at both distribution companies.

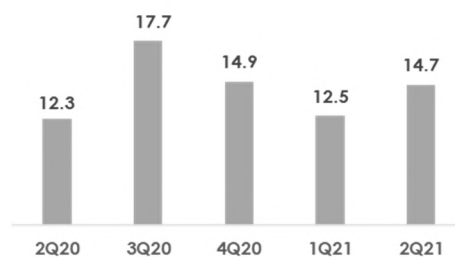
The Company has revenues control and management measures in place to ensure and monitor indicators so that estimated losses will remain steady.

Consumers	Estimated PECLD							
	EDP São Paulo				EDP Espírito Santo			
	Irregular Consumption		Regular Consumption		Irregular Consumption		Regular Consumption	
	Low Voltage	High Voltage	Low Voltage	High Voltage	Low Voltage	High Voltage	Low Voltage	High Voltage
Residential	40.50%	n/a	1.09%	n/a	33.41%	n/a	1.69%	n/a
Industrial	21.73%	25.93%	1.86%	0.66%	24.92%	17.28%	1.77%	n/a
Commercial, Services and Others	15.25%	n/a	0.84%	0.46%	21.84%	n/a	1.02%	0.46%
Rural	41.59%	n/a	0.35%	0.03%	23.56%	n/a	1.84%	0.01%
Public Authority	n/a	n/a	n/a	n/a	28.12%	n/a	0.16%	n/a
Public Illumination	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public Service	n/a	n/a	n/a	n/a	n/a	n/a	0.08%	0.18%

EDP SP



EDP ES



PECLD - R\$/Million

3.1.7. REGULATORY ASSETS AND LIABILITIES

At the end of the first half, the balance of regulatory assets was BRL 1.3 billion, reflecting the recognition of ICMS in the PIS/COFINS taxable base to be returned to consumers. Ex- this effect, the balance of regulatory assets would be BRL 0.1 million, as follows:

- (i) **Energy purchase:** higher contract-related costs reflecting the worsening hydrology scenario and the higher costs associated with thermal plant dispatching;
- (ii) **Cost of Energy from Itaipu:** US Dollar exchange rate variation between periods, leading to higher costs;
- (iii) **Charges (ESS/EER):** increased ESS costs for players whose consumption is served by the SIN because of the activation of thermal power plants off the merit order and energy imports from Argentina and Uruguay (because of lower reservoir levels);
- (iv) **Overcontracting:** energy overcontracting was influenced by the scenario change, under impact from the 2020 pandemic. The increased load, together with a poor hydrology scenario, affected PLD materially, leading to a relative increase in energy settlements on the free market;
- (v) **PIS/COFINS on sectoral financial assets:** change arising from the recognition of amounts to be returned to consumers in connection with ICMS as part of the PIS/COFINS taxable base; and
- (vi) **Other:** variation arising from the monthly recognition of balances under bilateral agreements executed pursuant to REN 508/2012 and further improved by REN 711/2016, and recognition of balances associated with Hydrology Risk (GSF).

	EDP Consolidated							
	Dec-20	Appropriation	Amortization	Update	Account Receipt - ACR	Transfer	Jun-21	Accumulated Variation
Energy Acquisition/Cost of Energy Itaipu	231,488	98,428	50,723	6,713	-	-	387,352	155,864
Charges	185,352	149,885	(34,685)	2,220	-	-	302,772	117,420
Overcontracting (100% to 105%)	5,506	14,851	37,901	(1,490)	-	-	56,768	51,262
PIS/COFINS on sector financial assets ¹	(1,730,049)	120,044	83,084	19,876	-	-	(1,507,045)	223,004
Others	(544,214)	(221,671)	157,715	(2,206)	-	-	(610,376)	(66,162)
Total	(1,851,917)	161,537	294,738	25,113	-	-	(1,370,529)	481,388

	EDP São Paulo							
	Dec-20	Appropriation	Amortization	Update	Account Receipt - ACR	Transfer	Jun-21	Accumulated Variation
Energy Acquisition/Cost of Energy Itaipu	131,350	64,009	30,112	4,190	-	-	229,661	98,311
Charges	107,867	118,639	(24,847)	1,368	-	-	203,027	95,160
Overcontracting (100% to 105%)	(17,178)	7,524	29,650	(5,325)	-	-	14,671	31,849
PIS/COFINS on sector financial assets ¹	(1,041,816)	121,842	-	25,766	-	-	(894,208)	147,608
Others	(436,605)	(125,496)	134,884	(1,307)	-	-	(428,524)	8,081
Total	(1,256,382)	186,518	169,799	24,692	-	-	(875,373)	381,009

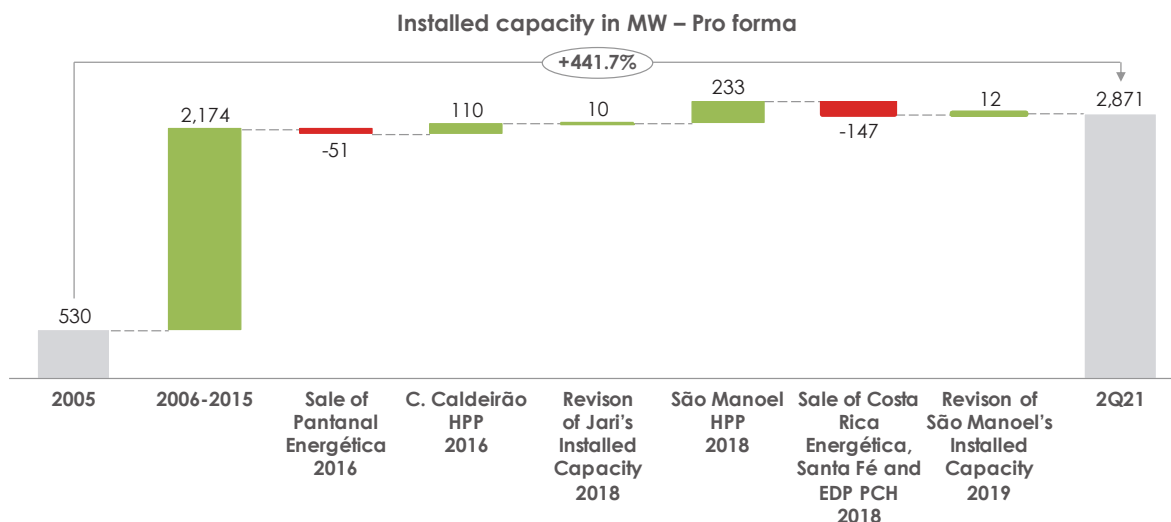
	EDP Espírito Santo							
	Dec-20	Appropriation	Amortization	Update	Account Receipt - ACR	Transfer	Jun-21	Accumulated Variation
Energy Acquisition/Cost of Energy Itaipu	100,138	34,419	20,611	2,523	-	-	157,691	57,553
Charges	77,485	31,246	(9,838)	852	-	-	99,745	22,260
Overcontracting (100% to 105%)	22,684	7,327	8,251	3,835	-	-	42,097	19,413
PIS/COFINS on sector financial assets ¹	(688,233)	(1,798)	83,084	(5,890)	-	-	(612,837)	75,396
Others	(107,609)	(96,175)	22,831	(899)	-	-	(181,852)	(74,243)
Total	(595,535)	(24,981)	124,939	421	-	-	(495,156)	100,379

¹ Adjusted balance of BRL 1.5 billion in connection with ICMS as part of the PIS/COFINS taxable base (of which BRL 894.2 million at EDP SP and BRL 612.8 million at EDP ES).

3.2. CONVENTIONAL GENERATION

3.2.1 INSTALLED CAPACITY

The Company has 2.9 GW in installed capacity and physical guarantee of 1.9 GWa.

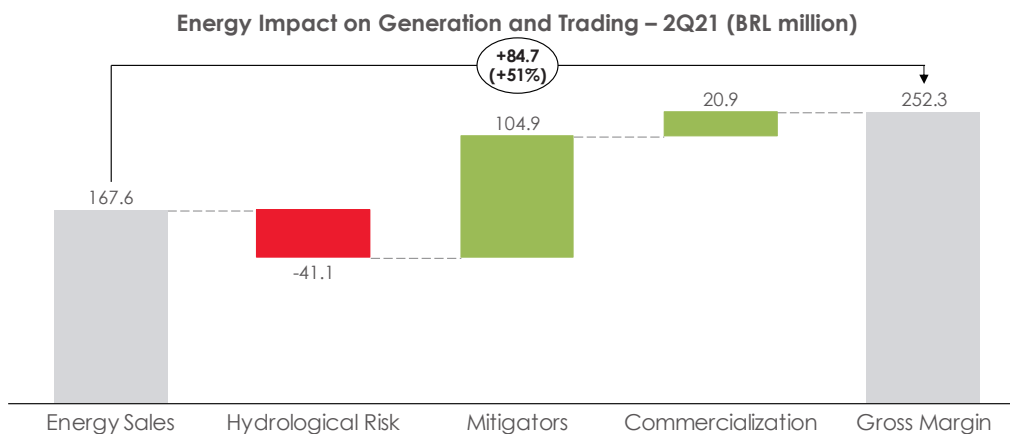


Note: Considers the proportional share of Jari, Cachoeira Caldeirão and São Manoel.
 Installed capacity does not use the percentage stakes in the Lajeado and Enerpeixe HPPs according to the consolidation criteria.

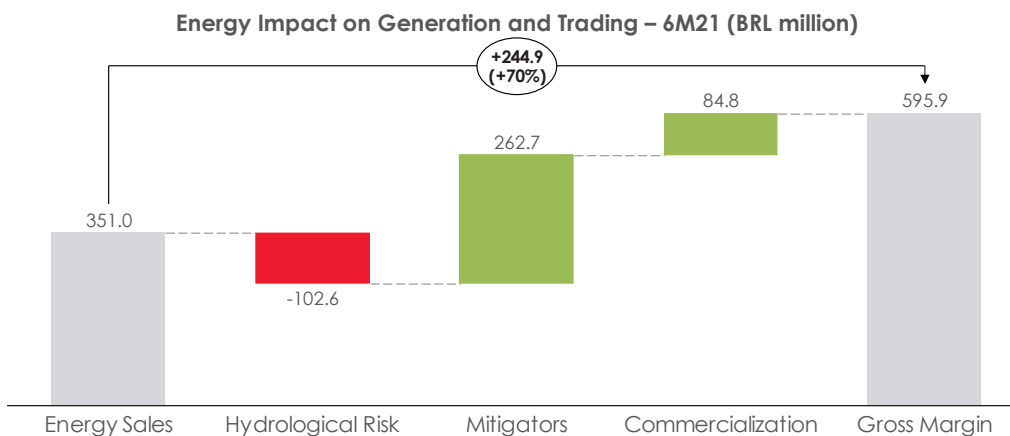
3.2.2 INTEGRATED ENERGY MANAGEMENT

The Trading Company has been operating as a management instrument for the Company's energy portfolio, working in concert with generation companies in electric energy purchase sale transactions. The energy allocation strategy considers the annual seasonal weighting of both agreements and physical guarantee.

Since the water crisis that has been affecting Brazil deepened, the Company has been working to mitigate any additional impacts not forecast in the results. In this sense, the quarter's hydrology risk was fully mitigated by means of portfolio hedging measures such as GSF renegotiation, hedge operations, physical guarantee decontracting, and bilateral sale agreements.



Note: ¹ Considers the impacts of MRE, PLD and GSF. Disregards the GSF renegotiation on the ACL.



Note: ¹ Considers the impacts of MRE, PLD and GSF. Disregards the GSF renegotiation on the ACL.

3.2.3 HYDROELECTRIC GENERATION

Items in R\$ Thousand or %	Hydro Generation					
	2Q21	2Q20	Var	6M21	6M20	Var
Net Operating Revenue	306,923	275,048	11.6%	697,002	591,838	17.8%
Non-Manageable Expenditures	(75,493)	(70,717)	6.8%	(185,833)	(200,648)	-7.4%
Energy Purchased to Resell	(51,562)	(47,855)	7.7%	(161,201)	(154,818)	4.1%
Charges for Usage of Basic Network	(23,755)	(22,623)	5.0%	(47,580)	(45,337)	4.9%
Other	(176)	(239)	-26.4%	22,948	(493)	n.a.
Gross Margin	231,430	204,331	13.3%	511,169	391,190	30.7%
Manageable Expenditures	(54,373)	(48,551)	12.0%	(107,097)	(97,690)	9.6%
PMTO	(17,880)	(15,921)	12.3%	(35,371)	(32,640)	8.4%
Personnel	(9,095)	(8,111)	12.1%	(18,118)	(17,312)	4.7%
Material	(1,129)	(573)	97.0%	(1,823)	(1,184)	54.0%
Third-Party Services	(6,852)	(6,162)	11.2%	(12,925)	(11,347)	13.9%
Provision	51	113	-54.9%	(425)	(139)	205.8%
Other	(855)	(1,188)	-28.0%	(2,080)	(2,658)	-21.7%
Gains and Losses on Disposal of Property	19	-	n.a.	19	-	n.a.
EBITDA	213,569	188,410	13.4%	475,817	358,550	32.7%
EBITDA Margin	70%	69%	1.6%	68%	61%	12.7%

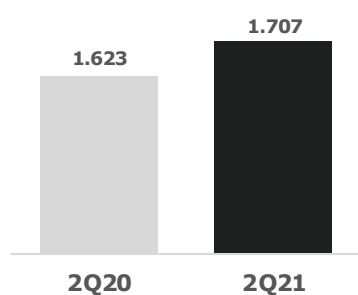
Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	2Q21	2Q20	Var	2Q21	2Q20	Var
Lajeado	727,269	788,996	-7.8%	235.8	192.8	22.3%
Investco	8,250	12,895	-36.0%	265.5	258.6	2.6%
Enerpeixe	449,863	445,284	1.0%	160.5	154.1	4.1%
Energest	521,644	375,546	38.9%	247.4	178.6	38.5%
Total HPPs	1,707,026	1,622,722	5.2%	199.9	179.4	11.4%

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	6M21	6M20	Var	6M21	6M20	Var
Lajeado	1,514,671	1,590,776	-4.8%	237.0	204.0	16.2%
Investco	16,788	20,927	-19.8%	244.9	237.2	3.2%
Enerpeixe	970,681	890,568	9.0%	162.2	159.5	1.7%
Energest	752,096	714,477	5.3%	305.5	230.1	32.8%
Total HPPs	3,254,236	3,216,749	1.2%	230.6	197.7	16.6%

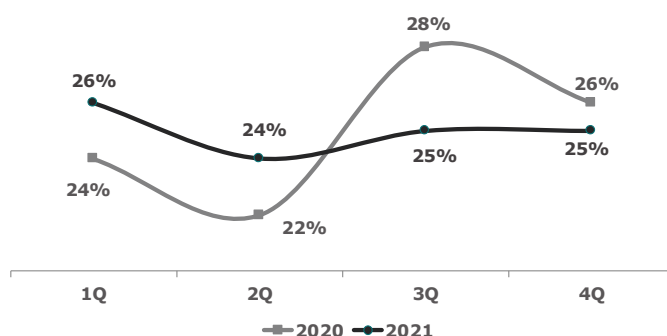
Note: Total Tariff of the hydro plants does not consider intragroup exclusions and concerns the average tariff

Net Revenue was BRL 306.9 million and BRL 697.0 million, up 11.6% and 17.8% in the quarter and first half, respectively, due to the increased volume of energy traded and the annual adjustment to energy sale agreements had over the past twelve months, mitigated by the reduced volume of energy agreements at Lajeado/Investco, as explained in the [Market Report](#).

2Q21 Consolidated Hydroelectric Generation Sales (GWh)



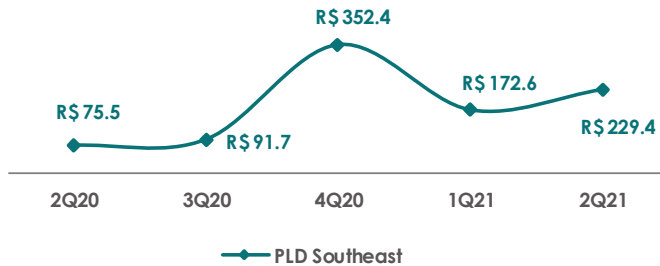
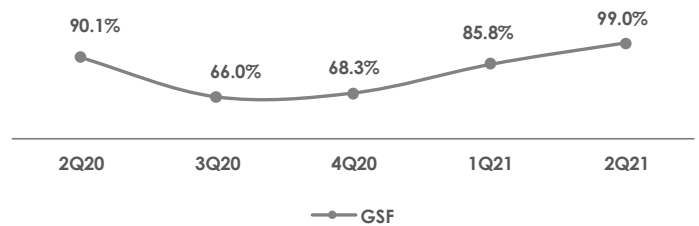
Sales Agreements Seasonal Weighting (GWh)



Non-manageable expenses were up 6.8% in the quarter due to the worsening hydrology scenario, particularly in June, reflecting increased energy purchases, as well as a higher PLD. In the first half, manageable expenses were down 7.4% due to the Company's seasonal weighting strategy, which allocated additional energy to the first half because of the delayed rainy season, in addition to the positive effect of the GSF renegotiation on the ACL had in the first quarter.

Gross margin was up 13.3% and 30.7% in the quarter and first half, respectively, due to the above effects, particular mention due to strategic portfolio management.

PLD Evolution (MWh)

GSF Evolution¹ (%)

3.2.4 UNCONSOLIDATED PROJECTS

3.2.4.1 SANTO ANTÔNIO DO JARI HPP

Jari						
Income Statement (R\$ Thousand)	2Q21	2Q20	Var	6M21	6M20	Var
Net Operating Revenue	34,946	32,949	6.1%	70,947	67,041	5.8%
Non-Manageable Expenditures	(15,038)	(3,164)	375.3%	(25,695)	(17,123)	50.1%
Gross Margin	19,909	29,786	-33.2%	45,252	49,919	-9.3%
Manageable Expenditures	(7,958)	(8,035)	-1.0%	(16,095)	(16,124)	-0.2%
EBITDA	18,122	28,256	-35.9%	41,641	46,766	-11.0%
EBITDA Margin	51.9%	85.8%	-33.9 p.p.	58.7%	69.8%	-11.1 p.p.
Net Financial Result	(7,354)	(5,740)	28.1%	(14,726)	(11,111)	32.5%
Net Income	4,525	11,110	-59.3%	13,299	16,325	-18.5%

Note: Amounts correspond to EDP Energias do Brasil's 50% stake in Jari.

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	2Q21	2Q20	Var	2Q21	2Q20	Var
Jari (50%)	222,877	225,721	-1.3%	175.9	169.3	3.9%

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	6M21	6M20	Var	6M21	6M20	Var
Jari (50%)	460,651	461,386	-0.2%	174.1	168.2	3.5%

Net Revenue was up 6.1% and 5.8% in the quarter and first half, respectively, reflecting the annual tariffs adjustment, as well as risk-mitigating energy purchase and sale operations. Non-manageable expenses were up 375.3% and 50.1% in the quarter and first half, respectively, due to the increased volume of energy purchased because of the worsening hydrology scenario, together with increased physical guarantee allocation to the latter half. Gross margin was down 33.2% and 9.3% in the quarter and first half, respectively, in line with the effects discussed above.

EBITDA was BRL 18.1 million and BRL 41.6 million, down 35.9% and 11.0% in the quarter and first half, respectively. Financial result was a negative BRL 7.4 million and BRL 14.7 million, up 28.1% and 32.5% in the quarter and first half, respectively, due to the effects of the UBP adjustment at the IGP-M.

¹ Weighted Average Calculation

3.2.4.2 CACHOEIRA CALDEIRÃO HPP

Cachoeira Caldeirão						
Income Statement (R\$ Thousand)	2Q21	2Q20	Var	6M21	6M20	Var
Net Operating Revenue	18,372	16,749	9.7%	37,614	34,520	9.0%
Non-Manageable Expenditures	(10,253)	(2,620)	291.4%	(17,751)	(11,811)	50.3%
Gross Margin	8,119	14,130	-42.5%	19,864	22,709	-12.5%
Manageable Expenditures	(7,634)	(6,904)	10.6%	(14,942)	(14,182)	5.4%
EBITDA	6,254	12,957	-51.7%	16,391	19,974	-17.9%
EBITDA Margin	34.0%	77.4%	-43.3 p.p.	43.6%	57.9%	-14.3 p.p.
Net Financial Result	(8,388)	(7,655)	9.6%	(18,333)	(14,564)	25.9%
Net Income	(5,236)	(287)	1724.4%	(8,872)	(4,001)	121.8%

Note: Amounts correspond to EDP Energias do Brasil's 50% stake in Cachoeira Caldeirão.

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	2Q21	2Q20	Var	2Q21	2Q20	Var
Cachoeira Caldeirão (50%)	137,411	136,982	0.3%	147.4	141.0	4.5%

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	6M21	6M20	Var	6M21	6M20	Var
Cachoeira Caldeirão (50%)	281,812	282,245	-0.2%	147.4	141.0	4.5%

Net Revenue was up 9.7% and 9.0% in the quarter and first half, respectively, because of annual contract adjustments. Non-manageable expenses were up 291.4% and 50.3% in the quarter and first half, respectively, due to the greater volume of energy purchased because of the worsening hydrology scenario, particularly in June, in addition to the greater allocation of physical guarantee to the latter half. Gross Margin was BRL 8.1 million and BRL 19.9 million in the quarter and first half, respectively. Manageable expenditures were up 10.6% and 5.4% in the quarter and first half, respectively, reflecting the increase in the Third-Party Services and Payroll lines, due to higher maintenance spending and increased termination expenditures, respectively.

EBITDA was BRL 6.3 million and BRL 16.4 million, down 51.7% and 17.9% in the quarter and first half, respectively, because of the effects mentioned above. Financial result was a negative BRL 8.4 million and BRL 18.3 million, up 9.6% and 25.9% in the quarter and first half, respectively, due to the higher debt charges.

3.2.4.3 SÃO MANOEL HPP

São Manoel						
Income Statement (R\$ Thousand)	2Q21	2Q20	Var	6M21	6M20	Var
Net Operating Revenue	28,202	27,821	1.4%	60,330	57,988	4.0%
Non-Manageable Expenditures	(7,598)	(5,567)	36.5%	(17,225)	(25,459)	-32.3%
Gross Margin	20,605	22,254	-7.4%	43,105	32,529	32.5%
Manageable Expenditures	(13,272)	(13,423)	-1.1%	(26,657)	(26,938)	-1.0%
EBITDA	18,350	20,115	-8.8%	38,601	28,064	37.5%
EBITDA Margin	65.1%	72.3%	-10.0%	64.0%	48.4%	32.2%
Net Financial Result	(14,123)	(12,916)	9.3%	(30,806)	(26,085)	18.1%
Net Income	(4,480)	(2,688)	66.7%	(9,478)	(13,520)	-29.9%

Note: Amounts correspond to EDP Energias do Brasil's 33.3% stake in São Manoel

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	2Q21	2Q20	Var	2Q21	2Q20	Var
São Manoel (33.3%)	260,579	262,131	-0.6%	126.7	121.1	4.6%

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	6M21	6M20	Var	6M21	6M20	Var
São Manoel (33.3%)	540,494	540,337	0.0%	126.2	121.0	4.3%

Net Revenue was up 1.4% and 4.0% in the quarter and first half, respectively, because of annual contract adjustments. Non-manageable expenditures were up 36.5% in the quarter, due to increased energy purchases, and down 32.3% in the first half, reflecting the increased allocation of physical guarantee to the latter half. Gross Margin was BRL 20.6 million in the quarter, down 7.4%, and BRL 43.1 million in the first half, up 32.5%.

EBITDA was BRL 18.3 million and BRL 38.6 million in the quarter and first half, respectively. Financial result was a negative BRL 14.1 million and BRL 30.8 million, up 9.3% and 18.1% in the quarter and first half, respectively, due to the inflation restatement of the UBP balance at the IPCA, in addition to higher debt charges.

3.2.5 THERMAL GENERATION

Items in R\$ Thousand or %	Thermal Generation					
	2Q21	2Q20	Var	6M21	6M20	Var
Net Operating Revenue	400,466	245,979	62.8%	789,735	744,320	6.1%
Non-Manageable Expenditures	(225,804)	(79,902)	182.6%	(452,785)	(383,327)	18.1%
Energy Purchased to Resell	(91,865)	(54,618)	68.2%	(160,558)	(285,502)	-43.8%
Charges for Usage of Basic Network	(20,547)	(19,955)	3.0%	(41,226)	(35,693)	15.5%
Other	(113,392)	(5,329)	2027.8%	(251,001)	(62,132)	304.0%
Gross Margin	174,662	166,077	5.2%	336,950	360,993	-6.7%
Manageable Expenditures	(88,489)	(68,855)	28.5%	(164,501)	(146,854)	12.0%
PMTO	(40,546)	(21,298)	90.4%	(69,344)	(51,186)	35.5%
Personnel	(16,009)	(11,173)	43.3%	(28,951)	(24,116)	20.0%
Material	(8,016)	(1,633)	390.9%	(12,277)	(4,566)	168.9%
Third-Party Services	(14,224)	(6,233)	128.2%	(23,601)	(17,945)	31.5%
Provision	(16)	(159)	-89.9%	(16)	(84)	-81.0%
Other	(2,281)	(2,100)	8.6%	(4,499)	(4,475)	0.5%
Gains and Losses on Disposal of Property	36	534	-93.3%	174	588	-70.4%
EBITDA	134,152	145,313	-7.7%	267,780	310,395	-13.7%
EBITDA Margin	33%	59%	-43.3%	34%	42%	-18.7%

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	2Q21	2Q20	Var	2Q21	2Q20	Var
Pecém	1,343,160	1,343,160	0.0%	242.3	135.4	78.9%

Asset	Volume (MWh)			Sales Price (R\$/MWh)		
	6M21	6M20	Var	6M21	6M20	Var
Pecém	2,672,175	2,672,175	0.0%	225.0	131.5	71.1%

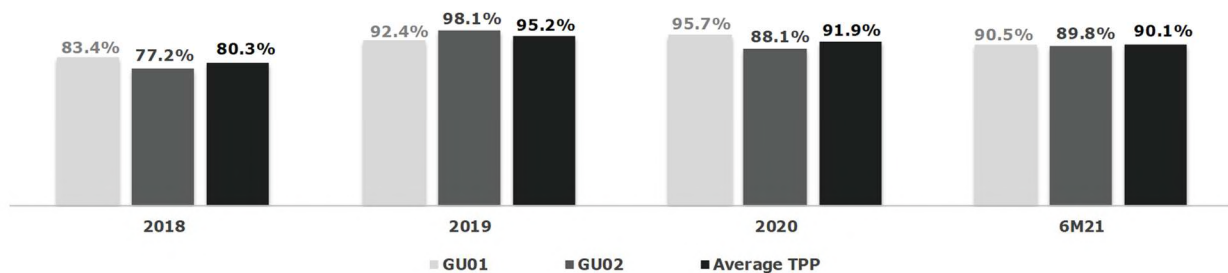
Net Revenue was BRL 400.5 million and BRL 789.7 million, up 62.8% and 6.1% in the quarter and first half, respectively, due to increased dispatching from the plant, in addition to the annual sale agreement adjustment had in November. Manageable expenses were up 182.6% and 18.1% in the quarter and first half, respectively, due to dispatching taking place from the plant since February.

Gross margin was up 5.2% in the quarter, in line with the effects discussed earlier. In the first half, Gross Margin was down 6.7%, reflecting the booking of the balance of ADOMP had chiefly in the 1st quarter of 2020.

PMTO was up 90.4% and 35.5% in the quarter and first half, respectively, under impact from the Payroll and Third-Party Services lines, reflecting the annual wage adjustment and the increase in overtime, as well as maintenance works at the generation units because of increased dispatching. EBITDA was BRL 134.2 million and BRL 267.8 million in the quarter and first half, respectively, down 7.7% and 13.7%, reflecting the effects discussed earlier.

Uptime

The plant's average uptime in the first half was 90.1% because of the scheduled corrective maintenance procedure done on the generation units between May and June, as a result of the increased demand for dispatching.



3.3 TRADING AND SERVICES

Items in R\$ Thousand or %	Trading (Consolidated) ¹			Services (Consolidated) ²			Total (Trading + Services)		
	2Q21	2Q20	Var	2Q21	2Q20	Var	2Q21	2Q20	Var
Net Operating Revenue	567,444	650,765	-12.8%	18,408	10,875	69.3%	585,852	661,640	-11.5%
Non-Manageable Expenditures	(544,679)	(645,437)	-15.6%	(4,531)	(1,769)	156.1%	(549,210)	(647,206)	-15.1%
Energy Purchased to Resell	(544,133)	(600,041)	-9.3%	-	-	n.a.	(544,133)	(600,041)	-9.3%
Charges for Usage of Basic Network	(1)	(3,949)	-100.0%	-	-	n.a.	(1)	(3,949)	-100.0%
Others	(545)	(41,447)	-98.7%	(4,531)	(1,769)	156.1%	(5,076)	(43,216)	-88.3%
Gross Margin	22,765	5,328	327.3%	13,877	9,106	52.4%	36,642	14,434	153.9%
Manageable Expenditures	(8,896)	(10,320)	-13.8%	(16,125)	(10,334)	56.0%	(25,021)	(20,654)	21.1%
PMTO	(7,254)	(9,837)	-26.3%	(13,161)	(9,014)	46.0%	(20,415)	(18,851)	8.3%
Personnel	(5,357)	(5,294)	1.2%	(7,607)	(4,383)	73.6%	(12,964)	(9,677)	34.0%
Material	(25)	(98)	-74.5%	(1,298)	(469)	176.8%	(1,323)	(567)	133.3%
Third-Party Services	(1,380)	(2,946)	-53.2%	(4,025)	(3,169)	27.0%	(5,405)	(6,115)	-11.6%
Provision	(224)	(1,299)	-82.8%	141	(525)	n.a.	(83)	(1,824)	-95.4%
Others	(268)	(200)	34.0%	(372)	(468)	-20.5%	(640)	(668)	-4.2%
Gain and Loss on the Deactivation and Asset Sale	-	-	n.a.	-	(1)	-100.0%	-	(1)	-100.0%
EBITDA	15,511	(4,509)	n.a.	716	91	686.8%	16,227	(4,418)	n.a.
EBITDA Margin	2.7%	-0.7%	n.a.	3.9%	0.8%	364.8%	2.8%	-0.7%	n.a.
Items in R\$ Thousand or %	Trading (Consolidated) ¹			Services (Consolidated) ²			Total (Trading + Services)		
	6M21	6M20	Var	6M21	6M20	Var	6M21	6M20	Var
Net Operating Revenue	1,403,319	1,823,986	-23.1%	36,877	23,424	57.4%	1,440,196	1,847,410	-22.0%
Non-Manageable Expenditures	(1,316,818)	(1,797,607)	-26.7%	(9,516)	(3,680)	158.6%	(1,326,334)	(1,801,287)	-26.4%
Energy Purchased to Resell	(1,312,593)	(1,747,385)	-24.9%	-	-	n.a.	(1,312,593)	(1,747,385)	-24.9%
Charges for Usage of Basic Network	(2,729)	(7,902)	-65.5%	-	-	n.a.	(2,729)	(7,902)	-65.5%
Others	(1,496)	(42,320)	-96.5%	(9,516)	(3,680)	158.6%	(11,012)	(46,000)	-76.1%
Gross Margin	86,501	26,379	227.9%	27,361	19,744	38.6%	113,862	46,123	146.9%
Manageable Expenditures	(11,530)	(17,494)	-34.1%	(32,065)	(23,666)	35.5%	(43,595)	(41,160)	5.9%
PMTO	(9,366)	(16,522)	-43.3%	(26,680)	(21,307)	25.2%	(36,046)	(37,829)	-4.7%
Personnel	(10,189)	(9,977)	2.1%	(14,039)	(9,780)	43.5%	(24,228)	(19,757)	22.6%
Material	(52)	(189)	-72.5%	(4,763)	(2,259)	110.8%	(4,815)	(2,448)	96.7%
Third-Party Services	(3,370)	(4,426)	-23.9%	(7,129)	(6,921)	3.0%	(10,499)	(11,347)	-7.5%
Provision	4,770	(1,388)	n.a.	154	(1,159)	n.a.	4,924	(2,547)	n.a.
Others	(525)	(542)	-3.1%	(903)	(1,188)	-24.0%	(1,428)	(1,730)	-17.5%
Gain and Loss on the Deactivation and Asset Sale	-	-	n.a.	-	13	-100.0%	-	13	-100.0%
EBITDA	77,135	9,857	682.5%	681	(1,550)	n.a.	77,816	8,307	836.8%
EBITDA Margin	5.5%	0.5%	917.1%	1.8%	-6.6%	n.a.	5.4%	0.4%	1101.6%

Note: ¹ Trading (Consolidated) includes EDP Comercializadora and Varejista. ² Services (Consolidated) includes EDP GRID, EDP Soluções and EDP Ventures.

	Volume (MWh)			Volume (MWh)		
	2Q21	2Q20	Var	6M21	6M20	Var
Related Parties	148,757	191,817	-22.4%	827,933	261,219	216.9%
Others	3,111,519	3,867,973	-19.6%	6,324,353	14,033,308	-54.9%
Total Trading	3,260,275	4,059,790	-19.7%	7,152,285	14,294,527	-50.0%
Average Tariff (R\$/MWh)	187.6	159.4	17.7%	205.0	135.8	51.0%

EDP TRADING:

Net Revenue was BRL 567.4 million and BRL 1.4 billion, up 12.8% and 23.1% in the quarter and first half, respectively, due to lower energy traded in 19.7% and 50.0% in the quarter and first half, respectively. The quarter was marked by an unfavorable scenario in the National Interconnected System (SIN), establishing reservoir levels. This scenario resulted in higher prices, increasing volatility, causing a reduction in transacted volume as a result of the portfolio protection strategy. In the first half, the reduction was due to the aforementioned protection measures, in addition to backup energy operations from the last year. Both quarter and first half had their impacts minimized by the full recognition of the marking-to-market of energy sale agreements for the next 4 years, leading to a positive impact in revenue of R\$ 1.4 million and R\$ 48 million, in the quarter and first half, respectively, net of PIS/COFINS

Non-manageable expenses were down 15.6% and 26.7%, due to lower energy traded in the quarter and first half, reflecting reduction of bilateral agreements between agents.

Gross Margin was BRL 22.8 million and BRL 86.5 million, up BRL 17.4 million and BRL 60.1 million in the quarter and first half, respectively, because of the previously discussed effects.

Manageable expenditures were down 13.8% and 34.1% in the quarter and first half, respectively, because of the decrease in the Third-Party Services line arising from reduced spending on legal services. EBITDA was BRL 15.5 million and BRL 77.1 million in the quarter and first half, respectively.

SOLAR/SERVICES:

Net Revenue was up 69.3 % and 57.4% in the quarter and first half, respectively. EDP has since 2019 been executing agreements for an increasing number of energy efficiency projects, and a significant increase in investment in solar energy estimated for the 2021-2025

cycle. Nine projects were delivered in 2020, notwithstanding the impacts and obstacles created by the pandemic, reinforcing the Company's pledge to increase investment in the Distributed Solar Solutions and Generation market, in line with the EDP Group's world vision. EDP Brasil reached yearend 2020 with 65.4 MWp in solar energy projects – 34.5 MWp already installed at customers like Banco do Brasil, TIM and Claro, and the remaining 30.8 MWp undergoing development. In 2021, the Company completed acquisition of two companies, being a 40% stake in BlueSol Energia, a company that focuses on the B2C Solar market, and AES Inova, a distributed generation investment platform, adding to its portfolio 34MWp in projects, be they under contract, operational and ready-to-build. EDP Smart's current contracted solar energy portfolio totals approximately 96 MWp, of which 50 MWp are already commercially operational.

Manageable expenditures were up 56.0% and 35.5% in the quarter and first half, respectively, reflecting the increase in the Personnel and Materials lines, due respectively to the increased headcount and materials costs. EBITDA was BRL 0.7 million in the quarter and the first half saw a loss of BRL 1.6 million.

3.4. TRANSMISSION

Items in R\$ thousand or %	Consolidated Transmission					
	2Q21	2Q20	Var	6M21	6M20	Var
Total Revenue	433,596	305,431	42.0%	873,266	557,222	n.a.
Construction Revenue	271,514	207,287	31.0%	547,763	369,993	n.a.
Construction Margin	17,124	(860)	n.a.	78,479	(4,517)	n.a.
Net Operating Revenue	144,958	99,004	46.4%	247,024	191,746	28.8%
Non-Manageable Expenditures	-	-	n.a.	-	-	n.a.
Gross Margin	162,082	98,144	65.1%	325,503	187,229	n.a.
Manageable Expenditures	(278,290)	(212,348)	31.1%	(561,151)	(380,324)	47.5%
PMTO	(6,571)	(4,971)	32.2%	(12,985)	(10,192)	27.4%
Personnel	(2,409)	(2,107)	14.3%	(4,768)	(4,206)	13.4%
Material	(296)	(122)	142.6%	(169)	(186)	-9.1%
Third-Party Services	(3,212)	(2,353)	36.5%	(6,931)	(5,082)	36.4%
Provision	-	48	-100.0%	-	8	-100.0%
Other	(654)	(437)	49.7%	(1,117)	(726)	53.9%
Construction Cost	(271,514)	(207,287)	31.0%	(547,763)	(369,993)	n.a.
EBITDA	155,522	93,173	66.9%	312,529	177,037	n.a.
EBITDA Margin	96.0%	94.9%	1.1%	96.0%	94.6%	1.5%

Transmission Net Revenue - 2Q21								
	Transmissão	Transmissão MA I	Transmissão MA II	Transmissão MA III	Transmissão Aliança SC	Transmissão SP-MG	Litoral Sul Transmissora	Total
Construction Revenue	-	7,718	291	20,314	128,855	138,248	32,490	327,916
Update of Concession Assets	6,288	19,871	7,538	208	47,179	50,438	5,178	136,700
Operation and Maintenance Revenue (O&M)	1,243	1,292	3,885	-	911	-	1,189	8,520
Other operational revenues	-	-	-	-	-	-	-	-
PIS/COFINS	(275)	(2,671)	(384)	(749)	(16,367)	(17,460)	(1,372)	(39,278)
R&D	(50)	(92)	(66)	-	(20)	-	(11)	(239)
Other Charges	(29)	-	(38)	-	-	-	-	(67)
Total	7,177	26,118	11,226	19,773	160,558	171,226	37,474	433,552

In the first quarter, the transmission companies that are already fully or partly operational posted BRL 28.2 million in RAP and regulatory EBITDA of BRL 22.6 million. The other lots are under construction and ahead of scheduled compared with the assumptions made at the auction. The sole exception is Lot Q, which the Company acquired on the secondary market. In the first half, RAP was BRL 44.1 million and EBITDA was BRL 34.5 million.

Manageable expenditures were up 31.1% and 47.5% in the quarter and first half, respectively, due to the operational startup of lots Transmissão Litoral Sul and Transmissão Aliança SC. In addition, the increase in the "Infrastructure Construction Cost" line reflects the progress of projects underway.

So far, the Company has invested BRL 3.9 billion in transmission projects.

Capex (R\$ Thousand)						
Transmission Lines (Lot)	2Q21	2Q20	Var	6M21	6M20	Var
Transmissão	(277)	1	n.a.	(293)	120	n.a.
Transmissão MA I	6,972	45,166	-84.6%	30,324	62,251	-51.3%
Transmissão MA II	279	14,757	-98.1%	311	35,872	-99.1%
Transmissão MA III	19,180	-	n.a.	19,180	-	n.a.
Transmissão Aliança SC	86,149	94,710	-9.0%	207,983	155,245	34.0%
Transmissão SP-MG	118,674	49,252	141.0%	225,670	107,360	110.2%
Litoral Sul Transmissora de Energia	40,537	3,401	1091.9%	64,588	9,145	606.3%
Total	271,514	207,287	31.0%	547,763	369,993	48.0%

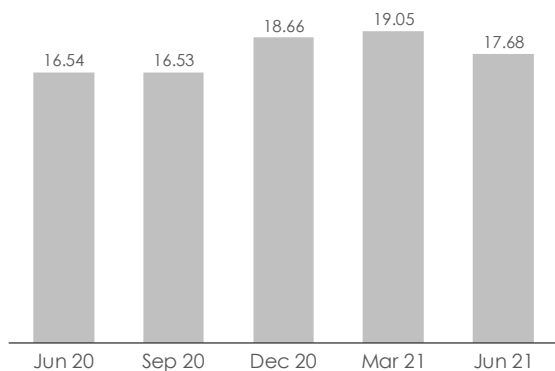
Corporate Name	Auction name	Auction No.	Entry into Operation	RAP (R\$ millions)
EDP Transmissão S.A.	Lot 24	n° 013/2015	Dec/18	R\$ 24.6
EDP Transmissão Litoral Sul S.A.	Lot Q	n° 013/2015	May/21 (Partial)	R\$ 18.4
EDP Transmissão MA I S.A.	Lot 7	n° 05/2016	Mar/21 (Partial)	R\$ 49.5
EDP Transmissão MA II S.A.	Lot 11	n° 05/2016	Aug/20	R\$ 32.8
EDP Transmissão Aliança SC S.A.	Lot 21	n° 05/2016	Jun/21 (Partial)	R\$ 48.8

4. CAPITAL MARKETS

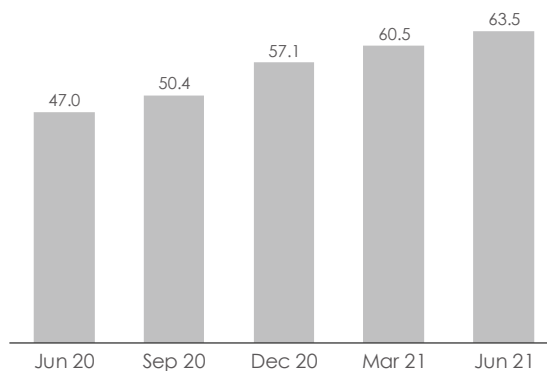
4.1. SHARE PERFORMANCE

As at June 30, the Company's market capitalization was BRL 10.7 billion, with its shares (ENBR3) trading at BRL 17.68, down 7.21% in the quarter, underperforming Ibovespa (+8.72%) and the IEE (-0.57%). In the first half, the Company's shares lost 5.24%, while the Ibovespa gained 6.54% and the IEE lost 2.89%. EDP's shares were traded on every day the stock market was open for business, totaling 209.6 million shares in the quarter and 399.7 million shares in the first half. Daily average was 3.4 million and 3.3 million shares in the quarter and first half, respectively. Financial volume was BRL 7.6 billion, for a daily average of BRL 62.0 million.

Share Price Evolution¹ (BRL)



Average Daily Volume (BRL million)



¹ Considers adjustments for proceeds up to 04/12/2021

4.2. CAPITAL STOCK

As at June 30, the Company's capital stock was fully represented by 606,850,394 common nominative shares. Out of the total shares, 261,405,238 made up the free float, compliant with B3's Novo Mercado Listing Regulations, and 26,000,362 shares were held as treasury shares.



KPMG Auditores Independentes
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500
kpmg.com.br

Report on the review of quarterly information - ITR

To the Shareholders, Board of Directors and Management of
EDP Energias do Brasil S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim accounting information of EDP Energias do Brasil S.A. ("Company"), contained in the Quarterly Financial Information – (ITR) Form for the quarter ended June 30, 2021, which comprise the statements of financial position as of June 30, 2021 and related statements of income and other comprehensive income for the three and six-month periods then ended, and changes in shareholders' equity and cash flows for the six-month period then ended, including the explanatory notes.

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

Scope of the review

Our review was conducted in accordance with the Brazilian and International Standards on Review Engagements of interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim accounting information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim accounting information included in the Quarterly Information referred to above were not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Financial Information - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM.

**Other matter - Statements of value added**

The quarterly information referred to above includes the individual and consolidated statements of value added (DVA) for the six-month period ended June 30, 2021, prepared under the responsibility of the Company's management, presented as supplementary information for the purposes of IAS 34. These statements were submitted to the same review procedures followed together with the review of the quarterly information with the objective to form a conclusion that they are reconciled with the interim accounting information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added were not prepared, in all material respects, according to the criteria defined in this Standard and consistently in relation to the individual and consolidated interim accounting information taken as a whole.

São Paulo, July 26, 2021

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
Daniel Aparecido da Silva Fukumori
Accountant CRC 1SP245014/O-2