



4Q21/2021 CPFL Results



- ✓ **Load in the concession area:** -3.0% in 4Q21 and +3.4% in 2021
- ✓ **Ebitda of R\$ 2,544 million (+32.4%) in 4Q21 and R\$ 9,160 million (+35.1%) in 2021**
- ✓ **Net Income of R\$ 1,331 million (+34.5%) in 4Q21 and R\$ 4,854 million (+30.9%) in 2021**
- ✓ **Net Debt of R\$ 21.1 billion and leverage of 2.13x Net Debt/EBITDA**
- ✓ **CAPEX of R\$ 1,351 million (+53.6%) in 4Q21 and R\$ 3,997 million (+42.3%) in 2021**
- ✓ **Regulatory Asset reached R\$ 3.2 billion in Dec-21**
- ✓ **Management Proposal of dividends in the amount R\$ 4,540 million, R\$ 3.94/share, 100% payout of distributable net income**
 - **R\$ 804 million, R\$ 0.70/share**, already paid in Dec-21
 - **Complementary dividends of R\$ 3,736 million, R\$ 3.24/share**, to be paid until Dec-22
- ✓ **CPFL Energia acquired 66.1% of CEEE-T (CPFL Transmissão) for R\$ 2.67 billion**
- ✓ **Commercial start-up of Gameleira Wind Complex, 2.5 years before Aneel's official deadline**
- ✓ **Start of operations of Alesta**, CPFL Energia's fintech

Video Conference with Simultaneous Translation into English (Bilingual Q&A)

Friday, March 18, 2021 – 11:00 a.m. (BRT), 10:00 a.m. (ET)

Zoom platform – click here to register:

https://us02web.zoom.us/webinar/register/WN_DTNWLmpBTTKtSkRvdkZfAA

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MESSAGE FROM THE CEO

The year 2021 was marked by numerous uncertainties caused by the pandemic, yet the recovery made by the Brazilian economy was reflected in the business of the CPFL group, which delivered record financial results and took an important step in the growth agenda with the acquisition of CPFL Transmissão. The highlight in the Distribution business was the recovery in consumption, especially in the Industrial segment, which grew 11.1% in the year. In the Generation business, our wind farms benefited from favorable winds and the Gameleira Wind Power Complex went operational.

In the Transmission segment, the Company increased its share considerably with the acquisition of Companhia Estadual de Transmissão de Energia Elétrica – CEEE-T (CPFL Transmissão). The new company will fuel tremendous synergistic growth using our plug & play platform to quickly adopt the best operational and financial management practices of the CPFL group and optimize its results.

In 2021, we rolled out the biggest investment plan in the CPFL group's history, totaling around R\$ 3,997 million (+42.3%), aimed at expanding and improving the distribution networks to improve the operational efficiency of our assets, and for building new generation and transmission projects. In order to adopt the best practices in the sector, we continue to implement innovation and digitalization measures and deploy new technologies in all our businesses, always in line with the evolving regulatory, political and economic scenarios in Brazil. Over the next five years, we plan to invest a hefty sum of R\$ 21.0 billion, of which R\$ 17.6 billion will be used to expand, maintain and improve our distribution networks. Another R\$ 1.2 billion will be invested in generation projects under construction and in the maintenance of existing plants. In the transmission segment, we will invest R\$ 1.9 billion in greenfield projects and in retrofitting projects across CPFL Transmissão's networks. Finally, in the Commercialization and Services segment, we will invest R\$ 262 million.

With regard to dividend payments, despite a challenging macroeconomic scenario, CPFL Energia paid R\$ 4,264 million during the course of 2021, which consisted of 100% of the distributable income from 2020 and an additional R\$ 804 million related to the 2021 results. For 2022, we will submit for approval by the shareholders meeting to be held in April, a proposal for paying 100% of the distributable income from 2021, which represents an additional payment of R\$ 3,736 million, equivalent to R\$ 3.24 per share.

In line with our focus on optimizing the capital structure, CPFL Energia's consolidated net debt reached 2.13 times the EBITDA at the end of the year, as per the measurement criteria of our financial covenants. Thanks to financial discipline, we maintained a balanced leverage, made an important acquisition and also paid a significant amount of dividends to our shareholders.

In 2021, discussions continued on social and environmental issues related to the need for a responsible economy towards the future of the electricity sector in Brazil. On the ESG agenda, I wish to highlight CPFL Energia's continued presence in the Corporate Sustainability Index (ISE), where we ranked 4th among 73 participating companies. We are also present in other indices, such as the ICO2 of B3 and FTSE4Good, all of which underline our sustainability practices.

On the subject of corporate governance, we made several advances, such as the establishment of the Audit Committee and the formulation and revision of policies required by the Novo Mercado segment before the deadline set by B3. I also wish to highlight the conclusion of the CPFL in Hospitals program, which invested R\$155 million since its launch, benefiting 204 hospitals in our concession area.

Lastly, I wish to reaffirm our commitment and confidence to the shareholders, clients, partners, society and other stakeholders, and thank all the CPFL group employees for the results achieved. I also reiterate that in 2022, CPFL Energia will continue to look to the future, reinforcing its strategic pillars, pursuing growth opportunities and actively participating in discussions to enable the electricity sector move forward so that we can continue our trajectory of generating value for our stakeholders, shareholders, employees and society.

Thank you and best regards,

Gustavo Estrella

Chief Executive Officer, CPFL Energia

Indicators (R\$ Million)	4Q21	4Q20	Var.	2021	2020	Var.
Load in the Concession Area - GWh	17,631	18,168	-3.0%	69,906	67,622	3.4%
Sales within the Concession Area - GWh	17,363	17,507	-0.8%	68,708	65,926	4.2%
Captive Market	10,707	11,241	-4.8%	42,901	43,664	-1.7%
Free Client	6,656	6,266	6.2%	25,808	22,262	15.9%
Gross Operating Revenue	15,488	13,321	16.3%	56,341	45,363	24.2%
Net Operating Revenue	10,919	9,274	17.7%	39,210	30,898	26.9%
EBITDA ⁽¹⁾	2,544	1,921	32.4%	9,160	6,780	35.1%
Distribution	1,763	1,107	59.2%	5,809	3,938	47.5%
Generation	738	757	-2.5%	3,304	2,641	25.1%
Transmission ⁽²⁾	88	11	703.7%	(9)	36	-
Commercialization, Services & Others	(44)	47	-	56	165	-66.0%
Net Income	1,331	989	34.5%	4,854	3,707	30.9%
Net Debt ⁽³⁾	21,058	15,696	34.2%	21,058	15,696	34.2%
Net Debt / EBITDA ⁽³⁾	2.13	2.19	-2.8%	2.13	2.19	-2.8%
Investments ⁽⁴⁾	1,351	860	57.2%	3,997	2,808	42.3%

Notes:

(1) EBITDA is calculated from the sum of net income, taxes, financial result, depreciation/amortization, as CVM Instruction no. 527/12. See the calculation in item 3.1 of this report;

(2) Includes CEEE-T (CPFL Transmissão) as of Oct/2021;

(3) In covenants criteria, which considers CPFL Energia stake in each project;

(4) Does not include special obligations.

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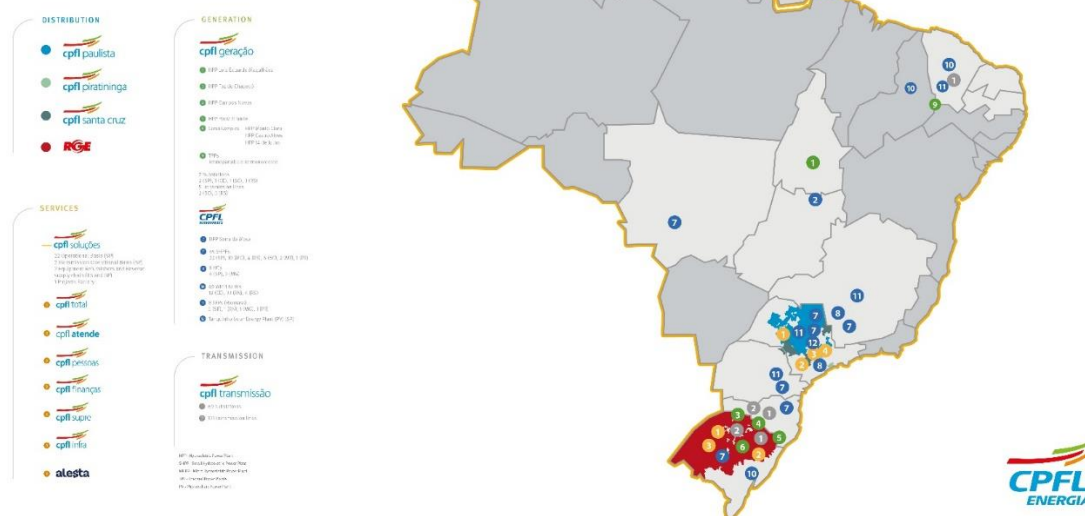
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1) COMPANY PROFILE AND CORPORATE STRUCTURE

Company Operation

CPFL Energia operates in the Generation, Transmission, Distribution, Commercialization and Services segments, with presence in 11 states in all regions of the country.

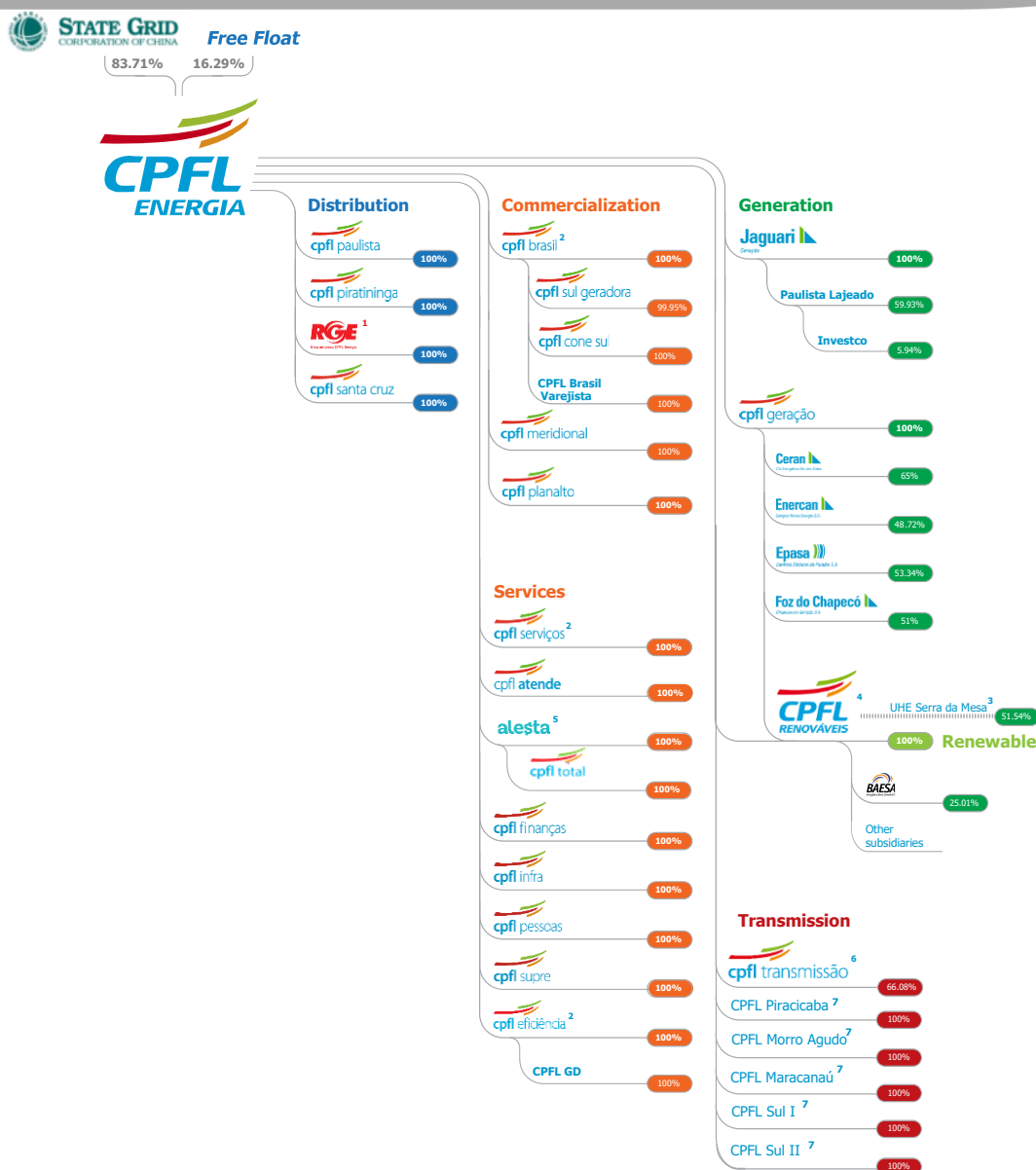
Our Businesses



CPFL is the second largest distributor in volume of energy sales, with 14% of the national market, serving approximately 10.1 million customers in 687 municipalities. With 4,385 MW of installed capacity, it is the third largest private generator in the country, being among the leaders in renewable generation, operating in hydroelectric, solar, wind and biomass sources. With the acquisition of 66.1% (control) of Companhia Estadual de Transmissão de Energia Elétrica – CEEE-T (CPFL Transmissão), the group now also has a relevant role in the Transmission segment. It also has a national operation through CPFL Soluções, providing integrated solutions in energy management and commercialization, energy efficiency, distributed generation, energy infrastructure and consulting services.

Shareholders Structure

CPFL Energia is a holding company that owns stake in other companies. State Grid Corporation of China (SGCC) controls CPFL Energia through its subsidiaries State Grid International Development Co., Ltd, State Grid International Development Limited (SGID), International Grid Holdings Limited, State Grid Brazil Power Participações S.A. (SGBP) and ESC Energia S.A.



Reference date: 12/31/2021

Notes:

- (1) RGE is held by CPFL Energia (89.0107%) and CPFL Brasil (10.9893%);
- (2) CPFL Soluções = CPFL Brasil + CPFL Serviços + CPFL Eficiência;
- (3) 51.54% stake of the availability of power and energy of Serra da Mesa HPP, regarding the Power Purchase Agreement between CPFL Renováveis and Furnas;
- (4) CPFL Renováveis is controlled by CPFL Energia (49.1502%) and CPFL Geração (50.8498%);
- (5) Alesta is controlled by CPFL Energia (99.99%) and CPFL Brasil (0.01%). It is in the "Others" segment. In order to facilitate the visualization and due to the incorporation of CPFL Total shares, it is presented in the "Services" segment;
- (6) CPFL Transmissão (CEEE-T) is controlled by CPFL Cone Sul (66.08%);
- (7) CPFL Piracicaba, CPFL Morro Agudo, CPFL Maracanaú, CPFL Sul I e CPFL Sul II are consolidated in CPFL Geração.

Acquisition Tender Offer CEEE-T

In March 7, 2022, in continuity with the Material Facts disclosed on July 16th, 2021, October 14th, 2021, and February 25, 2022, and with the Notices to the Market disclosed on September 27th 2021, October 1st, 2021, and November 12th, 2021, CPFL Energia announced to its shareholders and the market in general, through a material fact, that the "Edital de Oferta Pública Unificada de Aquisição de Ações Ordinárias e Preferenciais de Emissão da Companhia Estadual de Transmissão de Energia Elétrica" ("Notice"), was disclosed, on that date, containing all the terms and conditions of the unified tender offer for the mandatory acquisition

of common shares by disposal of control and voluntary of preferred shares issued by Companhia Estadual de Transmissão de Energia Elétrica ("CEEE-T") ("Tender Offer"), to be carried out by its subsidiary CPFL Comercialização de Energia Cone Sul Ltda., in compliance with the obligation to make a tender offer due to the disposal of control of CEEE-T, in accordance with the provisions in Article 254-A of the Brazilian Corporation Law, and in Law No. 6.385, of December 7th, 1976, pursuant to the rules established in CVM Ruling No. 361, of March 5th, 2002. The registration of the Tender Offer and the authorization for its execution were granted by CVM by means of Official Letter No. 93/2022/CVM/SRE/GER-1 of February 25, 2022. As indicated in the Notice, the Tender Offer auction will be held at B3 S.A. - Brasil, Bolsa, Balcão on April 6, 2022.

Corporate Governance

The corporate governance model adopted by CPFL Energia is based on the 4 basic principles of the Brazilian Corporate Government System: transparency, equity, accountability and corporate responsibility.

CPFL's Management is composed by the Board of Directors and the Board of Executive Officers.

The Board of Directors is responsible for the strategic direction of the CPFL Group, consists of 7 members (2 independent members), whose term of office is 2 years, with the possibility of reelection. It has 6 Advisory Committees (Audit, Strategy and Management of Process, Human Resources, Related Parties, Risk and Budget Management and Corporate Finance), which assist in the decisions and monitoring the relevant and strategic issues. In October 2021, the establishment of the Audit Committee was approved, composed of 3 members (2 independent members of the Board of Directors and 1 external independent member), all with a 2-year term, with the possibility of reelection.

The Board of Executives consists of 1 Chief Executive Officer and 8 Vice-Chief Executive Officers, all with term of office of 2 years, with possibility of reelection, whose responsibility is the execution of the strategies of CPFL Energia and its subsidiaries, which are defined by the Board of Directors going along with the corporate governance guidelines.

CPFL Energia has a permanent Fiscal Council, composed of 3 effective members and equal number of alternates, all with 1 year of term of office, with the possibility of reelection, whose function is to perform an independent oversight role from the administrators and with the objective of preserving the value of the organization.

The guidelines and documents on corporate governance are available at the Investor Relations website <http://www.cpfl.com.br/ir>.

Dividend Policy

The CPFL Energia dividend distribution policy, determines that the Company should distribute annually, as dividends, at least 50% of the adjusted net income¹. The approved Dividend Policy is merely indicative, with the purpose of signaling to the market the treatment that the Company intends to give to the distribution of dividends to its shareholders, having, therefore, a programmatic character, not binding upon the Company or its governing bodies. The Dividend Policy is available at the Investor Relations website <http://www.cpfl.com.br/ir>.

¹ It also establishes the factors that will influence in the amount of distribution, as well as other factors considered relevant for the board of directors and the shareholders. It's also highlights that certain obligations contained in the Company's financial contracts may limit the amount of dividends and/or interest on equity that may be distributed.

2) OPERATIONAL PERFORMANCE

2.1) Distribution

2.1.1) Load net of losses in the concession area

Load within the Concession Area - GWh						
	4Q21	4Q20	Var.	2021	2020	Var.
Captive Market	10,665	11,637	-8.4%	42,733	44,223	-3.4%
Free Client	6,966	6,531	6.7%	27,173	23,399	16.1%
Total	17,631	18,168	-3.0%	69,906	67,622	3.4%

2.1.2) Sales within the Distributors' Concession Area

Sales within the Concession Area - GWh							
	4Q21	4Q20	Var.	Part.	2021	2020	Var.
Captive Market	10,707	11,241	-4.8%	61.7%	42,901	43,664	-1.7%
Free Client	6,656	6,266	6.2%	38.3%	25,808	22,262	15.9%
Total	17,363	17,507	-0.8%	100.0%	68,708	65,926	4.2%

Sales within the Concession Area - GWh							
	4Q21	4Q20	Var.	Part.	2021	2020	Var.
Residential	5,292	5,609	-5.7%	30.5%	21,051	20,944	0.5%
Industrial	6,565	6,382	2.9%	37.8%	25,886	23,303	11.1%
Commercial	2,850	2,677	6.5%	16.4%	10,830	10,271	5.4%
Others	2,656	2,839	-6.4%	15.3%	10,942	11,408	-4.1%
Total	17,363	17,507	-0.8%	100.0%	68,708	65,926	4.2%

Note: The tables with sales within the concession area by distributor are attached to this report in item 7.9.

It should be noted that 4Q20 was strongly affected by the Aneel's Normative Resolution No. 863/2019, which determined an adjustment in metering and billing for group A clients, what resulted in less days billed in that period. The tables below shows the comparison with adjusted values in 4Q20 and 2020 for better view.

Sales within the Concession Area - GWh *(adjusted by REN863)							
	4Q21	4Q20	Var.	Part.	2021	2020	Var.
Captive Market	10,707	11,790	-9.2%	61.7%	42,901	44,213	-3.0%
Free Client	6,656	6,266	6.2%	38.3%	25,808	22,262	15.9%
Total	17,363	18,056	-3.8%	100.0%	68,708	66,475	3.4%

Sales within the Concession Area - GWh (adjusted by REN863)							
	4Q21	4Q20	Var.	Part.	2021	2020	Var.
Residential	5,292	5,610	-5.7%	30.5%	21,051	20,945	0.5%
Industrial	6,565	6,585	-0.3%	37.8%	25,886	23,507	10.1%
Commercial	2,850	2,835	0.5%	16.4%	10,830	10,429	3.8%
Others	2,656	3,026	-12.2%	15.3%	10,942	11,595	-5.6%
Total	17,363	18,056	-3.8%	100.0%	68,708	66,475	3.4%

Highlights in the concession area in 4Q21:

- **Residential Segment (30.5% of total sales):** Decrease of 5.7%, mainly affected by a negative effect of temperature in 2021, which in addition to being lower in 2021, had a very high basis for comparison, as in 2020 the temperature was record; the most affected distributor was CPFL Paulista. In addition, the increasing return of on-site activities contributes to a drop in the residential segment, even though it contributes to consumption

in the other segments. On the other hand, vegetative growth showed an increase of 2.3%;

- **Industrial and Commercial Segments (37.8% and 16.4% of total sales):** both segments were significantly affected by the effects of Aneel's Normative Resolution (REN) No. 863/2019, as described above. Excluding this effect, the industrial segment would be practically stable (-0.3%), at a level similar to the highest quarter of 2020. The commercial segment, in turn, would also show stability (+0.5%), with its recovery to pre-pandemic levels being partially nullified by the milder temperature;
- **Others Segment (15.3% of total sales):** More accentuated drop mainly due to two factors: the migration of permissionaires, which represented a drop of -7.8%, in addition to an increase in the rainfall regime, which mainly affected the rural segment in RGE.

Highlights in the concession area in 2021:

- **Residential Segment (30.6% of total sales):** increase of 0.5%, mainly due to negative effects of temperature, which mainly affected the last quarter, in addition to the reduction in social isolation measures, which led to lower consumption in this segment, but offsetting the others. Among the distributors, only RGE showed a reduction in the year;
- **Industrial Segment (37.7% of total sales):** Increase of 11.1%, showing fully recovery of the pandemic effects, with all distributors and activity segments showing positive results in the year;
- **Commercial Segment (15.8% of total sales):** Increase of 5.4%, mainly due to the improvement in the pandemic indicators, which resulted in an increase in activity in this segment, despite a negative temperature effect, mainly in the last quarter. All distributors and all activity segments showed growth in the year;
- **Others segment (15.9% of total sales):** Decrease of 4.1%, especially because of permissionaires migrations, which represented a drop of 5.4%, with the biggest impact being reflected in RGE.

Sales to the Captive Market - GWh						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	5,292	5,609	-5.7%	21,051	20,944	0.5%
Industrial	1,097	1,063	3.2%	4,422	4,410	0.3%
Commercial	1,886	1,905	-1.0%	7,357	7,491	-1.8%
Others	2,432	2,664	-8.7%	10,070	10,820	-6.9%
Total	10,707	11,241	-4.8%	42,901	43,664	-1.7%

Sales to the Captive Market - GWh (adjusted by REN.863)						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	5,292	5,610	-5.7%	21,051	20,945	0.5%
Industrial	1,097	1,266	-13.4%	4,422	4,613	-4.1%
Commercial	1,886	2,063	-8.6%	7,357	7,649	-3.8%
Others	2,432	2,851	-14.7%	10,070	11,007	-8.5%
Total	10,707	11,790	-9.2%	42,901	44,213	-3.0%

Note: The tables with sales within the concession area by distributor are attached to this report in item 7.10.

Free Client - GWh						
	4Q21	4Q20	Var.	2021	2020	Var.
Industrial	5,468	5,319	2.8%	21,464	18,894	13.6%
Commercial	964	772	24.8%	3,473	2,780	24.9%
Others	224	174	28.6%	871	588	48.2%
Total	6,656	6,266	6.2%	25,808	22,262	15.9%

Free Client by Distributor - GWh						
	4Q21	4Q20	Var.	2021	2020	Var.
CPFL Paulista	3,087	2,902	6.4%	11,785	10,184	15.7%
CPFL Piratininga	1,826	1,766	3.4%	7,161	6,341	12.9%
RGE	1,482	1,358	9.1%	5,857	4,908	19.3%
CPFL Santa Cruz	261	239	9.1%	1,005	829	21.1%
Total	6,656	6,266	6.2%	25,808	22,262	15.9%

2.1.3) Losses

The consolidated losses index of CPFL Energia was of 8.71% in the 12 months ended in Dec-21, compared to 9.05% in Dec-20, a decrease of 0.34 p.p. However, disregarding the effect of the billing calendar in both years, the decrease would be of 0.26 p.p. (from 9.05% in Dec-20 to 8.79% in Dec-21), indicating an improvement of this indicator, despite the adverse macroeconomic conditions imposed by the COVID-19 pandemic.

12M Accumulated Losses ¹						
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	ANEEL
CPFL Energia	9.05%	9.11%	9.06%	8.82%	8.71%	8.24%
CPFL Paulista	9.42%	9.64%	9.35%	9.09%	9.02%	8.46%
CPFL Piratininga	7.69%	8.06%	7.88%	7.65%	7.40%	6.51%
RGE	9.62%	9.18%	9.65%	9.47%	9.30%	9.15%
CPFL Santa Cruz	7.77%	7.87%	7.69%	7.42%	7.78%	8.36%

Note: According to the criteria defined by the Regulatory Agency (ANEEL). In CPFL Piratininga and RGE, high-voltage customers (A1) were disregarded.

The CPFL group has intensified the actions against non-technical losses and the main achievements in 2021 were:

- (i) 530.8 thousand fraud inspections performed in consumer units;
- (ii) Shielding of 34.9 thousand low voltage customers through the installation of Armored Boxes;
- (iii) Shielding of 633 medium/high voltage customers through the installation of Measurement Sets;
- (iv) Visit in 39 thousand consumer units inactivated for cutting in cases of self-reconnection;
- (v) Replacement of more than 25.6 thousand obsolete/defective meters with new electronics;
- (vi) Regularization of 3.5 thousand consumers without contract (clandestine);
- (vii) Market discipline through 356 news in media related to CPFL operations to fight fraud and theft.

2.1.4) SAIDI and SAIFI

The SAIDI (System Average Interruption Duration Index) measures the average duration, in hours, of interruption per consumer per year and the SAIFI (System Average Interruption Frequency Index) measures the average number of interruptions per consumer per year. Such indicators measure the quality and reliability of the electricity supply.

SAIDI Indicators											
Distributor	SAIDI (hours)										
	2017	2018	2019	2020	4Q20	1Q21	2Q21	3Q21	4Q21	Var. %	ANEEL ¹
CPFL Energia	9.40	8.62	8.83	7.66	7.66	7.91	7.97	7.91	7.52	-1.8%	n.d
CPFL Paulista	7.14	6.17	6.72	6.81	6.81	6.97	6.97	6.93	6.21	-8.8%	6.82
CPFL Piratininga	6.97	5.94	6.49	5.83	5.83	6.11	6.18	6.58	5.95	2.1%	6.24
RGE ²	14.83	14.44	14.01	10.83	10.83	10.89	11.01	10.62	10.84	0.1%	10.84
CPFL Santa Cruz ³	6.22	6.01	5.56	4.89	4.89	5.14	5.21	5.37	5.66	15.7%	8.19

SAIFI Indicators											
Distributor	SAIFI (interruptions)										
	2017	2018	2019	2020	4Q20	1Q21	2Q21	3Q21	4Q21	Var. %	ANEEL ¹
CPFL Energia	5.69	4.68	4.93	4.54	4.54	4.63	4.62	4.69	4.40	-3.1%	n.d
CPFL Paulista	4.94	4.03	4.38	4.27	4.27	4.40	4.47	4.63	4.24	-0.7%	5.48
CPFL Piratininga	4.45	3.89	4.34	4.32	4.32	4.51	4.41	4.75	4.13	-4.4%	5.52
RGE ²	7.68	6.10	6.25	5.27	5.27	5.16	5.04	4.83	4.83	-8.3%	7.87
CPFL Santa Cruz ³	5.13	5.09	4.25	3.68	3.68	3.99	4.12	4.26	4.21	14.4%	6.96

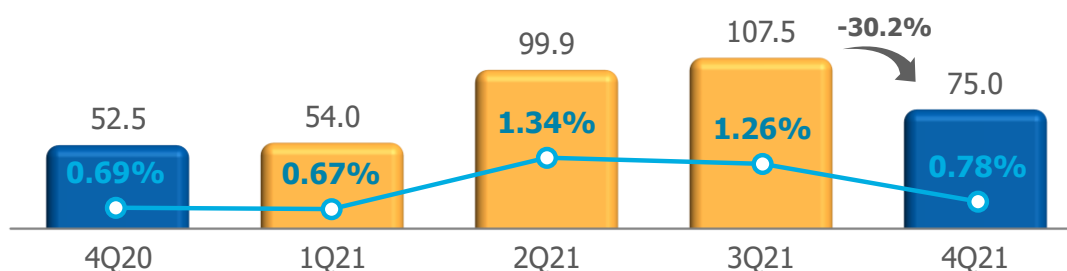
Notes:

- 1) ANEEL limit;
- 2) Since 2019, the RGE and RGE Sul concessions have been unified, becoming a single distributor for the purpose of calculating technical indicators;
- 3) Since 2018, the concessions of CPFL Santa Cruz, Sul Paulista, Mococa, Jaguari and Leste Paulista have been unified, becoming a single distributor for purposes of calculating technical indicators.

In the consolidated of the distributors, in 4Q21, the annualized values of SAIDI and SAIFI in 4Q21 were lower than in 4Q20 (-1.8% and -3.1%, respectively). These results reflect the maintenance actions and investments in improvements in the distributors of CPFL Energia group.

2.1.5) Delinquency

■ ADA ● % ADA / Revenue from Sales to Final Consumers



ADA registered a decrease of 30.2% (R\$ 32.5 million) in 4Q21, compared to 3Q21. If compared to 4Q20, there was an increase of 42.9% (R\$ 22.5 million), mainly explained by the higher average ticket due to the tariff adjustments applied throughout in 2021 and the adoption of

"hydro scarcity" flag.

In 4Q21, the KPI ADA/Revenue from sales to final consumers was 0.78%, within the historical level of 0.7% to 0.8%. In 2021, the KPI ADA/Revenue from sales to final consumers was 1.00%. The delinquency continued to be pressured by the country's unfavorable economic situation, which mainly affected the 2Q21 and 3Q21.

In order to fight the increase in the level of delinquency, CPFL has been maintaining a high volume of collection actions, highlighting:

- (i) Maintenance of the volume of power cuts was kept at higher levels. In 4Q21, 639 thousand cuts were made, above the historical average of 492 thousand cuts per quarter;
- (ii) Implementation of a new algorithm, to define the best collection action for each customer, based on their score of probability of invoice payment;
- (iii) In 4Q21, there was an increase in the volume of collections actions of 10% in CPFL Group, with emphasis on billing notice actions (SMS and E-mail) with 11% of increase, from 6.4 million to 7.2 million. Direct billing actions (negative and protest) increased by 5%, from 2.2 million to 2.3 million.

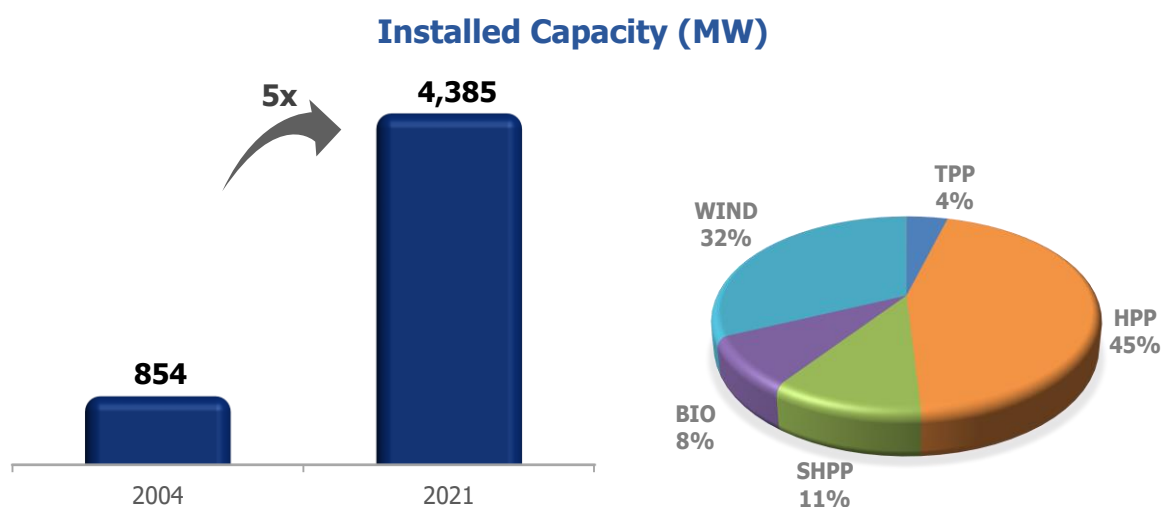
2.2) Generation

2.2.1) Installed Capacity

On December 31, 2021, the Generation installed capacity of CPFL Energia group, considering the proportional stake in each project, is of 4,385 MW.

In the second half of 2021, 4 wind farms of Gameleira wind complex entered into commercial operation, adding 81.7 MW to the portfolio in operation. Costa das Dunas (28.4 MW), Figueira Branca (10.7 MW), Gameleira (17.8 MW) and Farol de Touros (24.9 MW), started operations in June, July, August and September, respectively.

Since the IPO in 2004, CPFL Energia has been expanding its portfolio and today has a capacity 5 times higher.



Note: Breakdown graphic by source does not consider 1 MW of Solar Generation of Tanquinho Plant.

2.2.2) Operational and under construction projects

In MW	Portfolio						Total
	TPP	HPP	SHPP/MHPP	Bio	Wind	Solar	
In operation	182	1,966	475	370	1,391	1	4,385
In construction	-	-	28	-	-	-	28
In development	-	-	96	-	1,764	2,539	4,399
Total	182	1,966	599	370	3,155	2,540	8,812

On December 31, 2021, the project portfolio of Generation segment (considering CPFL Energia's participation in each project) totals 8,812 MW of installed capacity. The plants in operation totalize 4,385 MW, comprising 8 HPPs (1,966 MW), 49 wind farms (1,391 MW), 48 SHPPs and MHPPs (475 MW), 8 biomass thermoelectric plants (370 MW), 2 TPPs (182 MW) and 1 solar plant (1 MW).

Still under construction 1 SHPP (28 MW). Additionally, we have wind, solar and SHPP projects under development totaling 4,399 MW.

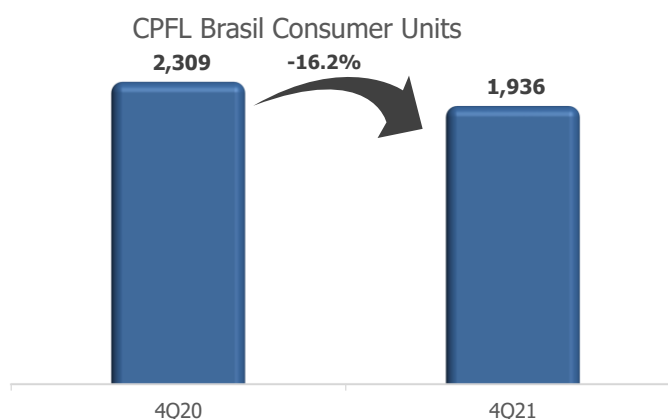
SHPP Lucia Cherobim

SHPP Lucia Cherobim, a project located in the state of Paraná, is scheduled to start operating in 2024. In December 2021, the physical progress of the project was 17.53%. Installed capacity is 28.0 MW and physical guarantee is 16.6 average MW. The energy was sold under a long-term contract at the 2018 new energy auction (A-6) (price: R\$ 230.93/MWh – Dec-21).

2.3) Commercialization

Number of Commercialization Consumer Units

In Dec-21, CPFL Brasil consumer units reached 1,936, a decrease of 16.2%. This was due to a lower volume of contracts signed for 2021.



2.4) Transmission

2.4.1) CPFL Transmissão

Portfolio

Portfolio - CPFL TRANSMISSION								
Concession Contracts	Contract Start Date	Contract End Date	CPFL - T Share	Operation Status	Estimated Delivery	Indice	RAP 2021-2022 (R\$ million)	RAP Expected
055/2001	12/31/2002	12/31/2042	100%	Operational	-	IPCA	832	
080/2002	12/18/2002	12/18/2032	100%	Operational	-	IGP-M	20	
004/2021	09/31/2021	03/31/2051	100%	Construction	2024	IPCA	-	9
TESB	07/27/2011	07/27/2041	94%	Construction	2022	IPCA	18	33
ETAU	12/18/2002	12/18/2032	10%	Operational	-	IGP-M	51	-
TPAE	11/19/2009	11/19/2039	10%	Operational	-	IPCA	10	

ENS – Unsupplied Energy (MWh)

CPFL Transmissão has shown excellent operating performance over the years. The Unsupplied Energy (ENS) indicator consists of the analysis of the amount of energy interrupted due to the unavailability of Transmission assets and, therefore, verifies the effective impact of the unavailability for the society. In 4Q21, the ENS totaled 300.22 MWh vs. 270.74 MWh in 4Q20, down 10.8%. In 2021, the ENS totaled 1,001.58 MWh vs. 1,377.97 MWh in 2020, representing a reduction of 27.3%.

PV – Discounted Variable Parcel

The Discounted Variable Parcel consists of the percentage ratio of the Variable Parcel discounts effected on the basis of the Transmitter's Monthly Invoicing. Such data are made available monthly by the National Electric System Operator (ONS). In 4Q21, PVD totaled 0.839% vs. 0.968% in 4Q20, a decrease of 13.3%. In 2021, incident PV totaled 0.696% vs. 0.913% in 2020, representing a reduction of 23.77%.

Carrying out a comparative analysis of the operational performance of the electric power transmission segment, among the nine transmission concessionaires in the country that had their concessions renewed, in 2021, CPFL Transmissão once again, had an outstanding performance, presenting the 2nd best result.

2.4.2) Other Transcos Portfolio

Operational Portfolio					
Project	Location	RAP (R\$ MM)	Capex (R\$ MM)	Operation Start	Substation Nº
Piracicaba	SP	13.7	100	Jul/15	1
Morro Agudo	SP	16.9	100	Jul/17	1

Portfolio under Construction							
Project	Location	RAP (R\$ MM)	Estimated Capex by Aneel (R\$ MM)	Operation Start	Substation Nº	Lines (Km)	Builded
Maracanaú	CE	9,1	102	Mar/22	1	2	74,72%
Sul I	SC	30,9	366	Mar/24	1	320	49,78%
Sul II	RS	32,0	349	Mar/23	3	85	70,80%

3) CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE

3.1) Economic-Financial Performance

Consolidated Income Statement - CPFL ENERGIA (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	15,488	13,321	16.3%	56,341	45,363	24.2%
Net Operating Revenue	10,919	9,274	17.7%	39,210	30,898	26.9%
Revenue from building the infrastructure	1,148	783	46.6%	3,313	2,573	28.8%
Net Operating Revenue (ex-rev. from infrastructure)	9,771	8,490	15.1%	35,897	28,326	26.7%
Cost of Electric Power	(6,029)	(5,654)	6.6%	(23,107)	(18,486)	25.0%
Contribution Margin	3,742	2,837	31.9%	12,790	9,840	30.0%
PMSO	(1,208)	(1,020)	18.5%	(3,723)	(3,308)	12.6%
Other Operating Costs & Expenses	(1,734)	(1,248)	38.9%	(5,493)	(4,401)	24.8%
Equity Income	135	144	-6.5%	522	410	27.4%
EBITDA¹	2,544	1,921	32.4%	9,160	6,780	35.1%
Financial Income (Expense)	(473)	(173)	173.8%	(792)	(316)	150.8%
Income Before Taxes	1,609	1,323	21.6%	6,615	4,797	37.9%
Net Income	1,331	989	34.5%	4,854	3,707	30.9%

Note: (1) EBITDA is calculated from the sum of net income, taxes, financial results and depreciation/amortization, according to CVM Instruction no. 527/12.

CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Transmission	Others	Consolidated
4Q21					
EBITDA ¹	1,763	738	88	(44)	2,544
Financial results	(330)	(103)	(8)	(31)	(473)
Net Income	810	641	(0)	(120)	1,331
4Q20					
EBITDA ¹	1,107	757	11	47	1,921
Financial results	(129)	(59)	0	15	(173)
Net Income	543	493	10	(56)	989
Variation (%)					
EBITDA ¹	59.2%	-2.5%	703.7%	-	32.4%
Financial results	157%	75.1%	-	-	173.8%
Net Income	49.2%	30.1%	-	114.1%	34.5%
CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Transmission	Others	Consolidated
2021					
EBITDA ¹	5,809	3,304	(9)	56	9,160
Financial results	(563)	(271)	(8)	50	(792)
Net Income	2,868	2,202	(104)	(113)	4,854
2020					
EBITDA ¹	3,938	2,641	36	165	6,780
Financial results	21	(376)	1	37	(316)
Net Income	2,111	1,630	34	(69)	3,707
Variation (%)					
EBITDA ¹	47.5%	25.1%	-	-66.0%	35.1%
Financial results	-	-27.8%	-	37.5%	150.8%
Net Income	35.9%	35.1%	-	63.2%	30.9%

Notes:

(1) The analysis by business segment is presented in chapter 6;

(2) The breakdown of economic-financial performance by business segment is presented in annex 7.4.

Non-cash effects, extraordinary items and others

We highlight below the non-cash effects, extraordinary items and others of greater relevance observed in the periods analyzed, as a way to facilitate the understanding of the variations in Company's results.

EBITDA effects - R\$ million	4Q21	4Q20	Var.	2021	2020	Var.
Adjustments in the concession financial assets (VNR)	413	231	78.4%	1,158	388	198.1%
Legal and judicial expenses	(125)	(130)	-4.3%	(270)	(238)	13.7%
Assets write-off	(49)	(52)	-5.2%	(157)	(141)	11.6%
CPFL Transmissão	122	-	-	122	-	-
Other extraordinary items:						
Gain with GSF in Free Market and Regulated Market	17	54	-	192	54	255.6%
Higher Capex / delay in start-up of greenfield projects	(46)	-	-	(184)	-	-
CPFL Santa Cruz - Tariff review effects (RAB appraisal report)	-	-	-	7	-	-
CPFL Santa Cruz - PIS/Cofins over ICMS	-	-	-	(34)	-	-
CPFL Brasil - PIS/Cofins over ICMS	-	-	-	45	-	-

EBITDA effects (Equity) - R\$ million	4Q21	4Q20	Var.	2021	2020	Var.
Other extraordinary items:						
Gain with GSF in Free Market and Regulated Market	-	85	-	98	85	15.3%

Financial results effects - R\$ million	4Q21	4Q20	Var.	2021	2020	Var.
CPFL Brasil - PIS/Cofins over ICMS	-	-	-	40	-	-
CPFL Transmissão	(8)	-	-	(8)	-	-
Mark-to-market (MTM)	(11)	(79)	-86.1%	(1)	119	-

Impact of the acquisition of CPFL Transmissão: With the consolidation of CPFL Transmissão's figures as of 10/01/2021, the main impacts in 4Q21 and 2021 on CPFL Energia were:

- (i) R\$ 351 million in gross operating revenue, representing an increase of 2.6% in the quarter and 0.8% in the year;
- (ii) R\$ 258 million in net operating revenue (ex-construction rec.), representing an increase of 3.0% in the quarter and 0.9% in the year;
- (iii) R\$ 112 million in PMSO, representing an increase of 11.0% in the quarter and 3.4% in the year;
- (iv) R\$ 122 million in Ebitda, representing an increase of 6.3% in the quarter and 1.8% in the year;
- (v) R\$ 8 million in the financial result, representing an increase of 4.3% in the quarter and 2.4% in the year;
- (vi) R\$ 41 million in Net Income, representing an increase of 4.2% in the quarter and 1.1% in the year.

These amounts were considered for the purposes of consolidating CPFL Transmissão into the CPFL Energia group in 4Q21, that is, they already reflect the effects of the business combination. Therefore, the amounts may differ from those presented in CPFL Transmissão's 2021 Financial Statements.

Disregarding the effects of the consolidation of CPFL Transmissão over 4Q21 and 2021, the variations would be as follows:

Consolidated Income Statement - CPFL ENERGIA without consolidation of CPFL Transmissão (R\$ Million)						
	4T21	4T20	Var.	2021	2020	Var.
Gross Operating Revenue	15,137	13,321	13.6%	55,990	45,363	23.4%
Net Operating Revenue	10,630	9,274	14.6%	38,921	30,898	26.0%
Revenue from building the infrastructure	1,116	783	42.5%	3,281	2,573	27.5%
Net Operating Revenue (ex-rev. from infrastructure)	9,514	8,490	12.1%	35,640	28,326	25.8%
Cost of Electric Power	(6,029)	(5,654)	6.6%	(23,107)	(18,486)	25.0%
Contribution Margin	3,484	2,837	22.8%	12,533	9,840	27.4%
PMSO	(1,096)	(1,020)	7.5%	(3,611)	(3,308)	9.2%
Other Operating Costs & Expenses	(1,660)	(1,248)	33.0%	(5,419)	(4,401)	23.1%
Equity Income	131	144	-8.8%	519	410	26.6%
EBITDA¹	2,423	1,921	26.1%	9,038	6,780	33.3%
Financial Income (Expense)	(465)	(173)	169.4%	(785)	(316)	148.4%
Income Before Taxes	1,510	1,323	14.1%	6,517	4,797	35.8%
Net Income	1,290	989	30.4%	4,813	3,707	29.8%

(1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization, according to CVM Instruction 527/12.

The explanations below must be read along with the impacts, listed on the previous page, related to the consolidation of CPFL Transmissão, a new company of the CPFL Energia group, for a complete understanding of the amounts reported in the 2021 Financial Statements.

Operating Revenue

In 4Q21, gross operating revenue reached R\$ 15,137 million, representing an increase of 13.6% (R\$ 1,816 million). Net operating revenue reached R\$ 10,630 million in 4Q21, registering an increase of 14.6% (R\$ 1,356 million).

In 2021, gross operating revenue reached R\$ 55,990 million, representing an increase of 23.4% (R\$ 10,627 million). Net operating revenue reached R\$ 38,921 million in 2021, registering an increase of 26.0% (R\$ 8,022 million).

The breakdown of net operating revenue by business segment is presented in the table below:

Net Operating Revenue without consolidation of CPFL Transmissão(R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Distribution	9,027	7,750	16.5%	33,235	25,532	30.2%
Generation	1,049	908	15.6%	3,889	3,145	23.6%
Transmission	219	48	361.2%	331	162	104.9%
Commercialization	690	797	-13.4%	2,556	2,983	-14.3%
Services	249	208	19.9%	870	725	20.1%
Elimination and Others	(605)	(436)	38.6%	(1,960)	(1,648)	18.9%
Total	10,630	9,274	14.6%	38,921	30,898	26.0%

For further details about the revenue variation by segment, see chapter 6 – Performance of Business Segments.

Cost of Electric Energy

Cost of Electric Energy without consolidation of CPFL Transmissão (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Cost of Electric Power Purchased for Resale						
Energy from Itaipu Binacional	953	889	7.2%	3,712	3,828	-3.0%
PROINFA	84	72	17.1%	355	292	21.8%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	3,583	3,993	-10.3%	15,712	12,722	23.5%
PIS and COFINS Tax Credit	(407)	(444)	-8.3%	(1,757)	(1,500)	17.1%
Total	4,213	4,510	-6.6%	18,022	15,342	17.5%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	617	753	-18.0%	2,798	2,541	10.1%
Itaipu Transmission Charges	78	87	-9.8%	302	321	-5.8%
Connection Charges	23	48	-51.2%	191	178	7.3%
Charges for the Use of the Distribution System	18	13	35.0%	66	46	42.4%
ESS / EER	1,274	357	256%	2,250	373	504%
PIS and COFINS Tax Credit	(193)	(115)	68.4%	(522)	(315)	65.9%
Total	1,817	1,143	58.9%	5,085	3,144	61.7%
Cost of Electric Energy	6,029	5,654	6.6%	23,107	18,486	25.0%

Cost of Electric Power Purchased for Resale

In 4Q21, the cost of electric power purchased for resale reached R\$ 4,213 million, a reduction of 6.6% (R\$ 298 million), mainly due to:

- (i) Decrease of 10.3% in **energy purchased in auctions, bilateral contracts and spot market** (R\$ 411 million), due to the lower volume of purchased energy (-17.4%) partially offset by the higher average price (+8.6%);

Partially offset by the:

- (ii) Increase of 7.2% in **energy from Itaipu** (R\$ 64 million), due to higher energy average price (+12.3%), despite the lower volume of purchased energy (-4.6%);
- (iii) Reduction of 8.3% in **PIS and COFINS tax credit** (R\$ 37 million);
- (iv) Increase of 17.1% in **PROINFA** (R\$ 12 million).

In 2021, the cost of electric power purchased for resale reached R\$ 18,022 million, an increase of 17.5% (R\$ 2,680 million), mainly due to:

- (i) Increase of 23.5% in **energy purchased in auctions, bilateral contracts and spot market** (R\$ 2,990 million), due to higher average price (+37.3%) despite the lower volume of purchased energy (-10.1%);
- (ii) Increase of 21.8% in **PROINFA** (R\$ 64 million);

Partially offset by the:

- (iii) Increase of 17.1% in **PIS and COFINS tax credit** (R\$ 257 million);
- (iv) Reduction of 3.0% in **energy from Itaipu** (R\$ 116 million), due to the lower volume of purchased energy (-4.4%).

Volume of purchased energy without consolidation of CPFL Tran	4Q21	4Q20	Var.	2021	2020	Var.
Energy from Itaipu Binacional	2,645	2,772	-4.6%	10,489	10,973	-4.4%
PROINFA	286	301	-5.0%	1,041	1,098	-5.2%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	12,984	15,724	-17.4%	56,344	62,644	-10.1%
Total	15,915	18,797	-15.3%	67,874	74,715	-9.2%

Average price without consolidation of CPFL Transmissão (R\$/M	4Q21	4Q20	Var.	2021	2020	Var.
Energy from Itaipu Binacional	360.29	320.77	12.3%	353.85	348.85	1.4%
PROINFA	293.29	237.88	23.3%	341.53	265.90	28.4%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	275.94	253.97	8.6%	278.86	203.09	37.3%
Total	290.27	263.56	10.1%	291.41	225.42	29.3%

Charges for the Use of the Transmission and Distribution System

In 4Q21, charges for the use of the transmission and distribution system reached R\$ 1,817 million, an increase of 58.9% (R\$ 674 million), due to:

- (i) Increase of R\$ 916 million in **sector charges (ESS/EER)**, mainly due to the ESS – System Service Charge. The variation in this charge was due to the need to continue the activation of thermal plants outside the order of merit in 4Q21, due to limited hydrological conditions and the need to guarantee the country's energy security;

Partially offset by:

- (ii) Reduction of 18.2% in **connection and transmission charges** (basic network, Itaipu transport, connection, and use of the distribution system) (R\$ 164 million);
- (iii) Increase of 68.4% in **PIS and Cofins** tax credit (R\$ 79 million).

In 2021, charges for the use of the transmission and distribution system reached R\$ 5,085 million, an increase of 61.7% (R\$ 1,941 million), due to:

- (i) Increase of R\$ 1,877 million in **sector charges (ESS/EER)**, mainly due to the ESS - System Service Charge. The variation in this charge was pressured by the higher thermal dispatch in 2021, as explained above;
- (ii) Increase of 8.8% in **connection and transmission charges** (basic network, Itaipu transport, connection and use of the distribution system) (R\$ 271 million);

Such effects were partially offset by the increase of 65.9% in **PIS and Cofins tax credit** (R\$ 207 million).

PMSO

PMSO without consolidation of CPFL Transmissão (R\$ million)								
	4Q21	4Q20	Variation		2021	2020	Variação	
			R\$ MM	%			R\$ MM	%
Personnel	442	408	33	8.2%	1,586	1,475	112	7.6%
Material	105	74	32	42.8%	354	281	73	26.0%
Outsourced Services	188	204	(15)	-7.5%	650	653	(3)	-0.4%
Other Operating Costs/Expenses	361	334	27	8.1%	1,021	900	121	13.5%
<i>Allowance for doubtful accounts</i>	<i>79</i>	<i>53</i>	<i>26</i>	<i>48.2%</i>	<i>339</i>	<i>227</i>	<i>111</i>	<i>49.0%</i>
<i>Legal and judicial expenses</i>	<i>125</i>	<i>130</i>	<i>(6)</i>	<i>-4.3%</i>	<i>246</i>	<i>238</i>	<i>8</i>	<i>3.4%</i>
<i>Assets Write-Off</i>	<i>49</i>	<i>52</i>	<i>(3)</i>	<i>-5.2%</i>	<i>157</i>	<i>141</i>	<i>16</i>	<i>11.6%</i>
<i>Others</i>	<i>(109)</i>	<i>(99)</i>	<i>(10)</i>	<i>9.8%</i>	<i>(279)</i>	<i>(294)</i>	<i>14</i>	<i>-4.8%</i>
Total PMSO	1,096	1,020	77	7.5%	3,611	3,308	303	9.2%

PMSO reached R\$ 1,096 million in 4Q21, an increase of 7.5% (R\$ 77 million), due to the following factors:

- (i) Increase of 6.9% (R\$ 52 million) in expenses linked to inflation, compared to the IPCA of 10.06% in the accumulated of last 12 months. Highlight to personnel costs, with an increase of 8.2% (R\$ 33 million), mainly reflecting the collective labor agreement;
- (ii) Increase of 48.2% (R\$ 26 million) in allowance for doubtful accounts, impacted by higher revenue, due to tariff adjustments and the adoption of the "water scarcity" flag, by the worse macroeconomic scenario and by the weak comparison basis, due to a differentiated negotiation plan for Group A customers in 4Q20. In 4Q21, ADA stood at 0.78% of revenue from sales to final customers, within the historical level of 0.7% to 0.8%;
- (iii) Increase of 24.6% (R\$ 8 million) in expenses related to Capex efforts;
Partially offset by:
 - (iv) Reduction of 4.3% (R\$ 6 million) in legal and judicial expenses;
 - (v) Reduction of 5.2% (R\$ 3 million) in assets write-off.

In 2021, PMSO reached R\$ 3,611 million, an increase of 9.2% (R\$ 303 million), due to the following factors:

- (i) Increase of 5.7% (R\$ 144 million) in expenses linked to inflation, compared to the IPCA of 10.06% in the accumulated of last 12 months. Highlight to personnel costs, with an increase of 7.6% (R\$ 112 million);
- (ii) Increase of 49.0% (R\$ 111 million) in allowance for doubtful accounts, reflecting the higher revenue from supply, due to tariff adjustments, and the worsening of delinquency. In 2021, ADA reached 1.00% of revenue from sales to final customers; despite being above the historical level, we are fighting delinquency within a deteriorated macroeconomic scenario and with a "water scarcity" flag that further increased consumer bills;
- (iii) Increase of 11.6% (R\$ 16 million) in assets write-off;
- (iv) Increase of 12.4% (R\$ 15 million) in expenses related to Capex efforts;
- (v) Increase of 12.7% (R\$ 9 million) in collection actions;
- (vi) Increase of 3.4% (R\$ 8 million) in legal and judicial expenses.

Other operating costs and expenses

Other operating costs and expenses without consolidation of CPFL Transmissão						
	4Q21	4Q20	Var.	2021	2020	Var.
Costs of Building the Infrastructure	1,156	779	48.3%	3,456	2,560	35.0%
Private Pension Fund	57	43	31.1%	227	174	30.2%
Depreciation and Amortization	447	425	5.2%	1,736	1,667	4.2%
Total	1,660	1,248	33.0%	5,419	4,401	23.1%

EBITDA

In 4Q21, **EBITDA** reached R\$ 2,423 million, registering an increase of 26.1% (R\$ 501 million), favored mainly by the good result of the Distribution segment

In 2021, **EBITDA** reached R\$ 9,038 million, registering an increase of 33.3% (R\$ 2,258 million). These results mainly reflect the improvement in the performance of the Distribution and Generation segments in the periods. For more details, see items 6.1.1 and 6.3.

EBITDA is calculated according to CVM Instruction no. 527/12 and showed in the table below:

EBITDA and Net Income conciliation without consolidation of CPFL Transmissão (R\$ million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Net Income	1,290	989	30.4%	4,813	3,707	29.8%
Depreciation and Amortization	447	425	5.1%	1,736	1,667	4.2%
Financial Result	465	173	169.4%	785	316	148.4%
Income Tax / Social Contribution	221	334	-34.0%	1,704	1,090	56.3%
EBITDA	2,423	1,921	26.1%	9,038	6,780	33.3%

Financial Result

Resultado Financeiro Sem consolidação da CPFL Transmissão (R\$ Milhões)						
	4Q21	4Q20	Var.	2021	2020	Var.
Revenues	299	176	69.7%	1,100	937	17.4%
Expenses	(765)	(349)	119.0%	(1,885)	(1,253)	50.5%
Financial Results	(465)	(173)	169.4%	(785)	(316)	148.4%

In 4Q21, the **net financial expense** was R\$ 465 million, an increase of 169.4% (R\$ 293 million) compared to the 4Q20. The items that explain this variation are:

- (i) Increase of 155.1% (R\$ 326 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the increase of IPCA and CDI in the period.
- (ii) Negative variation of R\$ 43 million in **other financial revenues/expenses**;
- (iii) Reduction of 17.5% (R\$ 29 million) in **late payment interests and fines**;

Partially offset by:

- (iv) Positive variation of R\$ 68 million in **mark-to-market** (non-cash effect);
- (v) Positive variation of 37 million in **adjustment to the sectoral financial asset/liability**.

In 2021, the **net financial expense** was R\$ 785 million, an increase of 148.4% (R\$ 469 million) compared to 2020. The items that explain this variation are:

- (i) Increase of 66.8% (R\$ 529 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the increase of IPCA and CDI;
- (ii) Negative variation of R\$ 119 million in the **mark-to-market** (non-cash effect). This significant variation is mainly due to the high gain recorded in 1Q20 due to the large volume of funding that occurred in that period (R\$ 2.9 billion), in foreign currency, with swap for CDI, just before the deterioration of the credit market conditions as a result of the pandemic;

Partially offset by:

- (iii) Increase of 17.0% (R\$ 82 million) in **late payment interests and fines**;
- (iv) Increase of R\$ 66 million in **adjustment to the sectoral financial asset/liability**;
- (v) Positive variation of R\$ 30 million in **other financial revenues/expenses**.

Income Tax and Social Contribution

In 4Q21, Income Tax and Social Contribution recorded a reduction of 16.7% (R\$ 56 million), mainly explained by the recognition of tax credits (R\$ 187 million). The effective rate, which was 25.3% in 4Q20, went to 17.3% in 4Q21.

In 2021, Income Tax and Social Contribution recorded an increase of 61.6% (R\$ 671 million). The effective rate went from 22.7% in 2020 to 26.6% in 2021, highlighting the better result of companies that are in the presumed profit.

Net Income

Net income was of R\$ 1,290 million in 4Q21, registering an increase of 30.4% (R\$ 300 million). This result reflects the increase in EBITDA, mainly due to the improvement in the performance of the Distribution segment and the lower effective tax rate, partially offset by the higher net financial expenses.

In 2021, **net income** was of R\$ 4,813 million, registering an increase of 29.8% (R\$ 1,106 million). This result reflects the increase in EBITDA, mainly due to the improvement in the performance of the Distribution and Generation segments, partially offset by higher debt expenses and mark-to-market.

Allocation of Net Income from the Fiscal Year

CPFL Energia's dividend policy stipulates that a minimum of 50% of adjusted net income will be distributed to shareholders. The proposal for allocation of net income from the fiscal year is shown below:

	R\$ thousand
Net income for the year - parent company	4,748,049
Realization of comprehensive income	28,265
Time-barred dividends	1,020
Net income considered for allocation	4,777,335
Legal reserve	(237,402)
Adjusted Net income	4,539,932
Interim dividends	(804,000)
Proposed additional dividends	(3,735,932)
Dividends Payout¹	100%

Note: (1) In order to reach the 100% payout ratio, we must divide the values of the minimum and additional dividends by the adjusted net income.

Dividend

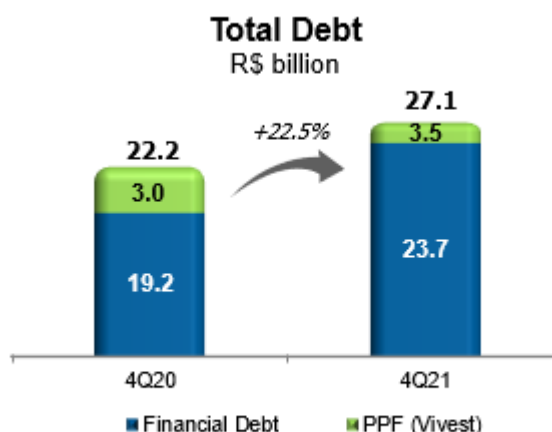
The Board of Directors propose the payment of R\$ 4,540 million in dividends to holders of common shares traded on B3 S.A. – Brasil, Bolsa, Balcão (B3). This proposed amount corresponds to R\$ 3.940043070 per share, related to the fiscal year of 2021.

Discounting the amount of R\$ 804 million, representing R\$ 0.697762553 per share, have already been paid on December 21, 2021, the amount to be distributed (after approval at the Annual General Meeting) is R\$ 3,736 million, equivalent to R\$ 3.242280516 per share.

3.2) Indebtedness

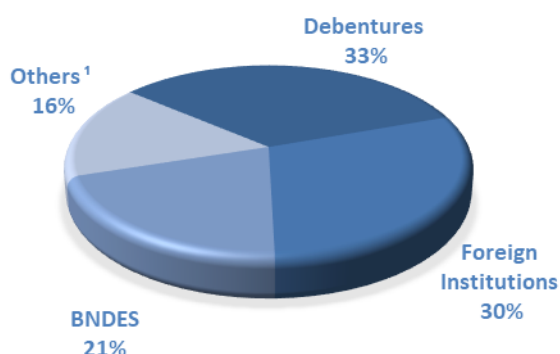
3.2.1) Debt (IFRS)

In December 31, 2021, CPFL Energia's total debt was R\$ 27.1 billion, with an increase of 22.5% compared to the last year. The financial debt of the group, which considers loans, debentures and intercompany loans, was of R\$ 22.2 billion in the same date.



Note: (1) Including the mark-to-market (MTM) effect and borrowing costs; (2) Including the intercompany loan, in the amount of R\$ 2.4 billion, of CPFL Renováveis and CPFL Brasil with SGBP.

Debt Profile – IFRS



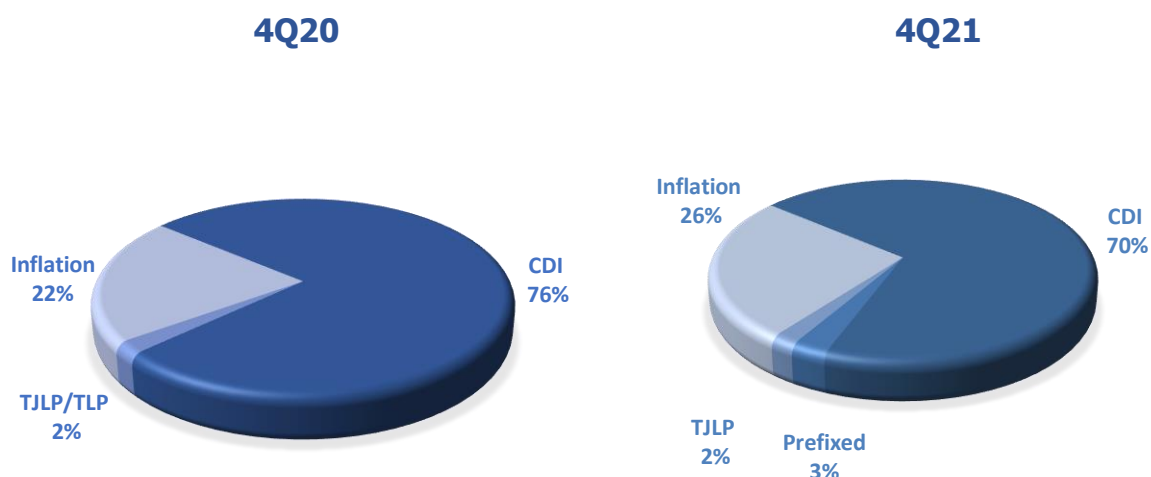
Average Cost (End of the period – IFRS)
4Q21 – 10.98%
 4Q20 – 3.99%

Note: (1) Others: credit lines and intercompany loans of CPFL Renováveis and CPFL Brasil with SGBP.

The CPFL Group constantly seeks to mitigate any possibility of market fluctuations risk and, for this reason, a share of its debts portfolio, around R\$ 7.1 billion, is protected by hedge operations. Considering, for instance, foreign loans, which represent almost 30% of the total debts (in IFRS), it was contracted swap operations, aiming protection for the foreign exchange and the rate linked to the contract.

Indexation After Hedge

4Q20 vs. 4Q21



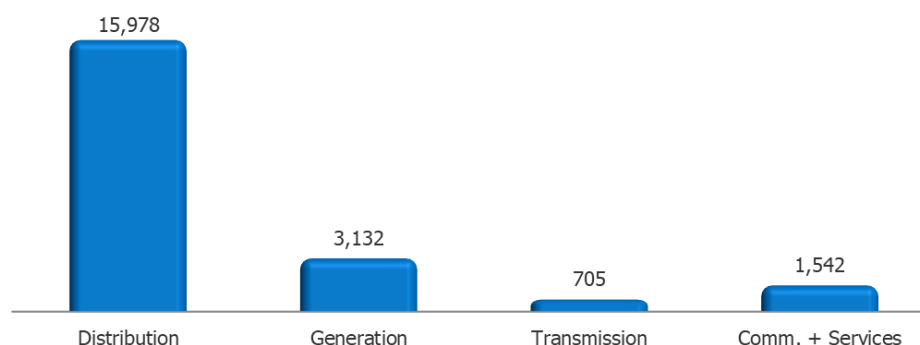
Note: (1) For debts contracted in foreign currency (30.0% of the total in 4Q21), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in IFRS criteria

IFRS R\$ Million	4Q21	4Q20	Var. %
Financial Debt (including hedge)	(23,677)	(19,196)	23.3%
(+) Available Funds	2,786	5,791	-51.9%
(=) Net Debt	(20,892)	(13,406)	55.8%

Note: We are showing availability added to the value of Marketable Securities. Therefore, for comparison purposes, 4Q20 is being stated.

Debt by Segment (R\$ Million – IFRS)



Notes:

- 1) The Generation segment considers CPFL Renováveis, CPFL Geração and Ceran; the Services segment considers CPFL Serviços and CPFL Eficiência; the Transmission segment considers CPFL Transmissão Piracicaba, CPFL Transmissão Maracanaú and CPFL Transmissão
- 2) Considering the debt's notional, interests and derivatives. Includes the intercompany loans of CPFL Renováveis and CPFL Brasil with SGBP.

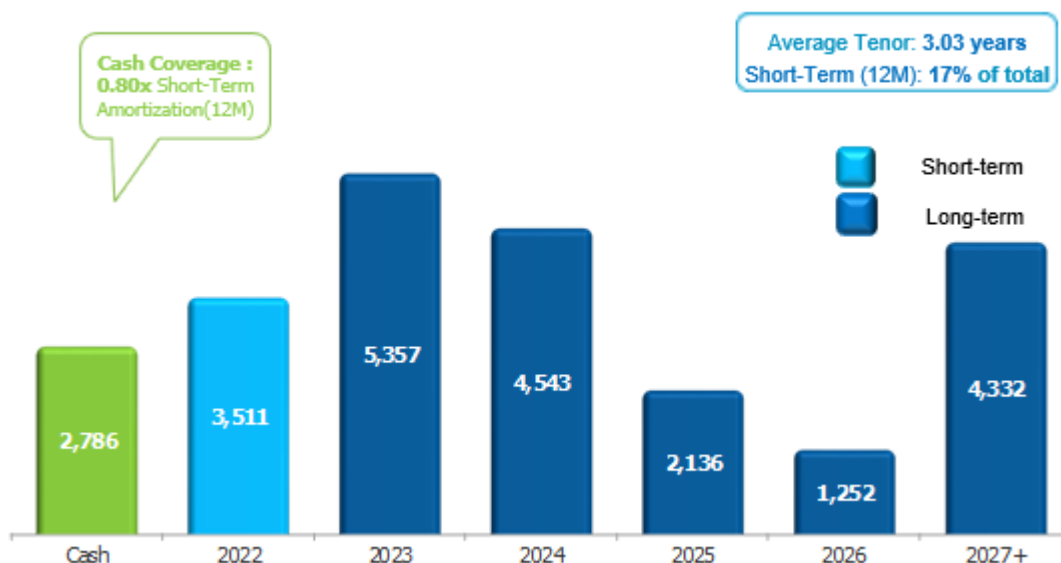
Debt Amortization Schedule in IFRS (December 2021)

The Group CPFL constantly evaluates market opportunities to close deals that enables financial results that meet the company's strategies and policies. Thus, due to CPFL's broad access to several kinds of fundraising in the market, both national and international, different modalities and instruments compose the group's debt portfolio.

The cash position at the end of 4Q21 had a coverage ratio of **0.80x** the amortizations of the next 12 months, which allows the CPFL Group to honor part the amortization commitments of 2021. The average amortization term based on this schedule is of **3.03 years**.

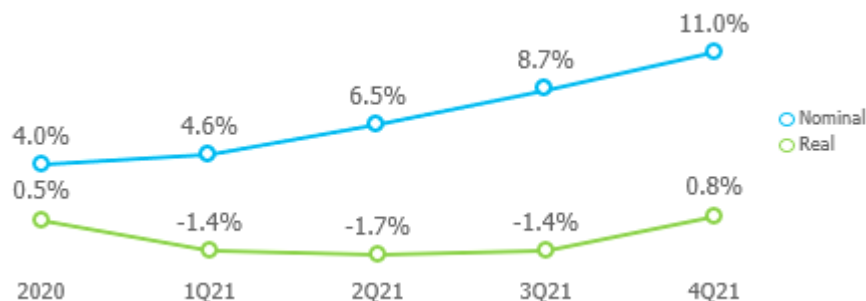
The debt amortization schedule of the financial debt below considers only the notional of the debts and derivatives.

Debt Amortization Schedule (IFRS)



Note: (1) Considering only the notional and hedge of the debt. In order to reach the financial result of R\$ 21,131 million, should be included charges and the mark-to-market (MTM) effect and cost with funding; (2) Including the intercompany loan of CPFL Renováveis and CPFL Brasil with SGBP; (3) It does consider the amount of R\$ 586 thousand of Marketable Securities, according to covenants criteria.

Gross Debt Cost¹ in IFRS criteria



Note: (1) The calculation considers the average cost in the end of the period, since it better reflects the interest rate variations.

Ratings

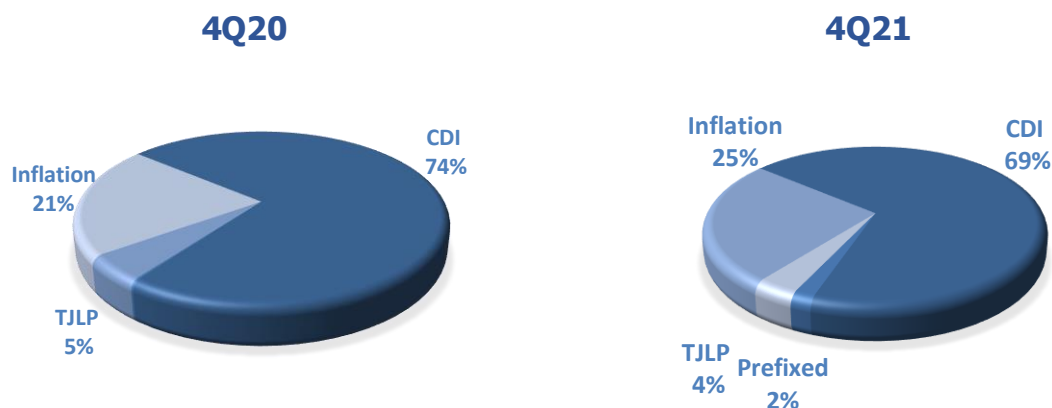
The following table shows the corporate ratings of CPFL Energia.

Ratings of CPFL Energia - Corporate Credit			
Agency	Scale	Rating	Perspective
Standard & Poor's	Brazilian	brAAA	Stable
Fitch Rating	Brazilian	AAA(bra)	Stable
Moody's	Brazilian	Aaa.br	Stable

Note: In February 8th, 2022, Fitch Rating agency affirmed the AAA(bra) rating on CPFL Energia and its subsidiaries.

3.2.2) Debt in Financial Covenants Criteria

Indexation and Debt Cost in Financial Covenants Criteria

Indexation¹ after Hedge² - 4Q20 vs. 4Q21

Note:

- (1) The total amount considers the proportional consolidation of Ceran, Enercan, Foz do Chapecó and EPASA;
 (2) For debts contracted in foreign currency (28.0% of the total), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in Financial Covenants Criteria and Leverage

In the end of the 4Q21, the *Proforma* Net Debt totaled **R\$ 23,895** million, an increase of **20.8%** compared to net debt position at the end of 4Q20, in the amount of **R\$ 19,777** million.

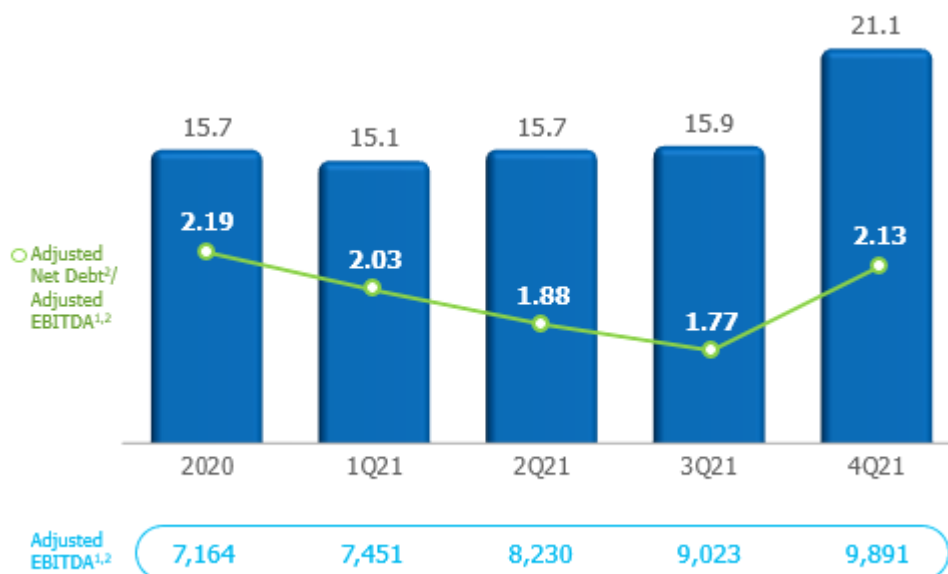
Covenant Criteria - R\$ Million	4Q21	4Q20	Var. %
Financial Debt (including hedge) ¹	(23,895)	(19,777)	20.8%
(+) Available Funds ³	2,836	4,081	-30.5%
(=) Net Debt	(21,058)	(15,696)	34.2%
EBITDA <i>Proforma</i> ²	9,891	7,164	38.1%
Net Debt / EBITDA	2.13	2.19	-2.8%

Notes:

- (1) Considers the proportional consolidation of Ceran, Enercan, Foz do Chapecó and EPASA. For more details, see items 7.12;
 (2) *Proforma* EBITDA in the financial covenants criteria: (a) adjusted according CPFL Energia's stake in each of its subsidiaries;
 (b) considers the result of the last 12 months of CPFL Transmissão. For more details, see annex 7.12.
 (3) Available Funds already considering Marketable Securities.

Considering that the *Proforma* Net Debt totaled **R\$ 21,058 million** and *Proforma* EBITDA in the last 12 months reached **R\$ 9,891 million**, the ratio *Proforma* Net Debt/EBITDA at the end of 4Q21 reached **2.13x**.

Leverage in financial covenants criteria - R\$ billion



Notes: (1) LTM EBITDA; (2) Adjusted by the proportional consolidation.

3.3) Investments

3.3.1) Actual Investments

Segment	Investments (R\$ Million)					
	4Q21	4Q20	Var.	2021	2020	Var.
Distribution	872	716	21.8%	3,028	2,317	30.7%
Generation	127	91	39.8%	466	283	64.7%
Commercialization	2	3	-45.7%	8	5	59.1%
Services and Others ¹	43	30	43.8%	99	69	42.1%
Transmission ²	307	40	672.4%	397	134	196.0%
Total	1,351	880	53.6%	3,997	2,808	42.3%

Notes:

(1) Others - basically refers to assets and transactions that are not related to the listed segments;

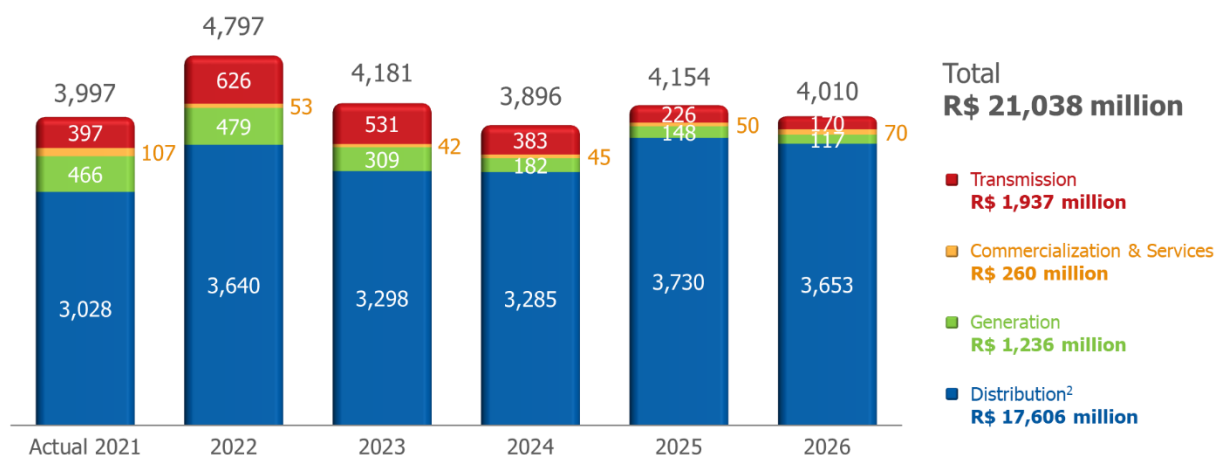
(2) Transmission - Transmission assets do not have fixed assets, the figures in this table is the addition of contractual assets.

In 4Q21, the investments were of R\$ 1,351 million, an increase of 53.6%, compared to R\$ 880 million registered in 4Q20. We highlight investments made by CPFL Energia in the Transmission segment, in the amount of R\$ 307 million, mainly intended to the newest company of the group, CPFL Transmissão, in the amount of R\$ 80 million, and for the construction of Sul I, Sul II and Maracanaú transmission projects.

3.3.2) Investment Forecast

On November 11th, 2021, the Board of Directors of CPFL Energia approved Board of Executive Officers' proposal for 2022 Annual Budget and 2022/2026 Multiannual Plan for the Company, which was previously discussed by the Budget and Corporate Finance Committee.

Investment Forecast (R\$ million)¹



Notes:

- 1) Constant currency;
- 2) Disregard investments in Special Obligations (among other items financed by consumers).

4) STOCK MARKETS

4.1) Stock Performance

CPFL Energia is listed in the B3, in Novo Mercado, segment with the highest levels of corporate governance.

B3				
Date	CPFE3	IEE	IBOV	
12/31/2021	R\$ 28.98	76,305	104,822	
09/30/2021	R\$ 26.93	78,296	110,979	
12/31/2020	R\$ 32.55	82,846	119,017	
QoQ	7.6%	-2.5%	-5.5%	
YoY	-11.0%	-7.9%	-11.9%	

On December 31, 2021, CPFL Energia's shares closed at R\$ 28.98 per share in the B3, an increase of 7.6% in the quarter. Considering the variation in the last 12 months, the shares showed a devaluation of 11%.

Dividends Declared and Paid in 2021

In 2021, the dividend payment relative to the 2020 result was approved with a payout ratio of 100%.

- In the Annual General Meeting, held on April 30th, 2021, was approved the payment of dividends in an amount of **R\$ 1,730 million**, equivalent to **R\$ 1.501834847 per common share**. Shareholders holding shares were entitled to the dividends on April 30th, 2021, and as of May 3rd, 2021, the shares began to be traded "ex-dividend" on B3.
- In the Board of Directors Meeting (BDM), held on August 12th, 2021, was approved the declaration and distribution of complementary dividends in the amount of **R\$ 1,730 million**, equivalent to **R\$ 1.501834847 per common share**. Shareholders holding shares were entitled to the dividends on August 31st, 2021, and as of September 1st, 2021, the shares began to be traded "ex-dividend" on B3.

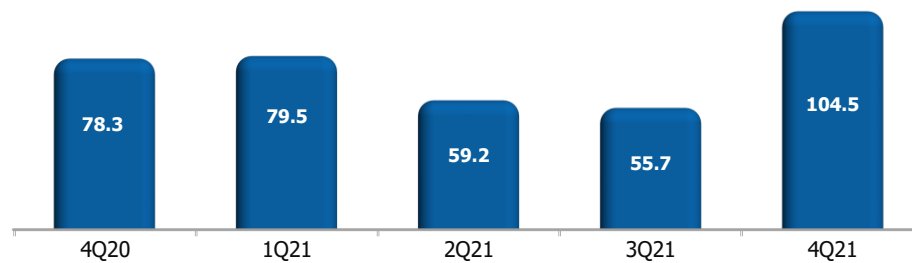
Additionally, in a BDM held on December 2nd, 2021, the declaration and distribution of interim dividends was approved, related to the result for 2021, in the amount of **R\$ 804 million**, equivalent to **R\$ 0.697762553 per common share**. Shareholders holding shares were entitled to the dividends on December 9th, 2021, and as of December 10th, 2021, the shares began to be traded "ex-dividend" on B3.

Thus, dividends in the amount of **R\$ 4,264 million** were paid throughout 2021, equivalent to **R\$ 3.70 per common share**.

4.2) Daily Average Volume

The daily average volume trading of CPFL Energia in 4Q21 was R\$ 104.5 million, representing an increase of 33.4% if compared to 4Q20.

Daily Average Volume in the B3
R\$ Million



5) SUSTAINABILITY AND ESG INDICATORS

5.1) Sustainability Plan (2020-2024)

The Sustainability Plan (2020-2024), integrated into the CPFL Energia's Strategic Plan, defines the guidelines so that we can "provide sustainable, accessible and reliable energy at all times, making people's lives safer, healthier and more prosperous in the regions where we operate". Our corporate goal is to drive the transition to a more sustainable model of producing and consuming energy, leveraging the positive impacts of our business model on the community and the value chain.

To this end, we have identified three pillars that support the way we conduct our business and execute our strategy: Sustainable Energy, Smart Solutions and Society Shared Value. Within the pillars, we made 15 commitments guided by the United Nations' Sustainable Development Goals (SDGs). We also define the enablers: ethics, employee development & inclusion and transparency. The commitments are available on the CPFL Energia IR website: www.cpfl.com.br/ir

5.2) Key ESG Indicators aligned to the Plan

Below we list some indicators in line with the Sustainability Plan, which we will disclose quarterly for follow-up.



SUSTAINABLE ENERGY - Seeking the smallest possible environmental footprint

Theme	Indicator	Unit	4Q21	4Q20	Var.
Renewable energy	Total energy generated by renewable sources	GWh	3,347	3,821	-12.4%
	↳ HPPs (hydro)	GWh	1,493	1,985	-24.8%
	↳ SHPPs and CGHs	GWh	398	267	48.8%
	↳ Solar	GWh	0.2	0.4	-44.0%
	↳ Wind	GWh	1,297	1,325	-2.1%
	↳ Biomass	GWh	158	243	-34.9%
Circular economy	Number of refurbished transformers	unit	3,296	2,468	33.5%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	2,019	1,888	6.9%
Natural resources	Water consumption (administrative buildings)	1,000 m ³	34	38	-11.0%
	Energy consumption (administrative buildings)	MWh	8,461	13,288	-36.3%



SMART SOLUTIONS - Offering solutions for the future of energy

Theme	Indicator	Unit	4Q21	4Q20	Var.
Smart Grid	% of telemetered load	%	56.0%	53.0%	5.7%
	Number of installed automatic reclosers	unit	14,765	13,075	12.9%
Digitalization	% de digitalization of customer services	%	89%	87%	2.8%
	Number of digital bills	million	4.2	3.5	20.0%
	% of bills paid digitally	%	65.3%	60.1%	8.7%
Innovation	Investments in innovation (Aneel R&D) ¹	R\$ million	29.7	22.9	29.9%
Low carbon solutions	Number of projects qualified for the commercialization of carbon credits and renewable energy seals	unit	16	16	-

Note

¹ Considering only investments that are 100% under CPFL Energia's management


SOCIETY SHARED VALUE - Maximizing our positive impacts on the community and the value chain

Theme	Indicator	Unit	4Q21	4Q20	Var.
Social transformation	Investment in Energy Efficiency actions (Aneel)	R\$ million	52.3	56.3	-7.1%
	Investment through Instituto CPFL ¹	R\$ million	23.8	16.8	41.5%
	Number of hospitals benefited by the "CPFL nos Hospitais" Program ²	number of hospitals	204	84	142.9%
	Number of people benefited by Instituto CPFL social programs	1,000 people	224.9	98.7	128.0%
Health & Safety	Number of low income families benefited by the Energy Efficiency Programs (Aneel) ²	1,000 families	12.0	35.4	-66.1%
	Number of safety inspections carried out in our own headcount and in contracted ones	1,000 inspections	6.9	6.1	13.1%
	Number of audits carried out in the contracted companies	number of audits	210	207	1.4%
	Accident frequency rate (own employees)	Number of injured * 1MM / hours worked with risk exposure	1.4	1.4	1.4%
	Accident frequency rate (outsourced)	Number of injured * 1MM / hours worked with risk exposure	2.9	2.8	4.3%
	Number of fatal accidents with the population	number of accidents	5	8	-37.5%

Notes

¹ Instituto CPFL's investments start in the 2Q² The quantitative of 2020 were based on the investments made in the year of 2020, whether the projects are closed in the year or not
ENABLERS

Theme	Indicator	Unit	4Q21	4Q20	Var.
Ethics	% of employees trained in Ethics and Integrity	%	86%	86%	-
Employee Development & Inclusion	Number of training hours ¹	1,000 hours	208	191	9.1%
	% of women in leadership positions	%	20.4%	17.5%	16.6%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	-
	Number of women in the Board of Directors	number	0	0	-

Note:

¹ Consider the professional requalification program
2021

SUSTAINABLE ENERGY - Seeking the smallest possible environmental footprint

Theme	Indicator	Unit	2021	2020	Var.
Renewable energy	Total energy generated by renewable sources	GWh	12,603	11,572	8.9%
	↳ HPPs (hydro)	GWh	5,713	5,233	9.2%
	↳ SHPPs and CGHs	GWh	1,194	1,251	-4.6%
	↳ Solar	GWh	1.2	1.5	-23.3%
	↳ Wind	GWh	4,717	4,024	17.2%
	↳ Biomass	GWh	979	1,062	-7.9%
Circular economy	Number of refurbished transformers	unit	11,660	9,807	18.9%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	7,432	6,351	17.0%
Natural resources	Water consumption (administrative buildings)	1,000 m ³	123	188	-34.4%
	Energy consumption (administrative buildings)	MWh	34,420	54,668	-37.0%

**SMART SOLUTIONS - Offering solutions for the future of energy**

Theme	Indicator	Unit	2021	2020	Var.
Smart Grid	% of telemetered load	%	56.0%	52.5%	6.6%
	Number of installed automatic reclosers	unit	14,765	13,075	12.9%
Digitalization	% de digitalization of customer services	%	89%	87%	2.8%
	Number of digital bills	million	4.2	3.5	20.0%
	% of bills paid digitally	%	63.2%	57.2%	10.4%
Innovation	Investments in innovation (Aneel R&D) ¹	R\$ million	68.3	72.9	-6.3%
Low carbon solutions	Number of projects qualified for the commercialization of carbon credits and renewable energy seals	unit	16	16	-

Note ¹ Considering only investments that are 100% under CPFL Energia's management

**SOCIETY SHARED VALUE - Maximizing our positive impacts on the community and the value chain**

Theme	Indicator	Unit	2021	2020	Var.
Social transformation	Investment in Energy Efficiency actions (Aneel)	R\$ million	164.5	164.0	0.3%
	Investment through Instituto CPFL ¹	R\$ million	27.6	31.2	-11.7%
	Number of hospitals benefited by the "CPFL nos Hospitais" Program ²	number of hospitals	204	84	142.9%
	Number of people benefited by Instituto CPFL social programs	1,000 people	564.5	351.0	60.8%
	Number of low income families benefited by the Energy Efficiency Programs (Aneel) ²	1,000 families	42.0	103.5	-59.4%
Health & Safety	Number of safety inspections carried out in our own headcount and in contracted ones	1,000 inspections	25.3	21.8	16.0%
	Number of audits carried out in the contracted companies	number of audits	819	715	14.5%
	Accident frequency rate (own employees)	Number of injured * 1MM / hours worked with risk exposure	1.4	1.4	1.4%
	Accident frequency rate (outsourced)	Number of injured * 1MM / hours worked with risk exposure	2.9	2.8	4.3%
	Number of fatal accidents with the population	number of accidents	18	25	-28.0%

Notes ¹ Instituto CPFL's investments start in the 2Q

² The quantitative of 2020 were based on the investments made in the year of 2020, whether the projects are closed in the year or not

**ENABLERS**

Theme	Indicator	Unit	2021	2020	Var.
Ethics	% of employees trained in Ethics and Integrity	%	86%	86%	-
Employee Development & Inclusion	Number of training hours ¹	1,000 hours	904	598	51.2%
	% of women in leadership positions	%	20.4%	17.3%	17.9%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	-
	Number of women in the Board of Directors	number	0	0	-

Note: ¹ Consider the professional requalification program

6) PERFORMANCE OF BUSINESS SEGMENTS

6.1) Distribution Segment

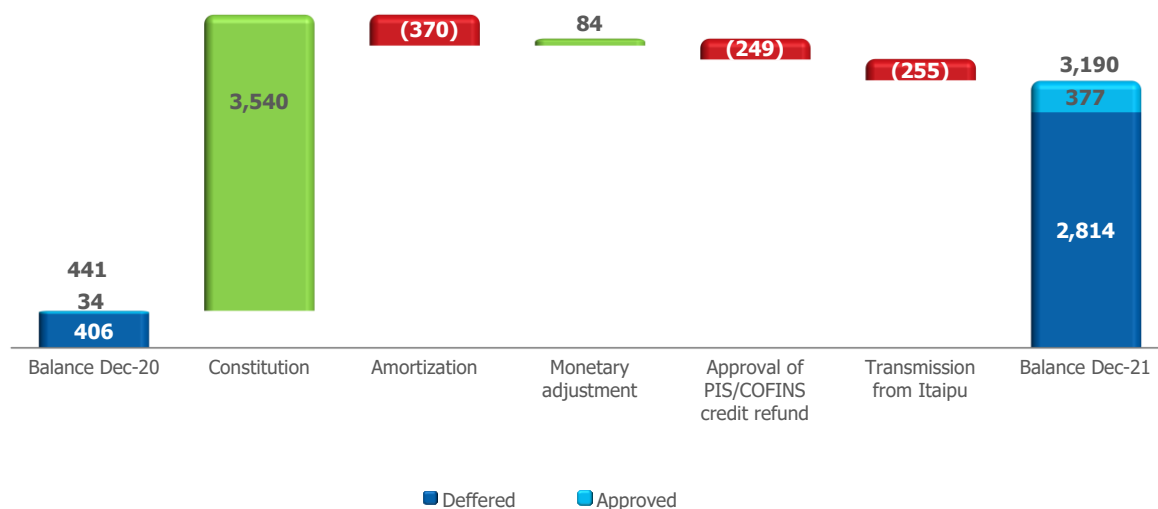
6.1.1) Economic-Financial Performance

Consolidated Income Statement - Distribution (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	13,355	11,615	15.0%	49,732	39,347	26.4%
Net Operating Revenue	9,027	7,750	16.5%	33,235	25,532	30.2%
Cost of Electric Power	(5,487)	(5,062)	8.4%	(21,236)	(16,263)	30.6%
Operating Costs & Expenses	(2,018)	(1,806)	11.7%	(7,115)	(6,204)	14.7%
EBIT	1,522	882	72.5%	4,884	3,065	59.3%
EBITDA⁽¹⁾	1,763	1,107	59.2%	5,809	3,938	47.5%
Financial Income (Expense)	(330)	(129)	157.0%	(563)	21	-
Income Before Taxes	1,192	754	58.1%	4,320	3,087	40.0%
Net Income	810	543	49.2%	2,868	2,111	35.9%

Note: 1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.

Sectoral Financial Assets and Liabilities

On December 31, 2021, the balance of sectoral financial assets and liabilities was positive in R\$ 3,190 million. If compared to December 31, 2020, there was an increase of R\$ 2,750 million, as demonstrated in the chart below:



The variation in this balance was due to the constitution of an asset of R\$ 3,540 million, mainly due to: (i) higher energy costs from Itaipu (R\$ 2,057 million); and (ii) higher cost with sector charges (ESS/EER) (R\$ 1,465 million).

The amortization of R\$ 370 million was mainly favored by the tariff adjustments applied over the last 12 months and the monetary adjustment of assets and liabilities totaled R\$ 84 million.

There was the approval of the refund of the PIS/Cofins credit of CPFL Santa Cruz and RGE, in

the amount of R\$ 249 million. In addition, ANEEL has transfer of the Itaipu account, in the amount of R\$ 255 million to the distributors, decision taken in order to mitigate the tariffs increase.

Operating Revenue

Operating Revenue						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue						
Revenue with Energy Sales (Captive + TUSD)	10,932	9,051	20.8%	38,922	32,892	18.3%
Short-term Electric Energy	182	389	-53.3%	1,441	991	45.4%
Revenue from Building the Infrastructure of the Concession	906	744	21.7%	3,000	2,439	23.0%
Sectoral Financial Assets and Liabilities	357	728	-50.9%	3,171	811	290.7%
CDE Resources - Low-income and Other Tariff Subsidies	432	386	12.0%	1,610	1,500	7.3%
Adjustments to the Concession's Financial Asset	413	231	78.4%	1,165	388	199.9%
Other Revenues and Income	157	110	42.3%	519	410	26.5%
Compensatory Fines (DIC/FIC)	(24)	(24)	-0.7%	(96)	(85)	12.2%
Total	13,355	11,615	15.0%	49,732	39,347	26.4%
Deductions from the Gross Operating Revenue						
ICMS Tax	(2,263)	(1,834)	23.4%	(7,997)	(6,670)	19.9%
PIS and COFINS Taxes	(894)	(976)	-8.4%	(3,841)	(3,344)	14.9%
CDE Sector Charge	(906)	(845)	7.1%	(3,711)	(3,476)	6.8%
R&D and Energy Efficiency Program	(77)	(68)	13.7%	(292)	(228)	28.0%
PROINFA	(55)	(45)	24.1%	(204)	(174)	17.2%
Tariff Flags	(120)	(90)	34.0%	(412)	108	-
Others	(11)	(8)	36.4%	(38)	(30)	24.7%
Total	(4,326)	(3,866)	11.9%	(16,495)	(13,815)	19.4%
Net Operating Revenue	9,028	7,750	16.5%	33,237	25,532	30.2%

In 4Q21, gross operating revenue amounted to R\$ 13,355 million, an increase of 15.0% (R\$ 1,739 million), due to the following factors:

- (i) Increase of 20.8% (R\$ 1,881 million) in **Revenue with Energy Sales** (captive + free clients), due to:
 - a. the positive average tariff adjustment in the distribution companies in the period between 4Q20 and 4Q21 (average increases of 8.95% in CPFL Paulista, in April 2021; of 9.95% in RGE, in June 2022; and of 12.40% in CPFL Piratininga, in October 2021);
 - b. the tariff review with an average positive adjustment to the consumers of 9.95% at CPFL Santa Cruz, in March 2021;
 - c. the adoption of the "hydro scarcity" flags in the three months of 4Q21, compared to green flags in October and November, and one rede flag - level II in December 2020;
- (ii) Increase of 78.4% (R\$ 181 million) in the **adjustments to the Concession's Financial Asset**, mainly due to the increase of IPCA (from 2.41% in 4Q20 to 3.40% in 4Q21);
- (iii) Increase of 21.7% (R\$ 162 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (iv) Increase of 19.8% (R\$ 93 million) in the **other items**, highlighting **Other Revenues**;

Partially offset by:

- (v) Decrease of 50.9% (R\$ 371 million) in the accounting of **Sectoral Financial Assets/Liabilities**;
- (vi) Decrease of 53.3% (R\$ 207 million) in **Short-term Electric Energy**, due to a lower volume and a lower spot price (PLD).

Deductions from the gross operating revenue were R\$ 4,326 million in 4Q21, representing an increase of 11.9% (R\$ 461 million), due to the following factors:

- (i) Increase of 12.3% (R\$ 347 million) in **taxes** (ICMS and PIS/Cofins);
- (ii) Increase of 7.1% (R\$ 60 million) in **CDE** due to the increase of R\$ 136 million the inclusion of the CDE Covid Account, mainly in CPFL Paulista and RGE, partially offset by the reduction of R\$ 76 million in the "Use CDE";
- (iii) Increase of 34.0% (R\$ 31 million) in the accounting of **tariff flags**, approved by CCEE;
- (iv) Increase of 19.1% (R\$ 23 million) in the **other items**.

Net operating revenue reached R\$ 9,028 million in 4Q21, representing an increase of 16.5% (R\$ 1,279 million).

In 2021, gross operating revenue amounted to R\$ 49,732 million, an increase of 26.4% (R\$ 10,384 million), due to the following factors:

- (i) Increase of 18.3% (R\$ 6,029 million) in **Revenue with Energy Sales** (captive + free clients), due to: (i) the increase of 3.4% in the load in the concession area; (ii) the positive average tariff adjustment in the distribution companies in the period of 2020 and 2021; and (iii) the adoption of the "hydro scarcity" flags in the four months of 2021, in addition to three months of red flag – level II, of red flag – level I, and four months of yellow flag, compared to 2020 which was a year that predominated the application of the green flag;
- (ii) Increase of 290.7% (R\$ 2,359 million) in the accounting of **Sectoral Financial Assets/Liabilities**;
- (iii) Increase of 199.9% (R\$ 776 million) in the **adjustments to the Concession's Financial Asset**;
- (iv) Increase of 23.0% (R\$ 561 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (v) Increase of 45.4% (R\$ 450 million) in **Short-term Electric Energy**, due to a higher spot price (PLD);
- (vi) Increase of 11.4% (R\$ 208 million) in the **other items**.

Deductions from the gross operating revenue were R\$ 16,495 million in 2021, representing an increase of 19.4% (R\$ 2,680 million), due to the following factors:

- (i) Increase of 18.2% (R\$ 1,823 million) in **taxes** (ICMS and PIS/Cofins);
- (ii) Variation of R\$ 520 million in the accounting of **tariff flags**, approved by CCEE;

- (iii) Increase of 6.8% (R\$ 235 million) in **CDE** due to the increase of the CDE Covid Account, mainly in the CPFL Paulista and RGE;
- (iv) Increase of 23.4% (R\$ 101 million) in the **other items**.

Net operating revenue reached R\$ 33,237 million in 2021, representing an increase of 30.2% (R\$ 7,704 million).

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Cost of Electric Power Purchased for Resale						
Energy from Itaipu Binacional	953	889	7.2%	3,712	3,828	-3.0%
PROINFRA	84	72	17.1%	355	292	21.8%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	2,918	3,373	-13.5%	13,685	10,400	31.6%
PIS and COFINS Tax Credit	(347)	(385)	-10.0%	(1,575)	(1,293)	21.8%
Total	3,608	3,948	-8.6%	16,177	13,227	22.3%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	639	730	-12.5%	2,749	2,455	12.0%
Itaipu Transmission Charges	78	87	-9.8%	302	321	-5.8%
Connection Charges	66	46	43.6%	228	171	33.6%
Charges for the Use of the Distribution System	11	7	50.5%	41	26	56.5%
ESS / EER	1,277	102	1157.5%	2,255	373	504.4%
PIS and COFINS Tax Credit	(192)	(114)	68.7%	(516)	(309)	66.6%
Total	1,879	858	119.1%	5,059	3,036	66.6%
Cost of Electric Energy	5,487	4,806	14.2%	21,236	16,263	30.6%

Cost of Electric Power Purchased for Resale

In 4Q21, the cost of electric power purchased for resale amounted to R\$ 3,608 million, representing a decrease of 8.6% (R\$ 340 million), due to:

- (i) Decrease of 13.5% (R\$ 455 million) in the cost with **energy purchased in the regulated environment, bilateral contracts and short term**, due to the reductions in the volume (-8.7%) and in the average purchase price (-5.2%);

Partially offset by:

- (ii) Increase of 7.2% (R\$ 64 million) in the cost with **Energy from Itaipu**, due to an increase in the average purchase price (+12.3%);
- (iii) Decrease of 10.0% (R\$ 38 million) in **PIS and COFINS tax credit**;
- (iv) Increase of 17.1% (R\$ 12 million) in **Proinfra**, mainly due to an increase in the average purchase price (+23.3%).

In 2021, the cost of electric power purchased for resale amounted to R\$ 16,177 million, representing an increase of 22.3% (R\$ 2,950 million), due to:

- (i) Increase of 31.6% (R\$ 3,285 million) in the cost with **energy purchased in the regulated environment, bilateral contracts and short term**, mainly due to an increase in the average purchase price (+39.2%);
- (ii) Increase of 21.8% (R\$ 64 million) in **Proinfra**, mainly due to an increase in the average

purchase price (+28.4%);

Partially offset by:

- (iii) Increase of 21.8% (R\$ 282 million) in **PIS and COFINS tax credit**;
- (iv) Decrease of 3.0% (R\$ 116 million) in the cost with **Energy from Itaipu**, due to the reductions in the volume (-4.4%).

Volume of purchased energy (GWh)	4Q21	4Q20	Var.	2021	2020	Var.
Energy from Itaipu Binacional	2,645	2,772	-4.6%	10,489	10,973	-4.4%
PROINFA	286	301	-5.0%	1,041	1,098	-5.2%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	10,826	11,861	-8.7%	44,757	47,345	-5.5%
Total	13,757	14,934	-7.9%	56,287	59,415	-5.3%

Average price (R\$/MWh)	4Q21	4Q20	Var.	2021	2020	Var.
Energy from Itaipu Binacional	360.29	320.77	12.3%	353.85	348.85	1.4%
PROINFA	293.29	237.88	23.3%	341.53	265.90	28.4%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	269.53	284.36	-5.2%	305.77	219.67	39.2%
Total	262.25	264.37	-0.8%	287.41	222.62	29.1%

Charges for the Use of the Transmission and Distribution System

In 4Q21, the **charges for the use of the transmission and distribution system** reached R\$ 1,879 million, representing an increase of 119.1% (R\$ 1,021 million), due to:

- (i) Variation of R\$ 1,176 million in **sector charges (ESS/EER)**, mainly due to ESS – System Service Usage Charges. The variation in this charge was due to the need to dispatch thermal power plants outside the merit order in 4Q21, due to limited hydrological conditions and the need to ensure the energy security in the country;

Partially offset by:

- (ii) Increase of 68.7% (R\$ 78 million) in **PIS and COFINS tax credit**;
- (iii) Decrease of 8.8% (R\$ 76 million) in **connection and transmission charges** (basic network, Itaipu transmission, connection and use of the distribution system), mainly due to the reduction in the annual adjustments of the transmission, caused by the reprofiling of basic network (RBSE) charges.

In 2021, the **charges for the use of the transmission and distribution system** reached R\$ 5,059 million, representing an increase of 66.6% (R\$ 2,023 million), due to:

- (i) Variation of R\$ 1,882 million in **sector charges (ESS/EER)**, mainly due to ESS – System Service Usage Charges. The variation in this charge was due to the higher thermal dispatch in 2021, as explained above;
- (ii) Increase of 11.7% (R\$ 348 million) in **connection and transmission charges** (basic network, Itaipu transmission, connection and use of the distribution system), mainly due to the annual adjustments of the basic network, in addition to the impact of the entry into operation of new transmission projects;

Partially offset by:

- (iii) Increase of 66.6% (R\$ 206 million) in **PIS and COFINS tax credit**.

PMSO

PMSO (R\$ million)								
	4Q21	4Q20	Variation		2021	2020	Variação	
			R\$ MM	%			R\$ MM	%
Personnel	276	257	20	7.6%	1,005	945	60	6.3%
Material	57	46	11	25.0%	211	178	33	18.6%
Outsourced Services	265	250	14	5.7%	924	858	66	7.7%
Other Operating Costs/Expenses	217	242	(25)	-10.1%	827	740	87	11.8%
<i>Allowance for doubtful accounts</i>	75	52	23	42.9%	336	225	112	49.8%
<i>Legal and judicial expenses</i>	65	103	(38)	-37.0%	178	206	(28)	-13.5%
<i>Assets write-off</i>	30	38	(8)	-21.0%	138	123	14	11.7%
<i>Others</i>	47	48	(1)	-2.2%	174	185	(11)	-6.0%
Total PMSO	815	794	21	2.6%	2,967	2,721	246	9.0%

In 4Q21, **PMSO** reached R\$ 815 million, an increase of 2.6% (R\$ 21 million), due to the following factors:

- (i) Inflation-linked items with a 6.9% increase (R\$ 38 million): personnel (R\$ 20 million), maintenance of fleet (R\$ 7 million), maintenance of lines and networks (R\$ 4 million), among others, compared to the IPCA of 10.06% in the last 12 months;
- (ii) Increase of 42.9% (R\$ 23 million) in allowance for doubtful accounts, reflecting the increase in revenue from sales to final consumers, due to tariff adjustments and the "hydro scarcity" flags, and the worsening of delinquency observed in 2021, with the deteriorated macroeconomic scenario, and weak basis of comparison. In 4Q20, the KPI ADA/Revenue from sales to final consumers was 0.78%, within a historical level of 0.7% to 0.8%;
- (iii) Increase of 24.6% (R\$ 8 million) in expenses with lines, grid and substation maintenance, related to Capex efforts;

Partially offset by:

- (iv) Decrease of 37.0% (R\$ 38 million) in legal and judicial expenses, due to the lower volume of labor lawsuits;
- (v) Increase of 21.0% (R\$ 8 million) in asset write-offs.

In 2021, **PMSO** reached R\$ 2,967 million, an increase of 9.0% (R\$ 246 million), due to the following factors:

- (i) Inflation-linked items with a 6.5% increase (R\$ 127 million): personnel (R\$ 60 million), tree pruning (R\$ 19 million), maintenance of fleet (R\$ 18 million), call center (R\$ 5 million), among others, compared to the IPCA of 10.06% in the last 12 months;
- (ii) Increase of 49.8% (R\$ 112 million) in allowance for doubtful accounts, reflecting the increase in revenue from sales to final consumers and the the worsening of delinquency observed. In 2021, the KPI ADA/Revenue from sales to final consumers was 1.00%, above the historical level, CPFL has fight ADA with the deteriorated macroeconomic scenario and with the "hydro scarcity" flag raising consumers's bills higher;
- (iii) Increase of 12.4% (R\$ 15 million) in expenses with lines, grid and substation maintenance, related to Capex efforts;
- (iv) Increase of 11.7% (R\$ 14 million) in asset write-offs;
- (v) Increase of 7.3% (R\$ 5 million) in collection actions;

Partially offset by:

(vi) Decrease of 13.5% (R\$ 28 million) in legal and judicial expenses.

Other operating costs and expenses

Other operating costs and expenses						
	4Q21	4Q20	Var.	2021	2020	Var.
Costs of Building the Infrastructure	906	744	21.7%	3,000	2,439	23.0%
Private Pension Fund	56	42	32.4%	223	171	30.4%
Depreciation and Amortization	227	211	7.6%	868	816	6.3%
Total	1,188	997	19.2%	4,091	3,426	19.4%

EBITDA

EBITDA totaled R\$ 1,763 million in 4Q21, an increase of 59.2% (R\$ 656 million), mainly due to the positive effects of market growth, tariff adjustments between 4Q20 and 4Q21 and to the adjustments to the concession's financial assets.

In 2021, **EBITDA** totaled R\$ 5,809 million, an increase of 47.5% (R\$ 1,871 million), explained by the good performance of the load and the same effects mentioned above.

Conciliation of Net Income and EBITDA (R\$ million)						
	4Q21	4Q20	Var.	2,021	2020	Var.
Net income	810	543	49.2%	2,868	2,111	35.9%
Depreciation and Amortization	241	225	7.2%	925	873	5.9%
Financial Results	330	129	157.0%	563	(21)	-
Income Tax /Social Contributio	382	211	81.1%	1,452	975	48.9%
EBITDA	1,763	1,107	59.2%	5,809	3,938	47.5%

EBITDA by Distributor

EBITDA by Distributor						
Distribution	4Q21	4Q20	Var.	2021	2020	Var.
CPFL Paulista	752	451	66.5%	2,467	1,665	48.1%
CPFL Piratininga	276	192	43.9%	921	646	42.6%
RGE	660	417	58.1%	2,179	1,435	51.9%
CPFL Santa Cruz	75	47	61.6%	242	192	25.7%
EBITDA	1,763	1,107	59.2%	5,809	3,938	47.5%

CPFL Paulista:

EBITDA totaled R\$ 752 million in 4Q21, an increase of 66.5% (R\$ 300 million), explained by the tariff adjustment favored by the IGP-M increase, which readjusted the parcel B by 31.21% in April 2021 and the update of concession's financial assets, which contributed with R\$ 74 million. On the other hand, there were increases of R\$ 13 million in in ADA and R\$ 10 million in private pension fund.

In 2021, EBITDA totaled R\$ 2,467 million, an increase of 48.1% (R\$ 802 million). The positive result is explained by the tariff adjustment and by the update of concession's financial assets (R\$ 309 million).

CPFL Piratininga:

EBITDA totaled R\$ 276 million in 4Q21, an increase of 43.9% (R\$ 84 million). The positive result was explained by the better performance of the margin, highlighting the market and tariff, already reflecting the tariff adjustment favored by the IGP-M increase, which readjusted the parcel B by 24.79% in October 2021. The update of concession's financial assets also contributed with R\$ 25 million to this result. On the other hand, there were increases of R\$ 6 million in ADA and R\$ 4 million in private pension fund.

In 2021, EBITDA totaled R\$ 821 million, an increase of 42.6% (R\$ 275 million). The positive result is explained by the tariff adjustments of October 2020 and October 2021, by the positive market with the increase in residential, commercial and other segments (growth of 2.1%, 9.6% and 6.3%, respectively, if compared to 2020), and by the update of concession's financial assets (R\$ 113 million).

RGE:

EBITDA totaled R\$ 660 million in 4Q21, an increase of 58.1% (R\$ 243 million), explained by the tariff adjustment favored by the IGP-M, which readjusted the parcel B by 37.22% in June 2021, and the update of concession's financial assets, which contributed with R\$ 81 million. On the other hand, there were increases of R\$ 3 million in in ADA.

In 2021, EBITDA totaled R\$ 2,179 million, an increase of 51.9% (R\$ 744 million), explained by the tariff adjustment and the update of concession's financial assets, which contributed with R\$ 340 million.

CPFL Santa Cruz:

EBITDA totaled R\$ 75 million in 4Q21, an increase of 61.6% (R\$ 29 million), explained by the application of the periodic tariff review (PTR) in March 2021, which readjusted the parcel B by 18.89%. The PMSO also showed a decrease of R\$ 4 million.

In 2021, EBITDA totaled R\$ 242 million, an increase of 25.7% (R\$ 49 million). The increase is mainly explained by the application of the periodic tariff review (PTR) in March 2021, offset by the effect that occurred in 1Q21 in relation to the reversal of the gain recorded in 2019 related to the judicial lawsuit for the exclusion of ICMS from the PIS/Cofins calculation basis, in the amount of R\$ 34 million³.

Financial Result

³ This reversal was done due to the current position of Aneel's technical department showed in the Technical Note of February 10, 2021, which is currently in the public hearing phase. This scenario of the referred Technical Note and public hearing did not exist when the asset now reverted was constituted. It is important to emphasize that the Agency's Board of Directors will still decide on the matter and the Company continues with the understanding that the need for reimbursement to consumers of the amounts received after the judicial action had a final decision is limited to the 10-year statute of limitations.

Financial Result (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Revenues	254	119	114.7%	860	754	14.0%
Expenses	(585)	(247)	136.7%	(1,423)	(733)	94.3%
Financial Result	(330)	(129)	157.0%	(563)	21	-

In 4Q21, the financial result recorded a **net financial expense** of R\$ 330 million, variation of R\$ 202 million compared to 4Q20. The items that explain this variation are:

- (i) Increase of 163.4% (R\$ 264 million) in the **expenses with net debt**, resulting mainly from the increase in the IPCA and CDI;
- (ii) Decrease of 17.5% (R\$ 29 million) in **late payment interest and fines**, due to the replacement of IGP-M to IPCA in invoices from July/2021, as determined by ANEEL;
- (iii) Negative variation of R\$ 6 million in **other financial revenues and expenses**;

Partially offset by:

- (iv) Positive variation of R\$ 61 million in the **mark-to-market** (non-cash effect);
- (v) Positive variation of R\$ 37 million in the **adjustment of sectoral financial assets/liabilities**.

In 2021, the financial result a **net financial expense** of R\$ 563 million, variation of R\$ 585 million compared to a revenues of R\$ 21 million in 2020. The items that explain this variation are:

- (i) Increase of 125.7% (R\$ 594 million) in in the **expenses with net debt**, resulting mainly from the increase in the IPCA and CDI;
- (ii) Negative variation of R\$ 137 million in the **mark-to-market** (non-cash effect); this variation was impacted by the high gain recorded in 2020, where a volume of funding (R\$ 2.6 billion) in foreign currency was carried out, with swap for CDI, in early 2020, at an average cost of CDI + 0.80%, which preceded a relevant deterioration in credit market conditions as a result of the economic crisis due to Covid-19;
- (iii) Negative variation of R\$ 4 million in **other financial income and expenses**;

Partially offset by:

- (iv) Increase of 17.2% (R\$ 83 million) in **late payment interest and fines**;
- (v) Positive variation of R\$ 66 million in the **adjustment of sectoral financial assets/liabilities**.

Net Income

Net Income totaled R\$ 810 million in 4Q21, an increase of 49.2% (R\$ 267 million). In 2021, **Net Income** totaled R\$ 2,868 million, an increase of 35.9% (R\$ 757 million).

These increases were due to higher EBITDA, partially offset by the worsening in the financial result, mainly reflecting the increase in the IPCA and CDI and the return of the high gains with the mark-to-market obtained in early 2020.

6.1.2) Tariff Events

Reference dates

Tariff Revision					
Distributor	Periodicity	Next Revision	Cycle	Tariff Process Dates	Expiration of Concessions
CPFL Paulista	Every 5 years	April 2023	5 th PTRC	April 8 th	November 20, 2027
RGE	Every 5 years	June 2023	5 th PTRC	June 19 th	November 06, 2027
CPFL Piratininga	Every 4 years	October 2023	6 th PTRC	October 23 rd	October 23, 2028
CPFL Santa Cruz	Every 5 years	March 2026	6 th PTRC	March 22 nd	July 07, 2045

Annual tariff adjustments and periodic tariff reviews in 2020 and 2021

Annual Tariff Adjustments (ATAs)				Periodic tariff reviews (PTRs)
	CPFL Paulista	RGE	CPFL Piratininga	CPFL Santa Cruz
Ratifying Resolution	2,854	2,880	2,966	2,837
Adjustment	17.62%	15.23%	14.78%	17.19%
Parcel A	11.79%	5.88%	2.11%	11.90%
Parcel B	7.74%	10.81%	6.05%	5.08%
Financial Components	-1.91%	-1.45%	6.62%	0.21%
Effect on consumer billings	8.95%	9.95%	12.40%	9.95%
Date of entry into force	04/22/2021	06/19/2021	10/23/2021	03/22/2021

6.2) Commercialization and Services Segments

Economic-Financial Performance

Consolidated Income Statement - Commercialization Segment (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	783	910	-13.9%	2,854	3,403	-16.1%
Net Operating Revenue	690	797	-13.4%	2,556	2,983	-14.3%
Cost of Electric Power	(731)	(753)	-2.9%	(2,578)	(2,875)	-10.3%
Operating Costs & Expenses	(36)	(17)	117.9%	(82)	(53)	53.8%
EBIT	(77)	28	-	(104)	54	-
EBITDA¹	(76)	29	-	(100)	57	-
Financial Income (Expense)	(34)	27	-	30	44	-32.4%
Income Before Taxes	(111)	54	-	(74)	98	-
Net Income	(113)	37	-	(93)	66	-

Note: 1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

Consolidated Income Statement - Services Segment (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	272	228	19.5%	948	794	19.4%
Net Operating Revenue	249	208	19.9%	870	725	20.1%
Operating Costs & Expenses	(211)	(178)	18.7%	(711)	(594)	19.8%
EBIT	38	30	26.8%	159	131	21.5%
EBITDA¹	47	37	25.1%	192	159	20.9%
Financial Income (Expense)	2	0	4796.6%	4	2	166.2%
Income Before Taxes	40	30	32.3%	163	132	23.2%
Net Income	30	21	44.6%	122	102	19.8%

Note: 1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

Ebitda of the main companies in the Services segment			
	2021	2020	Var.
CPFL Serviços	71	61	17.4%
CPFL Total	36	33	7.8%
CPFL Atende	19	18	7.2%
Others¹	66	47	39.8%
Total	192	159	20.9%

Nota: (1) Other companies: Nect, CPFL Eficiência, CPFL GD, CPFL Pessoas, CPFL Finanças and CPFL Supri.

6.3) Generation Segment

As of 4Q21, the result of the Generation segment no longer considers the group's transmission companies, which were all consolidated in the Transmission segment (Chapter 6.4).

Consolidated Income Statement - Generation Segment (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	1,133	978	15.8%	4,191	3,392	23.5%
Net Operating Revenue	1,049	908	15.6%	3,889	3,145	23.6%
Cost of Electric Power	(195)	(103)	90.0%	(504)	(379)	33.1%
Operating Costs & Expenses	(428)	(368)	16.3%	(1,311)	(1,235)	6.2%
EBIT	426	437	-2.5%	2,074	1,532	35.3%
Equity income	131	144	-8.8%	519	410	26.6%
EBITDA¹	738	757	-2.5%	3,304	2,641	25.1%
Financial Income (Expense)	(103)	(59)	75.1%	(271)	(376)	-27.8%
Income Before Taxes	453	521	-13.0%	2,321	1,566	48.2%
Net Income	641	493	30.1%	2,202	1,630	35.1%

Note: (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

Operating Revenue

In 4Q21, the **Gross Operating Revenue** reached R\$ 1,133 million, an increase of 15.8% (R\$ 155 million). The **Net Operating Revenue** was of R\$ 1,050 million, registering an increase of 15.7% (R\$ 142 million).

The main factors that affected the net operating revenue were:

- Increase of 16.0% (R\$ 152 million) in the **Energy Supply**;
- Increase of 23.8% (R\$ 5 million) in **Other Revenues**;

These effects were partially offset by:

- Increase of 18.1% (R\$ 13 million) in **Deductions from Operating Revenue**, mainly due to taxes (PIS/COFINS);
- Decrease of 43.9% (R\$ 2 million) in **Energy Sales to Final Consumers**.

In 2021, the **Gross Operating Revenue** reached R\$ 4,191 million, an increase of 23.6% (R\$ 799 million). The **Net Operating Revenue** was of R\$ 3,889 million, registering an increase of 23.6% (R\$ 744 million).

The main factors that affected the net operating revenue were:

- Increase of 23.7% (R\$ 786 million) in the **Energy Supply**;
- Increase of 48.5% (R\$ 23 million) in **Other Revenues**;

These effects were partially offset by:

- Increase of 22.4% (R\$ 55 million) in **Deductions from Operating Revenue**, mainly due to taxes (PIS/COFINS);
- Decrease of 42.7% (R\$ 10 million) in **Energy Sales to Final Consumers**.

Cost of Electric Power

Custo com Energia Elétrica Consolidado - R\$ milhões						
	4T21	4T20	Var.	2021	2020	Var.
Energia de curto prazo	39	46	-15.4%	248	97	156.1%
Energia Comprada em Contratos Bilaterais, ACR e ACL	154	83	85.4%	334	217	54.2%
Solução para o GSF / ACR e ACL	(17)	(54)	-67.9%	(192)	(54)	257.2%
Crédito de PIS e COFINS	(14)	(8)	85.8%	(29)	(16)	82.8%
Energia Comprada para Revenda	162	68	137.5%	362	244	48.2%
Encargos da Rede Básica	30	26	14.9%	114	102	11.8%
Encargos de Conexão	3	3	7.8%	12	12	4.0%
Encargos de Uso do Sistema de Distribuição	9	8	18.7%	33	27	19.9%
ESS/EER	(7)	(1)	1017.5%	(10)	(1)	1248.8%
Encargos de Uso do Sistema de Distribuição	33	35	-3.5%	142	135	5.7%
Custo com Energia Elétrica	195	103	90.0%	504	379	33.1%

In 4Q21, the Cost of Electric Energy was of R\$ 195 million, representing an increase of 90.0% (R\$ 92 million), compared to 4Q20, due to:

- Increase of 85.4% (R\$ 71 million) in **the cost with energy purchased in the regulated market, free market and through bilateral contracts**, due to the increase in the volume (+62.4%) and average purchase price (14.0%);
- R\$ 36 million variation due to the accounting of the solution for the GSF of the regulated and free market, since in 4Q21 it was accounted for the effects of Lajeado (R\$ 17 million), while Ceran (R\$ 45 million) and the SHPPs of CPFL Renováveis (R\$ 9 million) were accounted in 4Q20 - extraordinary effects;

These effects were partially offset by:

- Decrease of 15.4% (R\$ 7 million) in the **cost with short-term energy**, due to the decrease in the average purchase price (-39.9%);
- Increase of 85.8% (R\$ 7 million) in **PIS and COFINS Tax Credit**;
- Decrease of 3.5% (R\$ 1 million) in in **Distribution System Usage Charges**.

In 2021, the Cost of Electric Energy was of R\$ 504 million, representing an increase of 33.1% (R\$ 125 million), compared to 2020, due to:

- Increase of R\$ 156.1% (R\$ 151 million) in the **cost with short-term energy**, due to the increase in the average purchase price (+202.2%);
- Increase of 54.2% (R\$ 118 million) in **the cost with energy purchased in the regulated market, free market and through bilateral contracts**, due to the increase in the volume (+42.1%) and average purchase price (+8.5%);
- Increase of 5.7% (R\$ 8 million) in in **Distribution System Usage Charges**;

These effects were partially offset by:

- R\$ 138 million variation due to the accounting of the solution for the GSF of the regulated and free market of Ceran (R\$ 49 million) and of SHPPs of CPFL Renováveis (R\$ 126 million) and Lajeado (R\$ 17 million), partially offset by the accounting of the solution for the GSF of the free market of Ceran (R\$ 45 million) and of SHPPs of CPFL Renováveis (R\$ 9 million) in 2020.
- Increase of 82.8% (R\$ 13 million) in **PIS and COFINS Tax Credit**.

Quantidade física (GWh)	4T21	4T20	Var.	2021	2020	Var.
Energia de curto prazo	398	283	40.8%	1,552	1,832	-15.3%
Energia Adquirida por meio de Contratos Bilaterais e no Ambiente de Contratação Livre - ACL	1,216	748	62.6%	4,056	2,854	42.1%
Total	1,614	1,031	56.6%	5,608	4,686	19.7%

Preço médio (R\$/MWh)	4T21	4T20	Var.	2021	2020	Var.
Energia de curto prazo	98.52	164.02	-39.9%	160.07	52.96	202.2%
Energia Adquirida por meio de Contratos Bilaterais e no Ambiente de Contratação Livre - ACL	126.72	111.15	14.0%	82.41	75.94	8.5%
Total	119.76	125.66	-4.7%	103.90	66.95	55.2%

PMSO

PMSO (R\$ million)								
	4Q21	4Q20	Variation		2021	2020	Variação	
			R\$ MM	%			R\$ MM	%
Personnel	38	39	(2)	-4.5%	141	146	(5)	-3.5%
Material	11	10	1	8.4%	31	36	(5)	-14.5%
Outsourced Services	60	61	(1)	-1.0%	221	209	11	5.3%
Other Operating Costs/Expenses	138	81	58	71.6%	203	141	63	44.5%
<i>Asset Write-off</i>	13	13	0	3.2%	16	17	(2)	-10.5%
<i>GSF Risk Premium</i>	6	6	0	2.4%	22	18	5	26.4%
<i>Legal and judicial expenses</i>	67	11	56	494.0%	70	15	55	363.9%
<i>Others</i>	52	51	2	3.0%	95	90	5	5.3%
Total PMSO	247	191	56	29.5%	596	533	63	11.9%

PMSO reached R\$ 247 million in 4Q21, an increase of 29.5% (R\$ 56 million) compared to 4Q20, mainly due to an increase of R\$ 56 million in Legal and Judicial expenses.

PMSO reached R\$ 596 million in 2021, an increase of 11.9% (R\$ 63 million) compared to 2020, due to.

- Increase of R\$ 55 million in **Legal and Judicial expenses**;
- Increase of 26.4% (R\$ 5 million) in **GSF Risk Premium**, due to the monetary adjustment;
- Increase of R\$ 3 million in the **other expenses**.

Other operating costs and expenses

Other operating costs and expenses						
	4Q21	4Q20	Var.	2021	2020	Var.
Private Pension Fund	(1)	(1)	-14.2%	(4)	(3)	16.7%
Depreciation and amortization	(138)	(135)	2.8%	(543)	(530)	2.5%
Amortization of Concession Intangible	(42)	(41)	2.0%	(168)	(168)	-0.2%
Total	(181)	(176)	2.6%	(711)	(699)	1.8%

Equity Income

Equity Income (R\$ Million)						
	4Q21	4Q20	Var. %	2021	2020	Var. %
Projects						
Barra Grande HPP	13	45	-71.1%	10	37	-73.4%
Campos Novos HPP	53	90	-41.3%	204	200	1.9%
Foz do Chapecó HPP	46	17	167.7%	234	128	83.2%
Epasa TPP	20	(8)	-	71	46	56.4%
Total	131	144	-8.8%	519	410	26.6%

Note: Disclosure of interest in subsidiaries is made in accordance with IFRS 12 and CPC 45.

Below are the main variations of each project:

Barra Grande:

Equity Income (R\$ Million)						
BARRA GRANDE	4Q21	4Q20	Var. %	2021	2020	Var. %
Net Revenue	41	41	1.3%	115	74	54.7%
Operating Costs / Expenses	(16)	41	-	(63)	15	-
Deprec. / Amortization	(3)	(3)	-3.7%	(13)	(13)	-1.1%
Net Financial Result	(2)	(10)	-75.0%	(25)	(21)	18.8%
Income Tax	(7)	(23)	-71.4%	(4)	(19)	-78.2%
Net Income	13	45	-71.1%	10	37	-73.4%

In 4Q21, the net revenue remained practically stable in the period, while the operating costs and expenses had a variation of R\$ 57 million mainly due to the accounting for the GSF solution in 4Q20 (R\$ 36 million) and energy volume and price. The net financial expense presented a decrease of 75.0% (R\$ 8 million), due to the expenses with UBP, which were impacted by IGP-M.

In 2021, the net revenue increased 54.7% (R\$ 41 million), while the operating costs and expenses had a variation of R\$ 78 million mainly due to the accounting for the GSF solution in 4Q20 (R\$ 36 million) and energy volume and price. The net financial expense presented an increase of 18.8% (R\$ 4 million), due to the expenses with UBP.

Campos Novos:

Equity Income (R\$ Million)						
CAMPOS NOVOS	4Q21	4Q20	Var. %	2021	2020	Var. %
Net Revenue	119	93	27.6%	429	351	22.3%
Operating Costs / Expenses	(34)	50	-	(88)	(15)	468.7%
Deprec. / Amortization	(6)	(6)	4.2%	(27)	(24)	11.6%
Net Financial Result	(0)	(2)	-79.8%	(6)	(8)	-22.6%
Income Tax	(26)	(45)	-42.9%	(103)	(102)	1.1%
Net Income	53	90	-41.3%	204	200	1.9%

In 4Q21, the net revenue increased 27.6% (R\$ 26 million), mainly due to the contracts adjustments, by IGP-M and dollar, which occur mainly in April and October. The operating costs and expenses had a variation of R\$ 83 million, due to the accounting of the GSF solution in 4Q20 (R\$ 78 million). The net financial expense remained practically stable in the period, due to the positive impact of the IGP-M on expenses with UBP being offset by higher debt expenses.

In 2021, the net revenue increased 22.3% (R\$ 78 million), mainly due to the adjustment of contracts, by IGP-M and dollar. The operating costs and expenses were up by R\$ 73 million, due to the accounting of the GSF solution in 4Q20. The net financial expense remained practically stable in the period, due to the lower debt expenses being offset by the negative impact of the IGP-M on expenses with UBP.

Foz do Chapecó:

FOZ DO CHAPECÓ	Equity Income (R\$ Million)					
	4Q21	4Q20	Var. %	2021	2020	Var.%
Net Revenue	146	123	18.9%	544	476	14.4%
Operating Costs / Expenses	(37)	(38)	-3.0%	(24)	(115)	-79.1%
Deprec. / Amortization	(14)	(16)	-13.0%	(56)	(64)	-12.2%
Net Financial Result	(20)	(38)	-48.7%	(106)	(102)	3.6%
Income Tax	(22)	(12)	85.3%	(118)	(69)	71.0%
Net Income	46	17	167.7%	234	128	83.2%

In 4Q21, net revenue increased 18.9% (R\$ 23 million), mainly due to the contracts adjustments, mostly by IGP-M. The operating costs and expenses remained practically stable in the period. In the net financial expense, there was a decrease of 48.7% (R\$ 19 million), mainly due to the expenses with UBP (impacted by IGP-M and IPCA).

In 2021, net revenue increased 14.4% (R\$ 68 million), mainly due to the contracts adjustments. The operating costs and expenses were down by 79.1% (R\$ 91 million) in the period due to the accounting of the GSF solution (R\$ 90 million). In the net financial expense, there was an increase of 3.6% (R\$ 4 million), mainly due to expenses with UBP (impacted by IGP-M and IPCA) partially offset by lower debt expenses.

Epasa:

EPASA	Equity Income (R\$ Million)					
	4Q21	4Q20	Var. %	2021	2020	Var.%
Net Revenue	243	109	123.6%	731	216	237.9%
Operating Costs / Expenses	(209)	(83)	152.6%	(600)	(109)	452.1%
Deprec. / Amortization	(12)	(34)	-64.7%	(48)	(48)	0.2%
Net Financial Result	0	(1)	-	(1)	(3)	-81.0%
Income Tax	(2)	1	-	(10)	(12)	-16.3%
Net Income	20	(8)	-	71	46	56.4%

In 4Q21, net revenue grew R\$ 135 million and the operating costs and expenses were up by R\$ 126 million, due to higher volumes of generation. Depreciation and amortization decreased by R\$ 22 million, influenced by the change in the depreciation rate of assets to coincide with the end of the contract; previously, the life cycle of each asset was considered. The net financial expense remained practically stable in the period.

In 2021, net revenue increased R\$ 515 million and the operating costs and expenses grew R\$ 491 million, due to higher volumes of generation. Depreciation and amortization remained practically stable in the period, influenced by the change in the depreciation rate of assets, as explained above. The net financial expense remained practically stable.

EBITDA

In 4Q21, **EBITDA** was of R\$ 738 million, a decrease of 2.5% (R\$ 19 million), mainly due to the GSF solution of the free market in 4Q20 and worse performance of wind generation, partially offset by contractual adjustments.

In 2021, **EBITDA** was of R\$ 3,304 million, an increase of 25.1% (R\$ 663 million). This variation is mainly explained by contractual adjustments, better performance of wind generation in the year and the GSF solution of the regulated and free markets.

EBITDA and Net Income conciliation (R\$ million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Net Income	641	493	30.1%	2,202	1,630	35.1%
Depreciation and Amortization	181	176	2.6%	712	699	1.8%
Financial Result	103	59	75.1%	271	376	-27.8%
Income Tax / Social Contribution	(187)	29	-	119	(64)	-
EBITDA	738	757	-2.5%	3,304	2,641	25.1%

Financial Result

Financial Result (IFRS - R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Financial Revenues	39	37	3.1%	136	131	3.7%
Financial Expenses	(142)	(96)	47.2%	(407)	(507)	-19.6%
Financial Result	(103)	(59)	75.1%	(271)	(376)	-27.8%

In 4Q21, the financial result was a **net financial expense** of R\$ 103 million, an increase of 75.1% (R\$ 44 million), mainly due to higher expenses with net debt (R\$ 44 million).

In 2021, the financial result was a **net financial expense** of R\$ 271 million, a decrease of 27.8% (R\$ 104 million), mainly due to lower expenses with net debt (R\$ 93 million).

Income Tax and Social Contribution

In 4Q21, the income tax and social contribution item registered a positive result of R\$ 187 million, compared to a negative result of R\$ 29 million in 4Q20, a variation of R\$ 216 million. This variation is explained by the recognition of tax credits in CPFL Renováveis of R\$ 238 million.

In 2021, the income tax and social contribution item registered a negative result of R\$ 119 million, compared to a positive result of R\$ 64 million in 2020, a variation of R\$ 183 million. This variation is explained by the better results recorded by the companies under the presumed profit tax regime in 2021.

Net Income

In 4Q21, **net income** was R\$ 641 million, an increase of 30.1% (R\$ 148 million), compared to R\$ 493 million in 4Q20. This result mainly reflects the income tax and social contribution item, due to the recognition of tax credits in 4Q21.

In 2021, **net income** was R\$ 2,202 million, an increase of 35.1% (R\$ 572 million), compared to R\$ 1,630 million in 2020. These results mainly reflect the higher EBITDA and the gain with the financial result, due to lower expenses with net debt, partially offset by the higher income tax/social contribution.

6.4) Transmission Segment

Economic-Financial Performance - IFRS

Consolidated Income Statement - Transmission Segment (R\$ Million)						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	578	52	1014.3%	687	176	289.6%
Net Operating Revenue	509	48	970.7%	621	162	284.0%
Operating Costs & Expenses	439	37	1100.5%	648	125	417.5%
EBIT	69	11	535.4%	(27)	36	-
Equity income	3	-	-	3	-	-
EBITDA¹	88	11	703.7%	(9)	36	-
Financial Income (Expense)	(8)	0	-	(8)	1	-
Income Before Taxes	64	11	476.1%	(32)	38	-
Net Income	(0)	10	-	(104)	34	-

Note: 1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

6.4.1) CPFL Transmissão

6.4.1.1) Regulatory Themes

Periodic Tariff Revision ("RTP")

The Concession Contract for Electric Power Transmission No. 055/2001-ANEEL, firmed between The Federal Government and the State Electric Power Transmission Company (CEEE-T), was extended under the Law No. 12,783/2013 that defines, in its eighth clause, the review standards that suffice to maintain the economic and financial balance of the concession.

The contract settled that the transmitter received for the provision of service, the Annual Revenue Requirement ("ARR") annually adjusted and revised every five (5) years, since July 1, 2013, according to regulations. Thus, the first Periodic Tariff Revision was scheduled for the 1st of July 2018.

However, the methodology to be applied in this RTP culminated in a long process initiated in August 2017, that went through 3 stages of Public Hearing No. 041/2017, being finalized only in 2020, through the publication of version 4.0 of Submodule 9.1, Tariff Regulation Procedures (PRORET), which was approved by Normative Resolution (REN) no. 880, 7 April 2020.

In this sense, on June 30, 2020, Resolution No. 2,709 was published, which approved the provisional result of the Periodic Review of the RAP of Concession Contract No. 055/2001-

ANEEL, effective July 1, 2018. The result was temporary since the Regulatory Remuneration Base ("RRB") was in a preliminary position, without the consolidation of the audit conducted by the Superintendence of Economic and Financial Supervision (SFF). Thusly, the definitive values were determined to be processed after the conclusion of RRB inspection activities and that the necessary adjustments and consequent financial effects would be considered in subsequent tariff adjustment, occurred with the Resolution ("REH") No. 2,725/2020. The index of RAP provisional repositioning revised (assets that went into operation until January 31, 2018) in 2020 was **7.17%**.

Due to the filing of Administrative Appeal against REH No. 2,709/2020, the ANEEL Board of Directors published, on April 22, 2021, REH No. 2,845, changing the provisional result approved in 2020. With the adjustments conducted, the index of provisional repositioning in 2021 increased to **7.53%**.

Subsequently, with the conclusion of RRB audit process, as well as the examination of the appeal approved by REH No. 2,845/2021, on October 13, 2021, ANEEL ratified the definitive result of the 2018 RTP of RAP, jointly with Concession Contract No. 055/2001, under the responsibility of the State Electric Power Transmission Company - CEEE-T, through the publication of REH No. 2,960/2021, which presented the definitive repositioning index of **3.11%**.

However, a need to make new adjustments to the calculation sheets of the referred REH was identified, through the formalization of an administrative appeal. The financial effects (adjustments in the amounts received to the detriment to the provisional result) resulting from this modification should be enforced in the adjustment of the RAP of the 2022-2023 cycle, to start effectively from July 1, 2022 to June 30, 2023, pursuant to Submodule 9.3 of the PRORET, since the appeal is deliberated before the adjustment.

Ordinance MME 120/2016 – RBSE

In order to regulate and operationalize the provisions of Law No. 12,783/2013, regarding the payment of assets considered non-depreciated existing on May 31, 2000 ("RBSE"), the Ministry of Mines and Energy ("MME") issued Ordinance No. 120, on April 20, 2016. According to the aforesaid Ordinance, ANEEL issued REN No. 762 of February 21, 2017, defining, in its article 2, that the capital cost of electric power transmission concessionaires would be composed of portions of remuneration and regulatory reintegration quota.

However, in April 2017, some users of the transmission system ended up opposing in court against the payment of the share of equity remuneration ("ke") owing to the transmitters, aiming to suspend the effects on their tariffs, obtaining favorable injunctions.

Since July 2017, the Company received remuneration for RBSE transmission assets existing in May 31, 2000, referring to Concession Contract no. 055/2001, through its RAP. The payment of the parameter ("ke") was not made until the reversal of the suspensive judicial decisions, which occurred at the end of 2019. Therefore, in the tariff process following the recognition of this right (in July 2020), ANEEL included the payment of these suspended amounts ("ke") to the transmitters in the RTP processes of its RAPs.

In the readjustment of the following year, ANEEL proceeded with the recalculation of the outstanding balance, consisting of the cost of remunerated capital at the rate of cost of equity ("ke") until the date of the beginning of the effective payment (July 1, 2020). Concomitantly, ANEEL implemented the "reprofiling" of the payment of the financial component within 8 years (cycles from 2020/2021 to 2027/2028), ensuring the current net value of the operation.

Annual Tariff Adjustment ("RTA")

RAP is the remuneration that the transmitters receive for the provision of the electric power transmission service from the entry into commercial operation of the facilities, as laid down in the Concession Contract.

The RAP is divided into Basic Network of New Installations ("RBNI"), Basic Network Existing System ("RBSE"), Tendered Basic Network ("RBL") and Connection Revenue to Transmission System ("CCT"). RBNI refers to the New Transmission Facilities, which entered into operation as in January 2013. RBSE concerns undepreciated assets from May 2000 to the end of December 2012, defined in the Annex to Resolution No. 166 of May 31, 2000, validated by Law No. 12,783/13. These two sets of assets generate the largest portion of RAP. RBL is the revenue from the tendered contracts. The Transmission System Connection Revenue is the remuneration that the transmitter receives from users connected to other Transmission Facilities ("DITs") for the provision of the transmission service. DITs are composed, for example, of transmission lines, power buses, power transformers and substation equipment, not part of the Basic Network. Revenue growth is the result of the variation of the IPCA and the entry into operation of reinforcement and improvement projects.

According to REH No. 2,959/2021, for the 2021/2022 cycle, revenue (RAP) added to the adjustment portion (PA) of Concession Contract No. 055/2001 totals R\$ 832 million, net of PIS and COFINS, composed of:

- (i) Monetary correction of the 2020/2021 cycle (IPCA), totaling R\$ 55 million;
- (ii) Expansion of facilities, entry into operation of new reinforcements and improvements during the 2020/2021 cycle, increased R\$ 23 million;
- (iii) Unilateral reduction of Concession Contract No. 055/2001 due to suppression SE Porto Alegre 4 and decline of other assets in the end of useful life, which reduced revenue by R\$ 17 million;
- (iv) Re-profiling the financial component of PRT MME 120/2016, for 8 years counting from the 2020/2021 cycle, that resulted in a negative impact of R\$ 152 million;
- (v) The effects of the retroactivity of the Final Revision in 2018 (portion 2 of 3), in the amount of R\$ 87 million, partially compensated by the return received and other adjustments of the 2020/2021 cycle of – R\$18 million, which totals a positive BP of R\$ 69 million.

Annual Tariff Adjustment 2021/2022						
REH 2,725/2020 (*)	IPCA	Expansions, reinforcements and improvements	Suppression of SE Porto Alegre 4 and Assets retirement	Adjustment RBSE	Adjustment Portion	REH 2,959/2021
853.868	55.107	23.584	(17.364)	(152.120)	69.298	832.373

(*) Approved values not considering the Adjustment Portion - PA;

(**) Unilateral Reduction of Concession Contracts No. 055/2001 - Suppression SS Porto Alegre 4 and decline other assets in the end of useful life.

Concession Agreement No. 080/2002 was adjusted by IGP-M, with an increase of 37% totaling R\$ 20 million. The Adjustment Portion was negative in the order of R\$ 0.5 million referring to the return of revenue received beforehand.

The revenue of the subsidiary TESB - Concession Contract No. 001/2011 added to the Adjustment Portion for the 2020/2021 cycle totals R\$ 18 million:

- (i) Monetary correction of R\$ 1.6 million related to the assets of the 2020/2021 cycle;
- (ii) Entry into operation of the general module of SE Candelaria resulting in an increase of R\$ 0.7 million;
- (iii) Negative adjustment portion in the order of - R\$ 3.7 million, due to the refund of anticipated revenue received and the discounts provided in REN 905/2020 for installations classified as RBF or DITC that entered into commercial operation with non-impediment own pending.

Annual Tariff Adjustment 2021/2022				
REH 2,725/2020 (*)	IPCA	Start Operation	Adjustment Portion	REH 2,959/2021
19.767	1.591	714	(3.700)	18.372

The Regulatory Revenue totals the Company for Concession Contracts No. 055/2001, 080/2002 and the subsidiary TESB 001/2011, net of PIS and COFINS, presents a composition as follows:

Regulatory Revenue 2021/2022									
Concession Contract	RBSE	RBNI	RBL	Adjustment Portion	RPC	RCDM	RPEC	Adjustment Portion	Total 2021(*) Total 2020 (*)
055/2001	467.529	126.089		24.757	105.487	63.970		44.541	832.373 992.003
080/2002			20.265				-	548	19.717 14.502
001/2011			19.935				2.139	- 3.700	18.374 16.832
	467.529	126.089	40.200	24.757	105.487	63.970	2.139	40.293	870.464 1.023.337

(*) Figures considering Adjustment Parcel - PA

Fourth Term Additive to Concession Contract No. 055/2001-ANEEL - Suppression of SE Porto Alegre 4

Due to the conclusion of the Concession Contract for Electric Power Transmission No. 3/2021 between ANEEL and MEZ 5 Energia, that occurred on 03/31/2021 (lot 5 of Auction No. 1/2020-ANEEL), was signed the Fourth Additive Term of Concession Contract No. 55/2001-ANEEL.

This additive term aims at the economic and financial rebalancing due to the unilateral reduction of the contract due to the removal of SS 230/13.8 kV Porto Alegre 4, which resulted in a reduction in revenue in the order of R\$ 13,114,858.05.

Concession Contract No. 4/2021-ANEEL

On March 31, 2021, Concession Contract no. 4/2021-ANEEL was concluded, which regulates the concession of the public service for the transmission of electricity for the construction, operation and maintenance of transmission facilities in SE 230/138 kV Cachoeirinha 3, referring to Lot 6 of the Auction Notice No. 01/2020-ANEEL.

The Company will receive for the provision of the public transmission service, RAP in the amount of R\$ 9,234,372.00 adjusted, from the entry into operation of the assets, scheduled for 2024.

7) ATTACHMENTS

7.1) Balance Sheet - Assets – CPFL Energia

(R\$ thousands)



	Consolidated	
ASSETS	12/31/2021	12/31/2020
CURRENT		
Cash and Cash Equivalents	2,199,952	3,918,796
Bonds and Securities	585,858	1,872,079
Consumers, Concessionaries and Licensees	5,425,177	5,206,854
Materials and Supplies	150,867	96,182
Dividend and Interest on Equity	134,613	80,647
Income Tax and Social Contribution Recoverable	97,083	87,779
Other Recoverable Taxes	375,680	337,266
PIS/COFINS Recoverable over ICMS	1,288,824	-
Derivatives	357,350	744,660
Sectoral Financial Assets	2,373,727	558,884
Contractual Assets	845,025	24,833
Other assets	1,718,346	883,824
TOTAL CURRENT	15,552,504	13,811,803
NON-CURRENT		
Consumers, Concessionaries and Licensees	259,173	828,314
Intercompany Loans	-	-
Judicial Deposits	858,981	764,760
Income Tax and Social Contribution Recoverable	117,332	35,415
Other Recoverable Taxes	286,498	218,650
PIS/COFINS Recoverable over ICMS	7,936,570	150,329
Sectoral Financial Assets	816,748	108,908
Derivatives	990,491	1,340,113
Deferred Taxes	231,594	585,869
Concession Financial Assets	13,281,686	10,347,567
Investments at Cost	116,654	116,654
Other Assets	199,500	172,140
Investments	1,202,944	1,015,918
Property, Plant and Equipment	8,754,616	8,797,903
Intangible Assets	9,673,609	8,969,637
Contractual Assets	5,840,981	1,842,905
TOTAL NON-CURRENT	50,567,374	35,295,081
TOTAL ASSETS	66,119,878	49,106,884

7.2) Balance Sheet - Liabilities – CPFL Energia

(R\$ thousands)



	Consolidated	
LIABILITIES AND SHAREHOLDERS' EQUITY	12/31/2021	12/31/2020
CURRENT		
Trade Payables	4,269,598	3,909,517
Borrowings	2,246,711	2,797,195
Debentures	1,788,125	1,191,270
Private Pension Plan	604,254	199,803
Regulatory Liabilities	551,966	108,371
Income Tax and Social Contribution Payable	288,412	91,470
Other Taxes, Fees and Contributions	886,864	873,752
Intercompany Loans	-	2,409,545
Dividends	100,478	906,852
Estimated Payroll	165,074	133,429
Derivatives	5,067	1,354
Sector Financial Liability	-	41,514
Provisions for Demobilization and Environmental Expenses	2,046	19,946
Use of Public Asset	16,212	12,573
PIS/COFINS Devolution Consumers	58,606	-
Other Payables	1,930,303	1,709,358
TOTAL CURRENT	12,913,717	14,405,951
NON-CURRENT		
Trade Payables	408,082	456,658
Borrowings	12,216,158	8,624,840
Debentures	6,164,877	6,257,032
Private Pension Plan	2,860,176	2,759,826
Income Tax and Social Contribution Payable	232,603	165,900
Other Taxes, Fees and Contributions	6,092	839
Deferred Tax Liabilities	958,545	767,807
Provision for Tax, Civil and Labor Risks	1,035,364	616,136
Intercompany Loans	2,518,150	-
Derivatives	86,196	-
Sector Financial Liability	-	185,592
Provisions for Demobilization and Environmental Expenses	152,812	184,955
Use of Public Asset	141,118	112,055
PIS/COFINS Devolution Consumers	9,145,520	114,484
Other Payables	474,591	219,032
TOTAL NON-CURRENT	36,400,283	20,465,155
SHAREHOLDERS' EQUITY		
Issued Capital	9,388,071	9,388,071
Capital Reserves	(1,646,145)	(1,643,775)
Legal Reserve	1,455,685	1,218,283
Statutory reserve - Working Capital Improvement	4,072,689	5,803,185
Dividend	3,735,932	865,248
Accumulated Comprehensive Income	(1,860,030)	(1,695,235)
Retained Earnings	-	-
	15,146,202	13,935,777
Equity attributable to noncontrolling interests	1,659,676	300,001
TOTAL SHAREHOLDERS' EQUITY	16,805,879	14,235,778
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	66,119,878	49,106,884

7.3) Income Statement – CPFL Energia

(R\$ thousands)



	Consolidated					
	4Q21	4Q20	Variation	2021	2020	Variation
OPERATING REVENUES						
Electricity Sales to Final Customers	10.039.970	8.377.315	19,8%	35.450.328	30.630.937	15,7%
Electricity Sales to Distributors	1.383.415	1.537.697	-10,0%	5.817.956	5.032.386	15,6%
Revenue from building the infrastructure	1.147.960	783.060	46,6%	3.312.656	2.572.653	28,8%
Update of concession's financial asset	412.637	231.270	78%	1.164.707	388.394	199,9%
Sectorial financial assets and liabilities	357.354	728.364	-50,9%	3.170.527	811.445	291%
Other Operating Revenues	2.146.246	1.663.218	29,0%	7.424.911	5.927.119	25,3%
	15.487.582	13.320.924	16,3%	56.341.084	45.362.934	24,2%
DEDUCTIONS FROM OPERATING REVENUES	(4.568.250)	(4.047.397)	12,9%	(17.130.935)	(14.464.476)	18,4%
NET OPERATING REVENUES	10.919.332	9.273.527	17,7%	39.210.148	30.898.458	26,9%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(4.212.586)	(4.510.376)	-6,6%	(18.022.157)	(15.341.918)	17,5%
Electricity Network Usage Charges	(1.816.895)	(1.143.170)	58,9%	(5.085.211)	(3.144.109)	61,7%
	(6.029.482)	(5.653.547)	6,6%	(23.107.368)	(18.486.027)	25,0%
OPERATING COSTS AND EXPENSES						
Personnel	(508.230)	(408.215)	24,5%	(1.653.006)	(1.474.662)	12,1%
Material	(106.672)	(73.750)	44,6%	(355.129)	(280.769)	26,5%
Outsourced Services	(207.473)	(203.680)	1,9%	(669.216)	(653.021)	2,5%
Other Operating Costs/Expenses	(386.061)	(334.084)	15,6%	(1.046.125)	(899.648)	16,3%
<i>Allowance for Doubtful Accounts</i>	<i>(79.069)</i>	<i>(52.994)</i>	<i>49,2%</i>	<i>(339.264)</i>	<i>(227.338)</i>	<i>49,2%</i>
<i>Legal and judicial expenses</i>	<i>(149.477)</i>	<i>(130.489)</i>	<i>14,6%</i>	<i>(270.456)</i>	<i>(237.906)</i>	<i>13,7%</i>
<i>Others</i>	<i>(157.515)</i>	<i>(150.600)</i>	<i>4,6%</i>	<i>(436.405)</i>	<i>(434.403)</i>	<i>0,5%</i>
Cost of building the infrastructure	(1.214.823)	(779.445)	55,9%	(3.514.799)	(2.560.276)	37,3%
Employee Pension Plans	(56.739)	(43.282)	31,1%	(226.956)	(174.347)	30,2%
Depreciation and Amortization	(379.528)	(338.350)	12,2%	(1.453.222)	(1.378.273)	5,4%
Amortization of Concession's Intangible	(82.839)	(86.873)	-4,6%	(298.193)	(287.725)	3,6%
	(2.942.365)	(2.267.677)	29,8%	(9.216.646)	(7.708.721)	19,6%
EBITDA¹	2.544.397	1.921.437	32,4%	9.159.934	6.779.894	35,1%
INCOME FROM ELECTRIC ENERGY SERVICE	1.947.485	1.352.303	44,0%	6.886.135	4.703.710	46,4%
FINANCIAL REVENUES (EXPENSES)						
Financial Revenues	324.350	176.385	83,9%	1.125.153	936.782	20,1%
Financial Expenses	(797.123)	(349.063)	128,4%	(1.917.634)	(1.252.756)	53,1%
	(472.774)	(172.678)	173,8%	(792.482)	(315.974)	150,8%
EQUITY ACCOUNTING						
Equity Accounting	134.545	143.911	-6,5%	522.385	410.185	27,4%
Assets Surplus Value Amortization	(145)	(145)	-	(579)	(579)	-
	134.400	143.766	-6,5%	521.805	409.606	27,4%
INCOME BEFORE TAXES	1.609.111	1.323.391	21,6%	6.615.458	4.797.341	37,9%
Social Contribution	(76.186)	(91.899)	-17,1%	(477.563)	(297.137)	60,7%
Income Tax	(202.261)	(242.429)	-16,6%	(1.284.145)	(793.219)	61,9%
NET INCOME	1.330.664	989.063	34,5%	4.853.751	3.706.986	30,9%
Controlling Shareholders' Interest	1.292.087	964.579	34,0%	4.748.049	2.678.569	77,3%
Non-Controlling Shareholders' Interest	38.577	24.484	57,6%	105.702	39.354	168,6%

Note: (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization, according to CVM Instruction no. 527/12.

7.4) Income Statement by business segment

Income Statement by business segment - CPFL Energia (R\$ million)								
	Distribution	Generation	Transmission	Commerciali- zation	Services	Others	Eliminations	Total
4Q21								
Net operating revenue	9,027	1,049	509	690	249	1	(606)	10,919
Operating costs and expenses	(7,505)	(624)	(439)	(767)	(211)	(31)	606	(8,972)
Depreciation e amortization	(241)	(181)	(15)	(1)	(9)	(16)	-	(463)
Income from electric energy service	1,522	426	69	(77)	38	(30)	-	1,947
Equity accounting	-	131	3	-	-	-	-	135
EBITDA	1,763	738	88	(76)	47	(15)	-	2,544
Financial result	(330)	(103)	(8)	(34)	2	1	-	(473)
Income (loss) before taxes	1,192	453	64	(111)	40	(29)	-	1,609
Income tax and social contribution	(382)	187	(65)	(2)	(9)	(8)	-	(278)
Net income (loss)	810	641	(0)	(113)	30	(37)	-	1,331
4Q20								
Net operating revenue	7,750	908	48	797	208	0	(436)	9,274
Operating costs and expenses	(6,867)	(471)	(37)	(769)	(178)	(35)	436	(7,921)
Depreciation e amortization	(225)	(176)	(0)	(1)	(7)	(16)	-	(425)
Income from electric energy service	882	437	11	28	30	(35)	0	1,352
Equity accounting	-	144	-	-	-	-	-	144
EBITDA	1,107	757	11	29	37	(20)	-	1,921
Financial result	(129)	(59)	0	27	0	(12)	-	(173)
Income (loss) before taxes	754	521	11	54	30	(47)	-	1,323
Income tax and social contribution	(211)	(29)	(2)	(18)	(9)	(66)	-	(334)
Net income (loss)	543	493	10	37	21	(114)	-	989
Variation								
Net operating revenue	16.5%	15.6%	970.7%	-13.4%	19.9%	1340.0%	38.9%	17.7%
Operating costs and expenses	9.3%	32.4%	1100.5%	-0.2%	18.7%	-11.2%	38.9%	13.3%
Depreciation e amortization	7.2%	2.6%	575585.2%	5.0%	18.1%	-0.1%	-	8.7%
Income from electric energy service	72.5%	-2.5%	535.4%	-	26.8%	-14.0%	-100.0%	44.0%
Equity accounting	-	-8.8%	-	-	-	-	-	-6.5%
EBITDA	59.2%	-2.5%	703.7%	-	25.1%	-25.2%	-	32.4%
Financial result	157.0%	75.1%	-	-	4796.6%	-	-	173.8%
Income (loss) before taxes	58.1%	-13.0%	476.1%	-	32.3%	-38.1%	-	21.6%
Income tax and social contribution	81.1%	-	40	-88.1%	3.6%	-88.2%	-	-16.7%
Net income (loss)	49.2%	30.1%	-	-	44.6%	-67.4%	-	34.5%
Income Statement by business segment - CPFL Energia (R\$ million)								
	Distribution	Generation	Transmission	Commerciali- zation	Services	Others	Eliminations	Total
2021								
Net operating revenue	33,235	3,889	621	2,556	870	2	(1,962)	39,210
Operating costs and expenses	(28,351)	(1,815)	(648)	(2,660)	(711)	(101)	1,962	(32,324)
Depreciation e amortization	(925)	(712)	(15)	(4)	(33)	(63)	-	(1,752)
Income from electric energy service	4,884	2,074	(27)	(104)	159	(99)	0	6,886
Equity accounting	-	519	3	-	-	-	-	522
EBITDA	5,809	3,304	(9)	(100)	192	(36)	-	9,160
Financial result	(563)	(271)	(8)	30	4	17	-	(792)
Income (loss) before taxes	4,320	2,321	(32)	(74)	163	(83)	-	6,615
Income tax and social contribution	(1,452)	(119)	(72)	(19)	(41)	(59)	-	(1,762)
Net income (loss)	2,868	2,202	(104)	(93)	122	(142)	-	4,854
2020								
Net operating revenue	25,532	3,145	162	2,983	725	(4)	(1,644)	30,898
Operating costs and expenses	(22,467)	(1,613)	(125)	(2,929)	(594)	(111)	1,644	(26,195)
Depreciation e amortization	(873)	(699)	(0)	(3)	(28)	(63)	-	(1,667)
Income from electric energy service	3,065	1,532	36	54	131	(115)	0	4,704
Equity accounting	-	410	-	-	-	-	-	410
EBITDA	3,938	2,641	36	57	159	(52)	-	6,780
Financial result	21	(376)	1	44	2	(9)	-	(316)
Income (loss) before taxes	3,087	1,566	38	98	132	(124)	-	4,797
Income tax and social contribution	(975)	64	(4)	(32)	(30)	(113)	-	(1,090)
Net income (loss)	2,111	1,630	34	66	102	(237)	-	3,707
Variation								
Net operating revenue	30.2%	23.6%	284.0%	-14.3%	20.1%	-	19.3%	26.9%
Operating costs and expenses	23.0%	-	134.3%	-	-	-	-	28.8%
Depreciation e amortization	5.9%	1.8%	143833.7%	15.7%	18.1%	-0.04%	-	5.1%
Income from electric energy service	59.3%	35.3%	-	-	21.5%	-13.7%	63.6%	46.4%
Equity accounting	-	26.6%	-	-	-	-	-	27.4%
EBITDA	47.5%	25.1%	-	-	20.9%	-30.4%	-	35.1%
Financial result	0.0%	-27.8%	-	-32.4%	166.2%	-	-	150.8%
Income (loss) before taxes	40.0%	48.2%	-	-	23.2%	-33.3%	-	37.9%
Income tax and social contribution	48.9%	-	1837.0%	-42.4%	34.4%	-47.5%	-	61.6%
Net income (loss)	35.9%	35.1%	-	-	19.8%	-40.1%	-	30.9%

7.5) Cash Flow – CPFL Energia

(R\$ thousands)



Consolidated		
	4Q21	2021
Beginning Balance	4,633,805	3,918,795
Net Income Before Taxes	1,609,111	6,615,458
Depreciation and Amortization	462,367	1,751,414
Interest on Debts and Monetary and Foreign Exchange Restatements	233,453	319,659
Consumers, Concessionaries and Licensees	(143,317)	(246,053)
Sectoral Financial Assets	37,338	(2,326,727)
Accounts Receivable - Resources Provided by the CDE/CCEE	(22,739)	(47,374)
Suppliers	(472,549)	251,681
Sectoral Financial Liabilities	(139,257)	(588,364)
Accounts Payable - CDE	(3,244)	(37,250)
Interest on Debts and Debentures Paid	(233,888)	(651,960)
Income Tax and Social Contribution Paid	(393,245)	(1,465,362)
Others	478,112	286,469
	(196,968)	(2,753,867)
Total Operating Activities	1,412,143	3,861,591
Investment Activities		
Purchases of Contract Asset, Property, Plant and Equipment and Intangible Assets	(3,238,678)	(5,794,806)
Securities, Pledges and Restricted Deposits	(214,135)	1,368,552
Others	219,185	219,737
Total Investment Activities	(3,233,628)	(4,206,517)
Financing Activities		
Loans and Debentures	2,217,032	6,121,146
Principal Amortization of Loans and Debentures, Net of Derivatives	(286,503)	(3,196,568)
Dividend and Interest on Equity Paid	(2,542,896)	(4,298,495)
Intragroup Loans with Subsidiaries	-	-
Amortization of Intragroup Loans with Subsidiaries	-	-
Others	-	-
Total Financing Activities	(612,367)	(1,373,917)
Cash Flow Generation	(2,433,853)	(1,718,843)
Ending Balance - 12/31/2021	2,199,952	2,199,952

7.6) Income Statement – Distribution Segment

(R\$ thousand)



	Consolidated			2021	2020	Variation
	4Q21	4Q20	Variation			
OPERATING REVENUE						
Electricity Sales to Final Customers	9,531,536	7,758,668	22.9%	33,481,621	28,352,230	18.1%
Electricity Sales to Distributors	319,245	574,335	-44.4%	2,019,150	1,672,821	20.7%
Revenue from building the infrastructure	905,596	743,977	21.7%	3,000,093	2,439,230	23.0%
Adjustments to the concession's financial asset	412,637	231,270	78.4%	1,164,707	388,394	199.9%
Sectoral financial assets and liabilities	357,354	728,364	-50.9%	3,170,527	811,445	290.7%
Other Operating Revenues	1,828,410	1,578,844	15.8%	6,895,442	5,683,222	21.3%
	13,354,778	11,615,457	15.0%	49,731,540	39,347,342	26.4%
DEDUCTIONS FROM OPERATING REVENUE	(4,327,826)	(3,865,809)	12.0%	(16,496,440)	(13,815,019)	19.4%
NET OPERATING REVENUE	9,026,952	7,749,648	16.5%	33,235,100	25,532,323	30.2%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(3,607,759)	(3,948,011)	-8.6%	(16,177,209)	(13,227,143)	22.3%
Electricity Network Usage Charges	(1,879,287)	(1,113,794)	68.7%	(5,059,165)	(3,036,122)	66.6%
	(5,487,046)	(5,061,805)	8.4%	(21,236,374)	(16,263,266)	30.6%
OPERATING COSTS AND EXPENSES						
Personnel	(276,230)	(256,728)	7.6%	(1,005,231)	(945,251)	6.3%
Material	(57,320)	(45,840)	25.0%	(211,431)	(178,317)	18.6%
Outsourced Services	(264,516)	(250,220)	5.7%	(923,541)	(857,637)	7.7%
Other Operating Costs/Expenses	(217,200)	(241,707)	-10.1%	(826,927)	(739,691)	11.8%
Allowance for Doubtful Accounts	(75,001)	(52,484)	42.9%	(336,396)	(224,586)	49.8%
Legal and Judicial Expenses	(64,569)	(102,501)	-37.0%	(178,499)	(206,303)	-13.5%
Others	(77,631)	(86,722)	-10.5%	(312,031)	(308,801)	1.0%
Cost of building the infrastructure	(905,596)	(743,977)	21.7%	(3,000,093)	(2,439,230)	23.0%
Employee Pension Plans	(55,732)	(42,108)	32.4%	(222,926)	(170,895)	30.4%
Depreciation and Amortization	(226,938)	(210,824)	7.6%	(868,087)	(816,292)	6.3%
Amortization of Concession's Intangible	(14,133)	(14,133)	0.0%	(56,531)	(56,531)	0.0%
	(2,017,664)	(1,805,536)	11.7%	(7,114,768)	(6,203,844)	14.7%
EBITDA¹	1,763,313	1,107,264	59.2%	5,808,577	3,938,036	47.5%
EBIT	1,522,242	882,307	72.5%	4,883,958	3,065,213	59.3%
FINANCIAL INCOME (EXPENSE)						
Financial Income	254,471	118,534	114.7%	859,746	753,985	14.0%
Financial Expenses	(584,895)	(247,097)	136.7%	(1,423,216)	(732,503)	94.3%
	(330,424)	(128,563)	157.0%	(563,469)	21,482	-
INCOME BEFORE TAXES ON INCOME	1,191,818	753,744	58.1%	4,320,489	3,086,695	40.0%
Social Contribution	(101,553)	(57,170)	77.6%	(389,267)	(260,233)	49.6%
Income Tax	(280,285)	(153,702)	82.4%	(1,062,908)	(715,097)	48.6%
NET INCOME	809,980	542,873	49.2%	2,868,314	2,111,366	35.9%

Note: (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.

7.7) Economic-Financial performance by Distributor

(R\$ thousand)



CPFL PAULISTA						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	6,092,447	5,189,991	17.4%	22,537,792	17,385,556	29.6%
Net Operating Revenue	4,159,092	3,481,572	19.5%	15,231,535	11,447,521	33.1%
Cost of Electric Power	(2,600,605)	(2,344,142)	10.9%	(10,014,475)	(7,541,219)	32.8%
Operating Costs & Expenses	(892,128)	(761,988)	17.1%	(3,067,531)	(2,534,910)	21.0%
EBIT	666,359	375,442	77.5%	2,149,528	1,371,392	56.7%
EBITDA⁽¹⁾	751,739	451,399	66.5%	2,467,096	1,665,415	48.1%
Financial Income (Expense)	(128,444)	(30,334)	323.4%	(209,558)	77,018	-
Income Before Taxes	537,914	345,108	55.9%	1,939,971	1,448,410	33.9%
Net Income	377,750	259,726	45.4%	1,312,746	971,969	35.1%

CPFL PIRATININGA						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	2,303,503	2,108,241	9.3%	8,741,638	7,038,451	24.2%
Net Operating Revenue	1,543,739	1,414,844	9.1%	5,834,275	4,568,629	27.7%
Cost of Electric Power	(1,014,123)	(981,186)	3.4%	(4,063,380)	(3,174,737)	28.0%
Operating Costs & Expenses	(284,636)	(272,244)	4.6%	(971,231)	(865,626)	12.2%
EBIT	244,980	161,414	51.8%	799,665	528,267	51.4%
EBITDA⁽¹⁾	276,014	191,772	43.9%	921,255	645,835	42.6%
Financial Income (Expense)	(50,678)	(9,728)	421.0%	(41,429)	34,530	-
Income Before Taxes	194,302	151,686	28.1%	758,236	562,797	34.7%
Net Income	130,924	109,631	19.4%	500,398	373,487	34.0%

RGE						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	4,376,090	3,807,464	14.9%	16,211,284	13,070,762	24.0%
Net Operating Revenue	2,920,648	2,494,878	17.1%	10,640,179	8,205,816	29.7%
Cost of Electric Power	(1,627,651)	(1,504,315)	8.2%	(6,189,369)	(4,794,488)	29.1%
Operating Costs & Expenses	(741,609)	(676,892)	9.6%	(2,696,027)	(2,380,100)	13.3%
EBIT	551,388	313,671	75.8%	1,754,782	1,031,227	70.2%
EBITDA⁽¹⁾	660,143	417,425	58.1%	2,178,568	1,434,580	51.9%
Financial Income (Expense)	(129,542)	(81,692)	58.6%	(276,604)	(85,529)	223.4%
Income Before Taxes	421,846	231,979	81.8%	1,478,179	945,698	56.3%
Net Income	275,304	149,821	83.8%	967,781	675,483	43.3%

CPFL SANTA CRUZ						
	4Q21	4Q20	Var.	2021	2020	Var.
Gross Operating Revenue	582,738	509,761	14.3%	2,240,826	1,852,574	21.0%
Net Operating Revenue	403,473	358,355	12.6%	1,529,111	1,310,358	16.7%
Cost of Electric Power	(244,666)	(232,162)	5.4%	(969,150)	(752,822)	28.7%
Operating Costs & Expenses	(99,291)	(94,413)	5.2%	(379,978)	(423,208)	-10.2%
EBIT	59,516	31,780	87.3%	179,983	134,327	34.0%
EBITDA⁽¹⁾	75,418	46,668	61.6%	241,658	192,207	25.7%
Financial Income (Expense)	(21,760)	(6,810)	219.6%	(35,879)	(4,538)	690.7%
Income Before Taxes	37,756	24,970	51.2%	144,104	129,790	11.0%
Net Income	26,002	23,695	9.7%	87,389	90,427	-3.4%

Note: (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.

7.8) Income Statement – Generation Segment

(R\$ thousands)



	Consolidated					
	4Q21	4Q20	Variation	2021	2020	Variation
OPERATING REVENUES						
Electricity Sales to Final Customers	3,565	6,355	-43.9%	13,695	23,919	-42.7%
Electricity Sales to Distributors	1,101,716	949,397	16.0%	4,106,805	3,320,680	23.7%
Other Operating Revenues	27,667	22,664	22.1%	70,470	47,745	47.6%
	1,132,947	978,417	15.8%	4,190,970	3,392,344	23.5%
DEDUCTIONS FROM OPERATING REVENUES	(83,736)	(70,884)	18.1%	(302,277)	(246,873)	22.4%
NET OPERATING REVENUES	1,049,212	907,533	15.6%	3,888,693	3,145,471	23.6%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(161,740)	(68,099)	137.5%	(361,605)	(243,980)	48.2%
Electricity Network Usage Charges	(33,373)	(34,596)	-3.5%	(142,376)	(134,716)	5.7%
	(195,113)	(102,695)	90.0%	(503,982)	(378,696)	33.1%
OPERATING COSTS AND EXPENSES						
Personnel	(37,505)	(39,272)	-4.5%	(141,000)	(146,143)	-3.5%
Material	(11,180)	(10,317)	8.4%	(31,100)	(27,023)	15.1%
Outsourced Services	(59,811)	(60,661)	-1.4%	(220,353)	(209,405)	5.2%
Other Operating Costs/Expenses	(138,220)	(80,635)	71.4%	(203,235)	(150,114)	35.4%
<i>Asset Write-off</i>	<i>(13,395)</i>	<i>(12,986)</i>	<i>3.2%</i>	<i>(15,630)</i>	<i>(17,460)</i>	<i>-10.5%</i>
<i>GSF Risk Premium</i>	<i>(5,666)</i>	<i>(5,534)</i>	<i>2.4%</i>	<i>(22,477)</i>	<i>(17,778)</i>	<i>26.4%</i>
<i>Legal and judicial expenses</i>	<i>(66,978)</i>	<i>(11,275)</i>	<i>494.0%</i>	<i>(70,042)</i>	<i>(15,098)</i>	<i>363.9%</i>
<i>Others</i>	<i>(52,182)</i>	<i>(50,839)</i>	<i>2.6%</i>	<i>(165,128)</i>	<i>(114,875)</i>	<i>43.7%</i>
Employee Pension Plans	(1,008)	(1,174)	-14.2%	(4,030)	(3,452)	16.7%
Depreciation and Amortization	(138,473)	(134,759)	2.8%	(543,350)	(530,083)	2.5%
Amortization of Concession's Intangible	(42,201)	(41,384)	2.0%	(168,122)	(168,481)	-0.2%
	(428,398)	(368,202)	16.3%	(1,311,190)	(1,234,701)	6.2%
EBITDA¹	737,675	756,689	-2.5%	3,304,135	2,640,823	25.1%
INCOME FROM ELECTRIC ENERGY SERVICE	425,700	436,636	-2.5%	2,073,522	1,532,074	35.3%
FINANCIAL REVENUES (EXPENSES)						
Financial Revenues	38,628	37,464	3.1%	136,048	131,192	3.7%
Financial Expenses	(142,002)	(96,495)	47.2%	(407,209)	(506,732)	-19.6%
	(103,373)	(59,031)	75.1%	(271,161)	(375,540)	-27.8%
EQUITY ACCOUNTING						
Equity Accounting	131,301	143,911	-8.8%	519,141	410,185	26.6%
Assets Surplus Value Amortization	(145)	(145)	-	(579)	(579)	-
	131,156	143,766	-8.8%	518,562	409,606	26.6%
INCOME BEFORE TAXES ON INCOME	453,483	521,370	-13.0%	2,320,923	1,566,139	48.2%
Social Contribution	47,760	(8,688)	-	(37,630)	10,338	-
Income Tax	139,503	(20,143)	-	(81,160)	54,020	-
NET INCOME	640,746	492,540	30.1%	2,202,133	1,630,497	35.1%
Controlling Shareholders' Interest	599,860	467,514	28.3%	2,094,729	1,566,080	33.8%
Non-Controlling Shareholders' Interest	40,886	25,026	63.4%	107,404	64,417	66.7%

Note: (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.

7.9) Sales within the Concession Area by Distributor

(In GWh)



CPFL Paulista						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	2,647	2,816	-6.0%	10,204	10,115	0.9%
Industrial	2,990	2,901	3.1%	11,663	10,420	11.9%
Commercial	1,486	1,407	5.6%	5,476	5,220	4.9%
Others	1,198	1,141	5.0%	4,617	4,492	2.8%
Total	8,320	8,265	0.7%	31,960	30,247	5.7%

CPFL Piratininga						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	1,034	1,095	-5.6%	4,226	4,141	2.1%
Industrial	1,662	1,647	0.9%	6,577	6,022	9.2%
Commercial	673	621	8.4%	2,616	2,386	9.6%
Others	329	314	4.8%	1,343	1,264	6.3%
Total	3,699	3,677	0.6%	14,763	13,813	6.9%

RGE						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	1,385	1,461	-5.2%	5,732	5,817	-1.5%
Industrial	1,615	1,547	4.4%	6,481	5,799	11.8%
Commercial	597	558	6.8%	2,379	2,323	2.4%
Others	926	1,175	-21.2%	4,199	4,859	-13.6%
Total	4,523	4,741	-4.6%	18,791	18,798	0.0%

CPFL Santa Cruz						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	226	237	-4.7%	889	870	2.1%
Industrial	298	287	3.7%	1,165	1,062	9.7%
Commercial	95	91	4.3%	359	342	5.0%
Others	202	209	-3.2%	782	793	-1.4%
Total	821	824	-0.4%	3,194	3,067	4.1%

Total CPFL Energia						
	4Q21	4Q20	Var	2021	2020	Var.
Residential	5,292	5,609	-5.7%	21,051	20,944	0.5%
Industrial	6,565	6,382	2.9%	25,886	23,303	11.1%
Commercial	2,850	2,677	6.5%	10,830	10,271	5.4%
Others	2,656	2,839	-6.4%	10,942	11,408	-4.1%
Total	17,363	17,507	-0.8%	68,708	65,926	4.2%

7.10) Sales to the Captive Market by Distributor

(in GWh)



CPFL Paulista						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	2,647	2,816	-6.0%	10,204	10,115	0.9%
Industrial	504	482	4.5%	2,009	1,952	2.9%
Commercial	966	985	-2.0%	3,633	3,724	-2.5%
Others	1,116	1,079	3.5%	4,330	4,272	1.4%
Total	5,234	5,363	-2.4%	20,175	20,063	0.6%
CPFL Piratininga						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	1,034	1,095	-5.6%	4,226	4,141	2.1%
Industrial	196	186	5.1%	792	778	1.8%
Commercial	398	397	0.1%	1,605	1,591	0.9%
Others	245	233	5.4%	978	963	1.6%
Total	1,872	1,911	-2.0%	7,602	7,472	1.7%
RGE						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	1,385	1,461	-5.2%	5,732	5,817	-1.5%
Industrial	338	333	1.6%	1,385	1,400	-1.1%
Commercial	449	445	1.0%	1,833	1,879	-2.4%
Others	869	1,145	-24.1%	3,984	4,794	-16.9%
Total	3,041	3,383	-10.1%	12,934	13,890	-6.9%
CPFL Santa Cruz						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	226	237	-4.7%	889	870	2.1%
Industrial	59	62	-4.2%	237	279	-15.2%
Commercial	73	78	-5.4%	286	297	-3.8%
Others	201	208	-3.4%	778	791	-1.7%
Total	560	585	-4.3%	2,190	2,238	-2.2%
Total CPFL Energia						
	4Q21	4Q20	Var.	2021	2020	Var.
Residential	5,292	5,609	-5.7%	21,051	20,944	0.5%
Industrial	1,097	1,063	3.2%	4,422	4,410	0.3%
Commercial	1,886	1,905	-1.0%	7,357	7,491	-1.8%
Others	2,432	2,664	-8.7%	10,070	10,820	-6.9%
Total	10,707	11,241	-4.8%	42,901	43,664	-1.7%

7.11) Information on Interest in Companies

Energy distribution	Company type	Equity interest	Location (state)	Number of municipalities	Approximate number of consumers (in thousands)	Concession period	End of the concession
Companhia Paulista de Força e Luz ("CPFL Paulista")	Publicly-held corporation	Direct 100%	Interior of São Paulo	234	4,776	30 years	November 2027
Companhia Piratininga de Força e Luz ("CPFL Piratininga")	Publicly-held corporation	Direct 100%	Interior and coast of São Paulo	27	1,869	30 years	October 2028
RGE Sul Distribuidora de Energia S.A. ("RGE")	Publicly-held corporation	Direct and Indirect 100%	Interior of Rio Grande do Sul	381	3,030	30 years	November 2027
Companhia Jaguarí de Energia ("CPFL Santa Cruz")	Privately-held corporation	Direct 100%	Interior of São Paulo, Paraná and Minas Gerais	45	487	30 years	July 2045

Energy generation (conventional and renewable sources) and Energy transmission	Company type	Equity interest	Location (state)	Number of plants / type of energy	Installed power (MW)	
					Total	CPFL share
CPFL Geração de Energia S.A. ("CPFL Geração")	Publicly-held corporation	Direct 100%	São Paulo e Goiás	n/a	n/a	n/a
CERAN - Companhia Energética Rio das Antas ("CERAN")	Privately-held corporation	Indirect 65%	Rio Grande do Sul	3 Hydropower	360	234
Foz do Chapecó Energia S.A. ("Foz do Chapecó")	Privately-held corporation	Indirect 51% (c)	Santa Catarina e Rio Grande do Sul	1 Hydropower	855	436
Campos Novos Energia S.A. ("ENERCAN")	Privately-held corporation	Indirect 48.72%	Santa Catarina	1 Hydropower	880	429
BAESA - Energética Barra Grande S.A. ("BAESA")	Publicly-held corporation	Indirect 25.01%	Santa Catarina e Rio Grande do Sul	1 Hydropower	690	173
Centrais Elétricas da Paraíba S.A. ("EPASA")	Privately-held corporation	Indirect 53.34%	Paraíba	2 Thermal	342	182
Paulista Lajeado Energia S.A. ("Paulista Lajeado")	Privately-held corporation	Indirect 59.93% (a)	Tocantins	1 Hydropower	903	38
CPFL Energias Renováveis S.A. ("CPFL Renováveis")	Publicly-held corporation	Direct and Indirect 100%	(b)	(b)	(b)	(b)
CPFL Centrais Geradoras Ltda ("CPFL Centrais Geradoras")	Limited liability company	Direct 100%	São Paulo e Minas Gerais	6 SHPs	4	4
CPFL Transmissão Piracicaba S.A. ("CPFL Transmissão Piracicaba")	Privately-held corporation	Indirect 100%	São Paulo	n/a	n/a	n/a
CPFL Transmissão Morro Agudo S.A. ("CPFL Transmissão Morro Agudo")	Privately-held corporation	Indirect 100%	São Paulo	n/a	n/a	n/a
CPFL Transmissão Maracanã S.A. ("CPFL Maracanã")	Privately-held corporation	Indirect 100%	Ceará	n/a	n/a	n/a
CPFL Transmissão Sul I S.A. ("CPFL Sul I")	Privately-held corporation	Indirect 100%	Santa Catarina	n/a	n/a	n/a
CPFL Transmissão Sul II S.A. ("CPFL Sul II")	Privately-held corporation	Indirect 100%	Rio Grande do Sul	n/a	n/a	n/a
Companhia Estadual de Transmissão de Energia Elétrica - CEEE-T ("Cf")	Publicly-held corporation	Indirect 66.08%	Rio Grande do Sul	n/a	n/a	n/a

Notes:

- (a) The joint venture Chapecoense fully consolidates the interim financial statements of its direct subsidiary, Foz de Chapecó, and fully consolidates its financial statements;
(b) Paulista Lajeado has a 7% participation in the installed power of Investco S.A. (5.94% share of its capital);
(c) CPFL Renováveis has 51.54% of the assured energy and power of HPP Serra da Mesa, whose concession belongs to Furnas.

Energy commercialization	Company type	Core activity	Equity interest
CPFL Comercialização Brasil S.A. ("CPFL Brasil")	Privately-held corporation	Energy commercialization	Direct 100%
Clion Assessoria e Comercialização de Energia Elétrica Ltda ("CPFL Meridional")	Limited liability company	Commercialization and provision of energy services	Indirect 100%
CPFL Comercialização de Energia Cone Sul Ltda ("CPFL Cone Sul")	Limited liability company	Energy commercialization	Indirect 100%
CPFL Planalto Ltda ("CPFL Planalto")	Limited liability company	Energy commercialization	Direct 100%
CPFL Brasil Varejista de Energia Ltda ("CPFL Brasil Varejista")	Limited liability company	Energy commercialization	Indirect 100%
Provision of services	Company type	Core activity	Equity interest
CPFL Serviços, Equipamentos, Indústria e Comércio S.A. ("CPFL Serviços")	Privately-held corporation	Manufacturing, commercialization, rental and maintenance of electro-mechanical equipment and service	Direct 100%
Nect Serviços Administrativos de Infraestrutura Ltda ("CPFL Infra")	Limited liability company	Provision of infrastructure and fleet services	Direct 100%
Nect Serviços Administrativos de Recursos Humanos Ltda ("CPFL Pessoas")	Limited liability company	Provision of human resources services	Direct 100%
Nect Serviços Administrativos Financeiros Ltda ("CPFL Finanças")	Limited liability company	Provision of financial services	Direct 100%
Nect Serviços Adm de Suprimentos E Logística Ltda ("CPFL Supre")	Limited liability company	Supply and logistics services	Direct 100%
CPFL Atende Centro de Contatos e Atendimento Ltda ("CPFL Atende")	Limited liability company	Provision of call center services	Direct 100%
CPFL Total Serviços Administrativos S.A. ("CPFL Total")	Privately-held corporation	Collection services	Indirect 100%
CPFL Eficiência Energética Ltda ("CPFL Eficiência")	Limited liability company	Energy efficiency management	Direct 100%
TI Nect Serviços de Informática Ltda ("Authi")	Limited liability company	Provision of IT services	Direct 100%
CPFL Geração Distribuída de Energia Ltda ("CPFL GD")	Limited liability company	Provision of maintenance services for energy generation companies	Indirect 100%
Others	Company type	Core activity	Equity interest
CPFL Jaguarí de Geração de Energia Ltda ("Jaguarí Geração")	Limited liability company	Holding company	Direct 100%
Chapecoense Geração S.A. ("Chapecoense")	Privately-held corporation	Holding company	Indirect 51%
Sul Geradora Participações S.A. ("Sul Geradora")	Privately-held corporation	Holding company	Indirect 99.95%
CPFL Telecomunicações Ltda ("CPFL Telecom")	Limited liability company	Telecommunication services	Direct 100%
Alesta Sociedade de Crédito Direto S.A. ("Alesta")	Privately-held corporation	Financial services	Direct 100%

7.12) Reconciliation of Net Debt/EBITDA Pro Forma ratio of CPFL Energia for purposes of financial covenants calculation

(R\$ million)



Net Debt Pro Forma Reconciliation (4Q21)

Net debt

Dec-21	Majority-controlled subsidiaries (fully consolidated)				Investees accounted for under the equity method					Total
	CERAN	Paulista Lajeado	CPFL Transmissão	Subtotal	ENERCAN	BAESA	Chapecoense	EPASA	Subtotal	
Gross Debt	106	-	680	106	131	-	781	43	954	1,060
(-) Cash and Cash Equivalents	(95)	(11)	(798)	(106)	(169)	(53)	(343)	(165)	(730)	(836)
Net Debt	11	(11)	(119)	(118)	(38)	(53)	437	(122)	224	106
CPFL Stake (%)	65.00%	59.93%	66.08%	-	48.72%	25.01%	51.00%	53.34%	-	-
Net Debt	7	(7)	(78)	(78)	(19)	(13)	223	(65)	126	48

Reconciliation

CPFL Energia	
Gross Debt	23,677
(-) Cash and Cash Equivalents	(2,786)
Net Debt (IFRS)	20,892
(-) Fully Consolidated Projects	118
(+) Proportional Consolidation	48
Net Debt (Pro Forma)	21,058

EBITDA Pro Forma Reconciliation (2021)

EBITDA

4Q21	Majority-controlled subsidiaries (fully consolidated)				Investees accounted for under the equity method					Total
	CERAN	Paulista Lajeado	CPFL Transmissão	Subtotal	ENERCAN	BAESA	Chapecoense	EPASA	Subtotal	
Net operating revenue	356	59	351	415	880	458	1,067	1,371	3,777	4,191
Operating cost and expense	(67)	(9)	(61)	(76)	(181)	(251)	(47)	(1,125)	(1,604)	(1,680)
EBITDA	288	50	122	461	700	207	1,020	246	2,172	2,633
CPFL stake (%)	65.00%	59.93%	66.08%	-	48.72%	25.01%	51.00%	53.34%	-	-
Proportional EBITDA	188	30	80	298	341	52	520	131	1,044	1,342

Reconciliation

CPFL Energia - 2021	
Net income	4,854
Amortization	1,752
Financial Results	792
Income Tax /Social Contribution	1,762
EBITDA	9,160
(-) Equity income	(522)
(-) EBITDA - Fully consolidated projects	(461)
(+) Pro Forma Adjustment (Historical EBITDA) CPFL-T	371
(+) Proportional EBITDA	1,342
EBITDA Pro Forma	9,891
Net Debt / EBITDA Pro Forma	2.13x

Notes: (1) in accordance with financial covenants calculation in cases of assets acquired by the Company, (2) It does consider the amount of R\$ 586k of Marketable Securities, according to covenants criteria.