



2Q21 CPFL Results



- ✓ Increase of **13.7% in load in the concession area**
- ✓ **EBITDA** of **R\$ 2,054 million**, growth of **70.0%**
- ✓ **Net Income** of **R\$ 1,126 million**, growth of **143.6%**
- ✓ Net Debt of **R\$ 15.7 billion** and leverage of **1.88x Net Debt/EBITDA**
- ✓ Investments of **R\$ 1,019 million**, growth of **57.2%**
- ✓ **RGE** tariff adjustment of **+9.95% for the consumer** in Jun-21
- ✓ Declaration of **dividends in the amount of R\$ 1,731 million, R\$ 1.50/share**
- ✓ **CPFL Energia** acquired 66.1% of **CEEE-Transmissão** for R\$ 2.67 billion
- ✓ Start-up of **Costa das Dunas**, **Figueira Branca** and **Gameleira** wind farms (Gameleira Wind Complex), 2.5 years before Aneel's official date
- ✓ **CPFL Energia** is member of the **FTSE4Good Series** ESG index
- ✓ **CPFL Energia** was recognized in the **World Finance Corporate Governance Awards 2021**
- ✓ **CPFL Santa Cruz** won for the second time the **ANEEL Quality Award** in the category from 30 thousand to 400 thousand clients

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

Friday, August 13, 2021 – 11:00 a.m. (BRT), 10:00 a.m. (ET)

Zoom platform – click here to register:

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MESSAGE FROM THE CEO

I am immensely pleased to start this message by announcing the acquisition of controlling interest in CEEE-T in late July. This acquisition underscores our trajectory and the strategy of growing in the sector through acquisitions. Moving forward, we will use our vast experience and our model based on operational efficiency and financial health to ramp up investments and generate value for shareholders, consumers, employees and adjacent communities. With this asset, the Transmission segment gains greater prominence in the group: CPFL Energia will now control a little over 6,000 km of transmission lines and 72 substations, which add up to own installed capacity of 10,800 MVA.

Still on growth, we advanced by 2.5 years the operational startup of three wind farms in the Gameleira Complex – Costa das Dunas, Figueira Branca and Gameleira – with joint installed capacity of 56.9 MW, with only the Farol de Touros farm left, which will go operational later this year when we will reach the total installed capacity of 81.7 MW.

The highlight of 2Q21 results is the rebound in energy consumption, which increased 12.9%, even surpassing the performance in 2Q19. This growth was mainly fueled by the industrial segment, which grew 27.4%, driven by industrial recovery across important sectors in the regions we operate. The commercial segment grew 14.1% in relation to the same period in 2020, though growth was negative in relation to 2Q19.

In the Generation segment, the solid performance by wind farms, as already seen in the first quarter, resulted in 38.2% growth in wind power generation. Contractual price adjustments, many of them based on the IGP-M index, also positively affected the results in the period.

We ended the quarter with cash balance of R\$2.7 billion and cash coverage ratio of 0.59 times short-term debt. CPFL Energia's net debt corresponded to 1.88 times its EBITDA, as per the criterion for measurement used in financial covenants. During the period, Moody's also reaffirmed the AAA(bra) rating assigned to CPFL Energia, with a stable outlook.

We remain earnestly committed to Capex, investing R\$1,714 million in the first 6 months, 48.0% more than in the same period in 2020.

I once again reiterate our engagement with the best Environmental, Social and Governance (ESG) practices covered by the 15 commitments detailed in the Sustainability Plan. I wish to highlight that this quarter we won the Corporate Governance Awards 2021 given by the British magazine World Finance, which annually honors a company in each country for its corporate governance practices. Here I wish to reiterate our governance principles – transparency, equity, accountability and corporate responsibility – as fundamentally important for an organization to be able to deliver returns to its shareholders and pursue its long-term goals.

Last but not least, I am pleased to announce that, in line with our commitment to balance growth and yield, even after acquiring 66.1% interest in CEEE-T, we will pay additional dividends of R\$ 1,731 million, equivalent to R\$1.50 per share, for total yearly payout of 100% of the distributable results of 2020.

I thank everyone who has been with us in this journey.

Gustavo Estrella

Chief Executive Officer, CPFL Energia

Indicators (R\$ Million)	2Q21	2Q20	Var.	1H21	1H20	Var.
Load in the Concession Area - GWh	16,740	14,722	13.7%	35,218	32,738	7.6%
Sales within the Concession Area - GWh	16,881	14,955	12.9%	34,764	32,396	7.3%
Captive Market	10,402	10,019	3.8%	22,030	21,920	0.5%
Free Client	6,480	4,935	31.3%	12,734	10,476	21.5%
Gross Operating Revenue	12,703	9,847	29.0%	25,187	20,725	21.5%
Net Operating Revenue	8,813	6,562	34.3%	17,101	13,844	23.5%
EBITDA ⁽¹⁾	2,054	1,208	70.0%	4,020	2,904	38.4%
Distribution	1,249	622	100.7%	2,510	1,759	42.7%
Generation	728	530	37.3%	1,377	1,076	28.0%
Commercialization, Services & Others	77	56	38.5%	132	69	90.3%
Net Income	1,126	462	143.6%	2,087	1,366	52.8%
Net Debt ⁽²⁾	15,633	14,655	6.7%	15,633	14,655	6.7%
Net Debt / EBITDA ⁽²⁾	1.88	2.29	-17.5%	1.88	2.29	-17.5%
Investments ⁽³⁾	1,019	648	57.2%	1,714	1,158	48.0%

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

(3) Does not include special obligations.

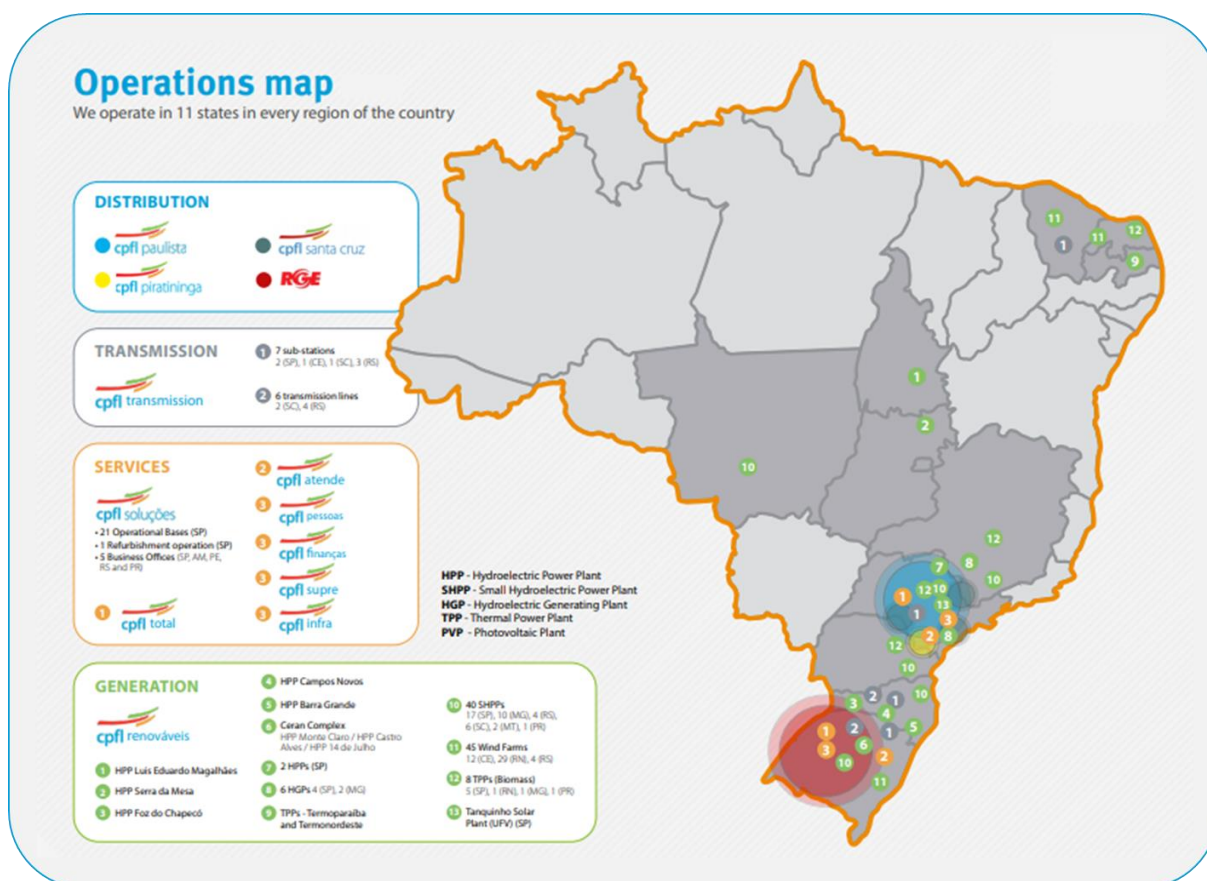
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1) COMPANY PROFILE AND CORPORATE STRUCTURE

Company Operation

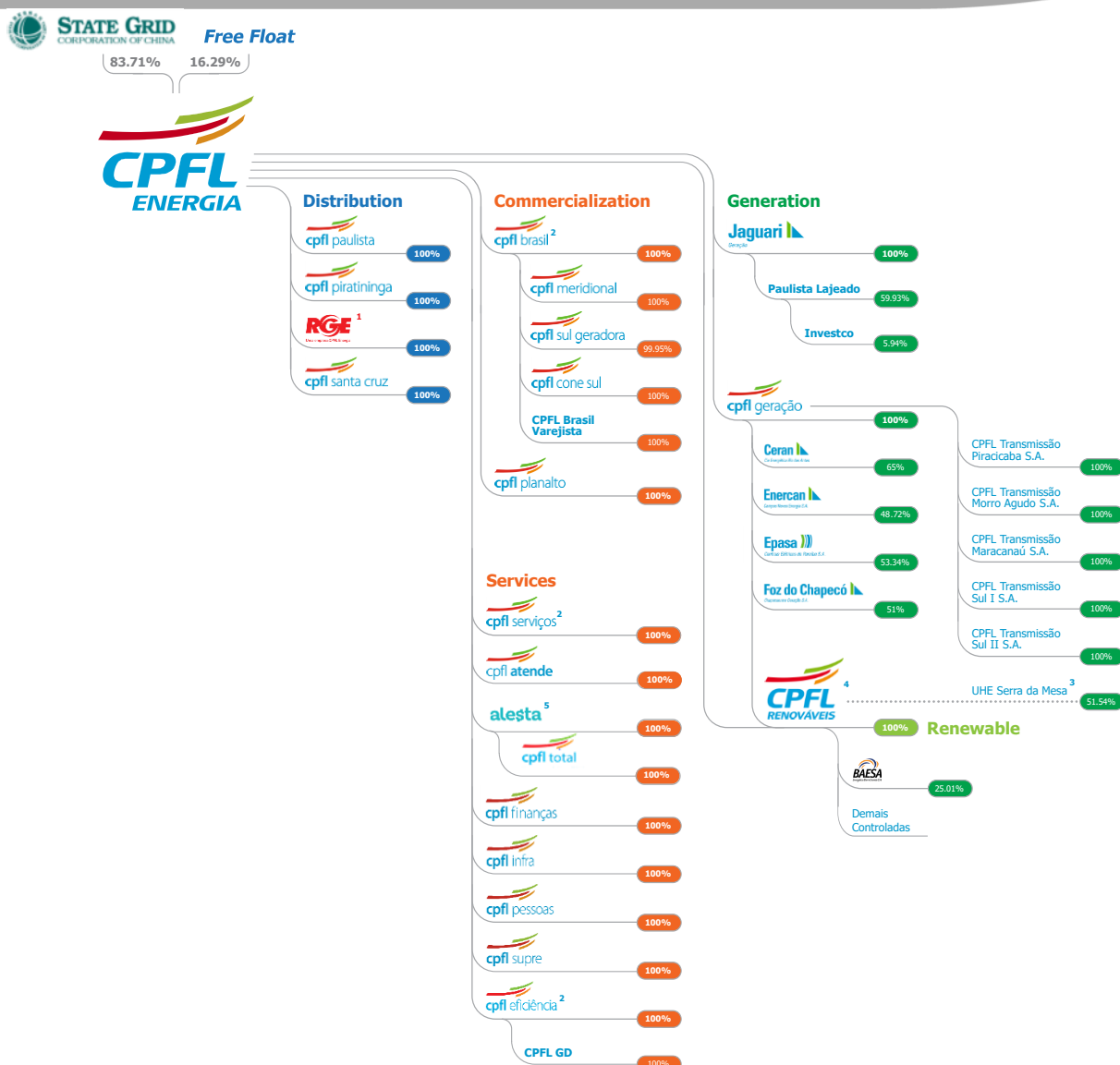
CPFL Energia operates in the Generation, Transmission, Distribution, Commercialization and Services segments, with presence in 11 states in all regions of the country.



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 4,360 MW of installed capacity, it is the third largest private generator in the country, being the leader in renewable generation, operating in hydroelectric, solar, wind and biomass sources. It also has investments in Transmission and 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: 06/30/2021

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.

Acquisition of the CEEE-Transmissão

CPFL Energia, within the scope of the Auction held on 07/16/2021, through its subsidiary CPFL Cone Sul, presented the winning offer, in the amount of R\$ 2.67 billion, for the acquisition of shares representing approximately 66.08% of the total corporate capital of CEEE-Transmissão (being, approximately, 67.12% of common shares and 0.72% of preferred shares), currently held by Companhia Estadual de Energia Elétrica Participações – CEEE-Par.

The final result of the Auction is expected to be published until August 17, 2021, and, under the terms of the auction notice, after this publication, the acquisition of the Shares must be submitted to the National Electric Energy Agency (*Agência Nacional de Energia Elétrica – ANEEL*) and to the Administrative Council of Economic Defense (*Conselho Administrativo de Defesa Econômica – CADE*), for the obtaining of all necessary authorizations.

The confirmation of the result of the Auction and the awarding of its object are expected to occur until August 26, 2021.

Corporate Governance

The corporate governance model adopted by CPFL Energia is based on the 4 basic principles of the Brazilian Corporative 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 5 Advisory Committees (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.

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.

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

Dividend Policy

On May 21, 2019, CPFL Energia announced to its shareholders and to the market that its Board of Directors approved, at the meeting held on that date, the adoption of a dividend distribution policy, which determines that the Company should distribute annually, as dividends, at least 50% of the adjusted net income. Furthermore, the Dividend Policy sets out the factors that will influence the amount of the distributions, as well as other issues considered relevant by the Board of Directors and the shareholders. The Dividend Policy also highlights that certain obligations contained in the Company's financial contracts may limit the amount of dividends and/or interest on own capital that may be distributed.

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>.

Declaration of Dividends

Following our plan to **balance growth and yield** and after the acquisition of 66.1% of CEEE-T, Management decided to pay supplementary dividends **in the amount of R\$ 1,731 million, R\$1.50/share**, corresponding to 50% of payout, **totaling 100% payout** related to distributable profit of 2020.

2) OPERATIONAL PERFORMANCE

2.1) Distribution

2.1.1) Load net of losses in the concession area

Load within the Concession Area - GWh						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Captive Market	10,135	9,854	2.9%	21,847	21,925	-0.4%
Free Client	6,605	4,868	35.7%	13,371	10,813	23.7%
Total	16,740	14,722	13.7%	35,218	32,738	7.6%

Note: If disregarding the migration of large consumers and permissionaires, the load within the concession area would have a variation of +14.0% in the quarter and of +7.8% in the semester.

2.1.2) Sales within the Distributors' Concession Area

Sales within the Concession Area - GWh						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Captive Market	10,402	10,019	3.8%	22,030	21,920	0.5%
Free Client	6,480	4,935	31.3%	12,734	10,476	21.5%
Total	16,881	14,955	12.9%	34,764	32,396	7.3%

Note: If disregarding the migration of large consumers and permissionaires, the sales within the concession area would have a variation of +14.0% in the quarter and of +8.2% in the semester.

Sales within the Concession Area - GWh								
	2Q21	2Q20	Var.	Part.	1H21	1H20	Var.	Part.
Residential	5,043	4,849	4.0%	29.9%	10,740	10,293	4.3%	30.9%
Industrial	6,536	5,130	27.4%	38.7%	12,849	10,992	16.9%	37.0%
Commercial	2,578	2,259	14.1%	15.3%	5,488	5,290	3.7%	15.8%
Others	2,724	2,716	0.3%	16.1%	5,687	5,821	-2.3%	16.4%
Total	16,881	14,955	12.9%	100.0%	34,764	32,396	7.3%	100.0%

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

Highlights in the concession area in 2Q21:

- **Residential Segment (29.9% of total sales):** increase of 4.0%, even with the beginning of return to normality and the relaxation of social distancing measures. This sector has also been heavily affected by the distributed generation (-1.2%), mainly in RGE concession area;
- **Industrial Segment (38.7% of total sales):** increase of 27.4%, which means that the industry in our concession area has already returned to 2019 levels;
- **Commercial Segment (15.3% of total sales):** increase of 14.1%, mainly due to the improvement in the social distancing measures compared to the same period of the previous year, but it is not yet at the same level of 2019. This sector was the most affected by the pandemic in the 2Q20, decreasing 19.1%.

Highlights in the concession area in 1H21:

- **Residential Segment (30.9% of total sales):** increase of 4.3%, keeping the growth trend despite the relaxation of social distancing measures;

- **Industrial Segment (37.0% of total sales):** increase of 16.9%, due to the industry recovery observed in 2021;
- **Commercial Segment (15.8% of total sales):** increase of 3.7%, reflecting an improvement in the pandemic, but smaller than the industrial segment, and combined with distributed generation effect.

Sales to the Captive Market - GWh						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	5,043	4,849	4.0%	10,740	10,293	4.3%
Industrial	1,101	958	14.9%	2,226	2,183	2.0%
Commercial	1,753	1,629	7.6%	3,799	3,893	-2.4%
Others	2,504	2,582	-3.0%	5,266	5,551	-5.1%
Total	10,402	10,019	3.8%	22,030	21,920	0.5%

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

Free Client - GWh						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Industrial	5,434	4,171	30.3%	10,623	8,809	20.6%
Commercial	825	630	31.0%	1,689	1,397	20.9%
Others	220	134	64.5%	422	270	56.2%
Total	6,480	4,935	31.3%	12,734	10,476	21.5%

Free Client by Distributor - GWh						
	2Q21	2Q20	Var.	1H21	1H20	Var.
CPFL Paulista	2,916	2,205	32.2%	5,817	4,795	21.3%
CPFL Piratininga	1,798	1,440	24.8%	3,533	3,018	17.1%
RGE	1,511	1,112	35.8%	2,881	2,294	25.6%
CPFL Santa Cruz	254	177	43.3%	503	369	36.1%
Total	6,480	4,935	31.3%	12,734	10,476	21.5%

2.1.3) Losses

The consolidated losses index of CPFL Energia was of 9.06% in the 12 months ended in Jun-21, compared to 9.09% in Jun-20, a decrease of 0.03 p.p. However, disregarding the effect of the billing calendar in both years, there was an increase of 0.13 p.p. (from 8.96% in Jun-20 to 9.09% in Jun-21), indicating a worsening of this indicator caused by the adverse macroeconomic conditions imposed by the COVID-19 pandemic and the intensification of power cuts due to delinquency.

12M Accumulated Losses ¹						
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	ANEEL
CPFL Energia	9.09%	9.06%	9.05%	9.11%	9.06%	8.27%
CPFL Paulista	9.39%	9.24%	9.42%	9.64%	9.35%	8.46%
CPFL Piratininga	7.60%	7.65%	7.69%	8.06%	7.88%	6.56%
RGE	9.79%	9.87%	9.62%	9.18%	9.65%	9.15%
CPFL Santa Cruz	8.01%	8.34%	7.77%	7.87%	7.69%	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 2Q21 were:

- (i) 152.9 thousand fraud inspections were carried out at consumer units;
- (ii) Visit in 39.0 thousand consumer units inactivated for cutting in cases of self-reconnection;
- (iii) Replacement of more than 600 obsolete/defective meters with new electronics;
- (iv) Shielding of 2.6 thousand customers through the installation of Armored Boxes;
- (v) Regularization of 500 consumers without contract (clandestine);
- (vi) Market discipline through 52 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	2Q20	1Q21	2Q21	Var. %	ANEEL ¹
CPFL Energia	9.40	8.62	8.83	7.66	7.90	7.91	7.97	0.9%	n.d
CPFL Paulista	7.14	6.17	6.72	6.81	6.37	6.97	6.97	9.4%	6.82
CPFL Piratininga	6.97	5.94	6.49	5.83	5.85	6.11	6.18	5.6%	6.24
RGE ²	14.83	14.44	14.01	10.83	11.99	10.89	11.01	-8.2%	10.84
CPFL Santa Cruz ³	6.22	6.01	5.56	4.89	4.77	5.14	5.21	9.2%	8.19

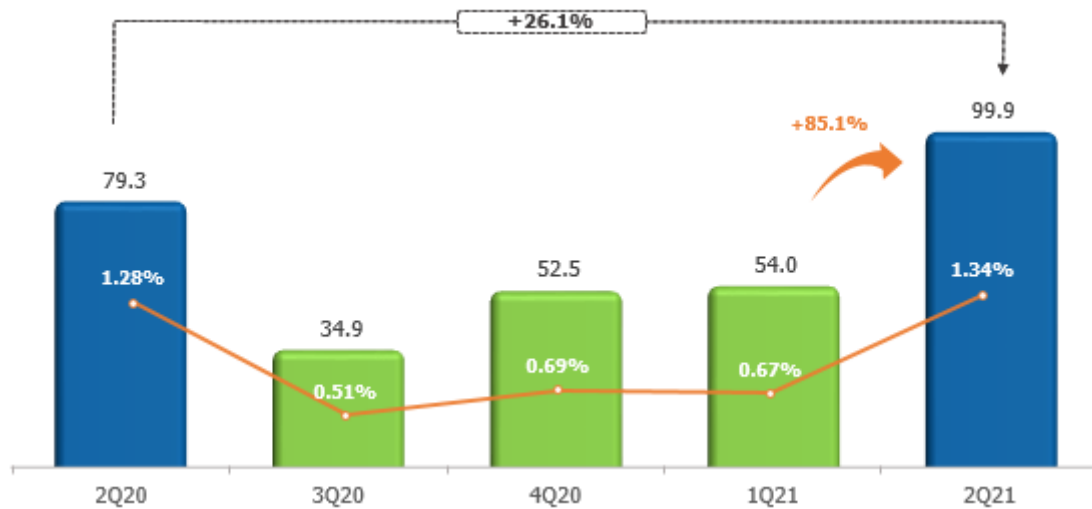
SAIFI Indicators									
Distributor	SAIFI (interruptions)								
	2017	2018	2019	2020	2Q20	1Q21	2Q21	Var. %	ANEEL ¹
CPFL Energia	5.69	4.68	4.93	4.54	4.59	4.63	4.62	0.7%	n.d
CPFL Paulista	4.94	4.03	4.38	4.27	4.14	4.40	4.47	8.0%	5.48
CPFL Piratininga	4.45	3.89	4.34	4.32	4.02	4.51	4.41	9.7%	5.52
RGE ²	7.68	6.10	6.25	5.27	5.77	5.16	5.04	-12.7%	6.96
CPFL Santa Cruz ³	5.13	5.09	4.25	3.68	3.67	3.99	4.12	12.3%	7.87

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 2Q21, SAIDI and SAIFI in the last 12 months, were higher than in 2Q20 (+0.9% and +0.7%). These results reflect the concession areas in the state of São Paulo, which had a number of occurrences and storms higher than in 2020, which led to an increase in the indicators.

2.1.5) Delinquency



ADA registered an increase of 26.1% (R\$ 20.7 million) in 2Q21, compared to 2Q20. If compared to 1Q21, there was an increase of 85.1% (R\$ 46.0 million).

In the semester comparison, ADA registered an increase of 10.9% (R\$ 16.7 million), compared to 1H20. In the analysis of the KPI ADA/Revenue from sales to final consumers, the index is in line (0.99% in 1H21 and 1.00% in 1H20).

In order to fight against the increase in delinquency accentuated by the country's economic situation, CPFL intensified and diversified its billing and collection actions, with the following highlights:

- (i) Implementation of the notice highlighted on the electricity invoice giving more visibility to the power cut notice, making a clearer and more assertive communication with the customer;
- (ii) Conduction of a digital negotiation campaign with customers, intensifying online communication and directing customers to digital channels, in line with CPFL's digitalization strategy;
- (iii) Volume of power cuts was kept at higher levels. In 2Q21, 675 thousand cuts were made, an increase of 6.0% when compared to 1Q21;
- (iv) Increase in the volume of other collection actions during 2Q21, to fight delinquency. The highlight was the increase of 18% in negativity and protest actions, from 1.8 million in 1Q21 to 2.2 million in 2Q21.

2.2) Generation

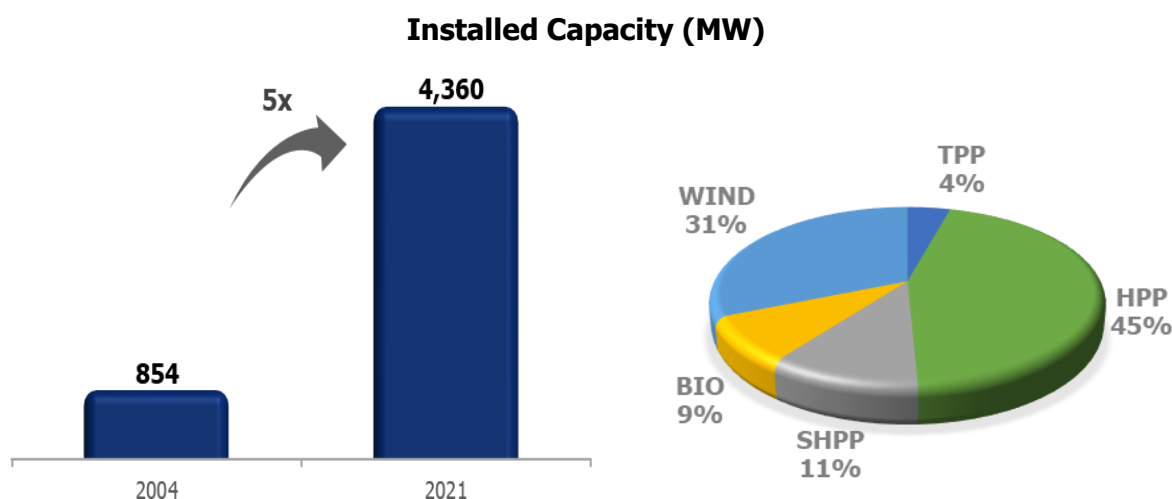
2.2.1) Installed Capacity

On the date of this report, the Generation installed capacity of CPFL Energia group, considering the proportional stake in each project, is of 4,360 MW.

In recent months, 3 wind farms of Gameleira wind complex entered into commercial operation, adding 57 MW to the portfolio in operation. Costa das Dunas wind farm, with 28.4 MW installed

capacity, started operations in June, Figueira Branca wind farm, with 10.7 MW installed capacity, started operations in July, and Gameleira wind farm, with 17.8 MW installed capacity, started operations in August.

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	1,366	1	4,360
In construction	-	-	28	-	25	-	53
In development	-	-	116	-	2,094	1,140	3,350
Total	182	1,966	619	370	3,485	1,141	7,763

The project portfolio of Generation segment (considering CPFL Energia's participation in each project) totals 7,763 MW of installed capacity. The plants in operation totalize 4,360 MW, comprising 8 HPPs (1,966 MW), 48 wind farms (1,366 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) and 1 wind farm (25 MW). Additionally, we have wind, solar and SHPP projects under development totaling 3,350 MW.

SHPP Lucia Cherobim

SHPP Lucia Cherobim, a project located in the state of Paraná, is scheduled to start operating in 2024. In June 2021, the physical progress of the project was 12.63%. 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\$ 215.61/MWh – Jun-21).

Gameleira Complex Wind Farms

The Gameleira Complex wind farms, located in the State of Rio Grande do Norte, is composed by four wind farms: Costa das Dunas, Figueira Branca, Farol de Touros and Gameleira. Only

Farol de Touros wind farm (24.9 MW of installed capacity) is still under construction and it is expected to start operating in 2H21. The complex's total installed capacity is 81.7 MW and the physical guarantee is 41.0 MW average. Part of the energy (12.0 average MW) was sold under a long-term contract at the 2018 new energy auction (A-6) (price: R\$ 186.45/MWh – Jun-21) and the rest was sold on the free market.

Corporate restructuring

On September 30, 2020, the second stage of the CPFL Renováveis integration plan was completed through the Corporate Restructuring of the CPFL Group's generation companies. The new structure strengthens the administrative structures and brings synergies to the Group, which now has a single Generation segment with all its projects.

2.3) Commercialization

Number of Commercialization Consumer Units

In Jun-21, CPFL Brasil consumer units reached 1,900, a decrease of 12.8%. This was due to a volume of contract termination above the historical average in Dec-20.



2.4) Transmission

Operational Portfolio					
Project	Location	RAP (R\$ MM)	Capex (R\$ MM)	Operation Start	Substation Nº
Piracicaba	SP	8.9	100	Jul/15	1
Morro Agudo	SP	10.8	100	Jul/17	1

In Construction Portfolio							
Project	Location	RAP (R\$ MM)	Estimated Capex by Aneel (R\$ MM)	Operation Start	Substation Nº	Lines (Km)	Built
Maracanaú	CE	7.9	102	Mar/22	1	2	44.47%
Sul I	SC	26.4	366	Mar/24	1	320	38.13%
Sul II	RS	33.9	349	Mar/23	3	85	60.74%

Note: Base Date - Piracicaba (12/19/12) – Morro Agudo (06/01/14) – Maracanaú (06/28/18) – Sul I and II (12/20/18).

3) CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE

3.1) Economic-Financial Performance

Consolidated Income Statement - CPFL ENERGIA (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Gross Operating Revenue	12,703	9,847	29.0%	25,187	20,725	21.5%
Net Operating Revenue	8,813	6,562	34.3%	17,101	13,844	23.5%
Revenue from building the infrastructure	744	603	23.3%	1,367	1,099	24.3%
Net Operating Revenue (ex-rev. from infrastructure)	8,068	5,958	35.4%	15,734	12,745	23.5%
Cost of Electric Power	(5,188)	(4,023)	29.0%	(10,165)	(8,365)	21.5%
Contribution Margin	2,880	1,935	48.9%	5,569	4,380	27.1%
PMSO	(864)	(772)	11.9%	(1,624)	(1,562)	4.0%
Other Operating Costs & Expenses	(1,229)	(1,076)	14.2%	(2,328)	(2,043)	13.9%
Equity Income	91	85	7.1%	182	170	6.5%
EBITDA¹	2,054	1,208	70.0%	4,020	2,904	38.4%
Financial Income (Expense)	(9)	(72)	-87.2%	(130)	49	-
Income Before Taxes	1,614	703	129.5%	3,035	2,093	45.0%
Net Income	1,126	462	143.6%	2,087	1,366	52.8%

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

CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Others	Eliminations	Consolidated
2Q21					
Contribution margin	2.039	760	254	(173)	2.880
EBITDA ¹	1.249	728	77	-	2.054
Financial results	(2)	(57)	51	-	(9)
Net Income	664	399	63	-	1.126
2Q20					
Contribution margin	1.325	557	208	(155)	1.935
EBITDA ¹	622	530	56	-	1.208
Financial results	19	(97)	6	-	(72)
Net Income	269	174	19	-	462
Variation (%)					
Contribution margin	53,9%	36,5%	21,9%	11,5%	48,9%
EBITDA ¹	100,7%	37,3%	38,5%	-	70,0%
Financial results	-	-40,7%	743,9%	-	-87,2%
Net Income	146,9%	129,5%	225,1%	-	143,6%

CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Others	Eliminations	Consolidated
1H21					
Contribution Margin	4,006	1,421	480	(338)	5,569
EBITDA ¹	2,510	1,377	132	-	4,020
Financial results	(91)	(109)	69	-	(130)
Net Income	1,261	748	78	-	2,087
1H20					
Contribution Margin	3,151	1,132	367	(271)	4,380
EBITDA ¹	1,759	1,076	69	-	2,904
Financial results	225	(197)	21	-	49
Net Income	997	352	17	-	1,366
Variation (%)					
Contribution Margin	27.1%	25.5%	30.6%	24.9%	27.1%
EBITDA ¹	42.7%	28.0%	90.3%	-	38.4%
Financial results	-	-44.8%	231.7%	-	-
Net Income	26.4%	112.4%	368.3%	-	52.8%

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	2Q21	2Q20	Var.	1H21	1H20	Var.
Adjustments in the concession financial assets (VNR)	222	(61)	-	474	77	512.6%
Legal and judicial expenses	(39)	(26)	50.4%	(63)	(64)	-1.3%
Assets write-off	(36)	(24)	52.1%	(73)	(59)	24.0%
Other extraordinary items:						
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	-	-	45	-	-
Epasa depreciation rate	(6)	-	-	(12)	-	-
Financial results effects - R\$ million	2Q21	2Q20	Var.	1H21	1H20	Var.
CPFL Brasil - PIS/Cofins over ICMS	40	-	-	40	-	-
Mark-to-market (MTM)	44	3	1412.2%	20	270	-92.5%

Operating Revenue

In 2Q21, gross operating revenue reached R\$ 12,703 million, representing an increase of 29.0% (R\$ 2,856 million). Net operating revenue reached R\$ 8,813 million in 2Q21, registering an increase of 34.3% (R\$ 2,251 million).

In 1H21, gross operating revenue reached R\$ 25,187 million, representing an increase of 21.5% (R\$ 4,462 million). Net operating revenue reached R\$ 17,101 million in 1H21, registering an increase of 23.5% (R\$ 3,257 million).

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

Net Operating Revenue (R\$ Milhões)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Distribution	7,522	5,394	39.5%	14,615	11,496	27.1%
Generation	917	651	40.7%	1,718	1,336	28.6%
Commercialization	621	710	-12.4%	1,214	1,428	-15.0%
Services	205	175	17.7%	404	327	23.7%
Elimination and Others	(453)	(368)	23.1%	(850)	(743)	14.5%
Total	8,813	6,562	34.3%	17,101	13,844	23.5%

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

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Cost of Electric Power Purchased for Resale						
Energy from Itaipu Binacional	822	1,019	-19.3%	1,794	1,929	-7.0%
PROINFA	88	75	17.3%	185	144	28.1%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	3,589	2,803	28.0%	6,666	5,886	13.3%
PIS and COFINS Tax Credit	(400)	(353)	13.4%	(763)	(711)	7.3%
Total	4,099	3,545	15.6%	7,882	7,249	8.7%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	746	504	48.1%	1,527	1,067	43.1%
Itaipu Transmission Charges	87	73	19.0%	170	143	18.7%
Connection Charges	52	42	23.2%	99	82	20.8%
Charges for the Use of the Distribution System	16	11	44.2%	31	21	44.2%
ESS / EER	298	(104)	-	686	(86)	-
PIS and COFINS Tax Credit	(109)	(47)	130.1%	(230)	(111)	106.7%
Total	1,089	479	127.6%	2,284	1,116	104.6%
Cost of Electric Energy	5,188	4,023	29.0%	10,165	8,365	21.5%

Cost of Electric Power Purchased for Resale

In 2Q21, the cost of electric power purchased for resale reached R\$ 4,099 million, an increase of 15.6% (R\$ 554 million). The main variations were:

- (i) Increase of 28.0% in **energy purchased in auctions, bilateral contracts and spot market** (R\$ 786 million), due to the higher average price (35.0%);
- (ii) Increase of 17.3% in **PROINFA** (R\$ 13 million);

Partially offset by the:

- (i) Reduction of 19.3% in **energy from Itaipu** (R\$ 197 million), mainly due to the exchange variation, which decreased the average price of this energy by 16.0%, and the lower volume of purchased energy (4.0%);
- (ii) Increase of 13.4% in **PIS and COFINS tax credit** (R\$ 47 million).

In 1H21, the cost of electric power purchased for resale reached R\$ 7,882 million, an increase of 8.7% (R\$ 663 million). The main variations were:

- (i) Increase of 13.3% in **energy purchased in auctions, bilateral contracts and spot market** (R\$ 780 million), due to the higher average price (22.0%);
- (ii) Increase of 28.1% in **PROINFA** (R\$ 40 million);

Partially offset by the:

- (iii) Reduction of 7.0% in **energy from Itaipu** (R\$ 135 million), mainly due to the exchange variation, which decreased the average price of this energy by 2.6%, and the lower volume of purchased energy (4.5%);
- (iv) Increase of 7.3% in **PIS and COFINS tax credit** (R\$ 52 million).

Volume of purchased energy (GWh)	2Q21	2Q20	Var.	1H21	1H20	Var.
Energy from Itaipu Binacional	2,605	2,714	-4.0%	5,192	5,436	-4.5%
PROINFA	257	260	-0.9%	480	512	-6.2%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	14,392	15,178	-5.2%	29,356	31,624	-7.2%
Total	17,254	18,152	-4.9%	35,028	37,572	-6.8%

Average price (R\$/MWh)	2Q21	2Q20	Var.	1H21	1H20	Var.
Energy from Itaipu Binacional	315.51	375.47	-16.0%	345.51	354.90	-2.6%
PROINFA	342.05	288.97	18.4%	384.78	281.67	36.6%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	249.39	184.69	35.0%	227.07	186.12	22.0%
Total	237.56	195.27	21.7%	225.02	192.93	16.6%

Charges for the Use of the Transmission and Distribution System

In 2Q21, charges for the use of the transmission and distribution system reached R\$ 1,089 million, an increase of 127.6% (R\$ 611 million), due to:

- (i) Increase of 43.0% in **connection and transmission charges** (basic network, Itaipu transport, connection and use of the distribution system) (R\$ 271 million);
- (ii) Increase of R\$ 402 million in **sector charges (ESS/EER)**, mainly due to the variation in the ESS - System Service Charge, due to the need to activate thermal plants out of the merit order, due to limited hydrological conditions and the need to guarantee the country's energy security. This effect was combined with R\$ 223 million in resources, received by the distribution companies in 2Q20, from the Reserve Fund for Future Relief of Charges, as per Aneel Dispatch no. 986/2020, as one of the measures to face the crisis caused by the covid-19 pandemic.

Such effects were partially offset by the increase of 130.1% in **PIS and Cofins tax credit** (R\$ 62 million).

In 1H21, charges for the use of the transmission and distribution system reached R\$ 2,284 million, an increase of 104.6% (R\$ 1,168 million), due to:

- (i) Increase of 39.1% in **connection and transmission charges** (basic network, Itaipu transport, connection and use of the distribution system) (R\$ 513 million);
- (ii) Increase of R\$ 773 million in **sector charges (ESS/EER)**, mainly due to the ESS, which was pressured by the higher thermal dispatch combined with the pandemic mitigation measure carried out in 2020, as explained above.

Such effects were partially offset by the increase of 106.7% in **PIS and Cofins tax credit** (R\$ 119 million).

Contribution margin

In 2Q21, **contribution margin** reached R\$ 2,880 million, an increase of 48.9% (R\$ 945 million). In 1H21, **contribution margin** reached R\$ 5,569 million, an increase of 27.1% (R\$ 1,189 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.

PMSO

PMSO (R\$ million)								
	2Q21	2Q20	Variation		1H21	1H20	Variação	
			R\$ MM	%			R\$ MM	%
Personnel	(384)	(357)	(27)	7.5%	(747)	(712)	(36)	5.0%
Material	(83)	(59)	(24)	40.4%	(156)	(133)	(23)	17.2%
Outsourced Services	(159)	(151)	(8)	5.6%	(306)	(322)	15	-4.8%
Other Operating Costs/Expenses	(238)	(205)	(33)	16.0%	(415)	(395)	(19)	4.9%
<i>Allowance for doubtful accounts</i>	<i>(100)</i>	<i>(80)</i>	<i>(20)</i>	<i>24.5%</i>	<i>(154)</i>	<i>(138)</i>	<i>(16)</i>	<i>11.6%</i>
<i>Legal and judicial expenses</i>	<i>(39)</i>	<i>(26)</i>	<i>(13)</i>	<i>50.4%</i>	<i>(63)</i>	<i>(64)</i>	<i>1</i>	<i>-1.3%</i>
<i>Assets Write-Off</i>	<i>(36)</i>	<i>(24)</i>	<i>(12)</i>	<i>52.1%</i>	<i>(73)</i>	<i>(59)</i>	<i>(14)</i>	<i>24.0%</i>
<i>Others</i>	<i>(62)</i>	<i>(75)</i>	<i>12</i>	<i>-16.6%</i>	<i>(125)</i>	<i>(135)</i>	<i>10</i>	<i>-7.5%</i>
Total PMSO	(864)	(772)	(92)	11.9%	(1,624)	(1,562)	(62)	4.0%

PMSO reached R\$ 864 million in 2Q21, an increase of 11.9% (R\$ 92 million), due to the following factors:

- (i) Increase of 6.5% (R\$ 39 million) in expenses linked to inflation, compared to the IPCA of 8.35% in the last 12 months. Highlight to personnel costs, with an increase of 7.5% (R\$ 27 million);
- (ii) Increase of 24.5% (R\$ 20 million) in allowance for doubtful accounts;
- (iii) Increase of 74.5% (R\$ 13 million) in legal and judicial expenses, due to the higher volume of civil and labor lawsuits, combined with reversals carried out in 2Q20, which affected the basis of comparison;
- (iv) Increase of 52.1% (R\$ 12 million) in assets write-off, due to gains recorded in 2Q20, combined with an increase in scrap and inventory write-offs in 2Q21;
- (v) Increase of 78.0% (R\$ 9 million) in collection actions, due to the suspension of power cuts in 2Q20, which affected the comparison basis;

Partially offset by the:

- (vi) Increase of 3.2% (R\$ 1 million) in expenses related to Capex efforts.

In 1H21, PMSO reached R\$ 1,624 million, an increase of 4.0% (R\$ 63 million), due to the following factors:

- (i) Increase of 2.0% (R\$ 25 million) in expenses linked to inflation, compared to the IPCA of 8.35% in the last 12 months;

- (ii) Increase of 11.6% (R\$ 16 million) in allowance for doubtful accounts;
 - (iii) Increase of 24.0% (R\$ 14 million) in assets write-off;
 - (iv) Increase of 21.3% (R\$ 7 million) in collection actions;
 - (v) Increase of 2.9% (R\$ 2 million) in expenses related to Capex efforts;
- Partially offset by:
- (vi) Decrease of 1.3% (R\$ 1 million) in legal and judicial expenses.

Other operating costs and expenses

Other operating costs and expenses						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Costs of Building the Infrastructure	741	601	23.4%	1,360	1,096	24.1%
Private Pension Fund	57	43	33.5%	113	88	28.6%
Depreciation and Amortization	431	433	-0.4%	855	859	-0.6%
Total	1,229	1,076	14.2%	2,328	2,043	13.9%

EBITDA

In 2Q21, **EBITDA** reached R\$ 2,054 million, registering an increase of 70.0% (R\$ 846 million). In 1H21, **EBITDA** reached R\$ 4,020 million, registering an increase of 38.4% (R\$ 1,115 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 (R\$ million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Net Income	1,126	462	143.6%	2,087	1,366	52.8%
Depreciation and Amortization	431	433	-0.4%	855	860	-0.6%
Financial Result	9	72	-87.2%	130	(49)	-
Income Tax / Social Contribution	488	241	102.3%	947	727	30.3%
EBITDA	2,054	1,208	70.0%	4,020	2,904	38.4%

Financial Result

Financial Result (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Revenues	324	182	77.4%	549	621	-11.6%
Expenses	(333)	(255)	30.7%	(679)	(572)	18.7%
Financial Result	(9)	(72)	-87.2%	(130)	49	-

In 2Q21, the net financial expense was R\$ 9 million, a reduction of 87.2% (R\$ 63 million) compared to the net financial expense observed in 2Q20. The items that explain this variation

are:

- (i) Increase of 65.6% (R\$ 63 million) in **late payment interests and fines**, due to the increase of IGP-M;
- (ii) Positive variation of R\$ 41 million in **mark-to-market** (non-cash effect);
- (iii) Accounting of the monetary adjustment to the **PIS/Cofins credit over ICMS** related to the judicial lawsuit filed by CPFL Brasil (R\$ 40 million);
- (iv) Increase of R\$ 7 million in **adjustment to the sectoral financial asset/liability**;

Partially offset by:

- (v) Increase of 52.1% (R\$ 84 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the increase of IPCA in the period;
- (vi) Negative variation of R\$ 4 million in **other financial revenues/expenses**.

In 1H21, the **net financial expense** was R\$ 130 million, a variation of R\$ 179 million compared to the net financial income of R\$ 49 million observed in 1H20. The items that explain this variation are:

- (i) Negative variation of R\$ 249 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;
- (ii) Increase of 17.1% (R\$ 69 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the increase of IPCA in the period;
- (iii) Variation of R\$ 3 million in **other financial revenues/expenses**;

Partially offset by:

- (iv) Increase of 50.4% (R\$ 102 million) in **late payment interests and fines**, due to the increase of IGP-M;
- (v) Accounting of the monetary update of the **PIS/Cofins credit over ICMS** related to the judicial lawsuit filed by CPFL Brasil (R\$ 40 million).

Income Tax and Social Contribution

In 2Q21, Income Tax and Social Contribution registered an increase of 102.3% (R\$ 246 million). The effective rate went from 34.3% in 2Q20 to 30.2% in 2Q21, with a highlight for the Generation segment, with the best result of companies that are in the presumed profit regime and the tax optimization provided by the corporate restructuring carried out in 2020.

In 1H21, Income Tax and Social Contribution registered an increase of 30.3% (R\$ 220 million). The effective rate went from 34.7% in 1H20 to 31.2% in 1H21, for the reasons mentioned above.

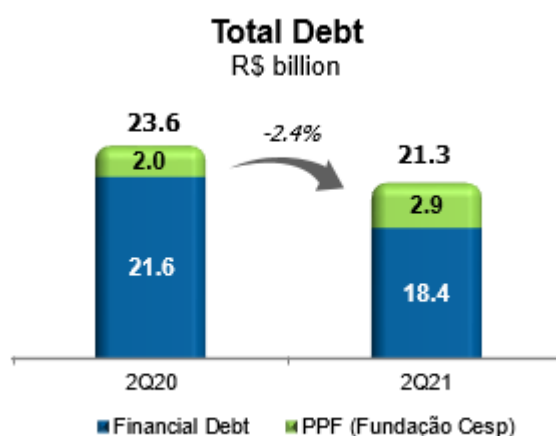
Net Income

Net income was of R\$ 1,126 million in 2Q21, registering an increase of 143.6% (R\$ 664 million). In 1H21, **Net income** was of R\$ 2,087 million, registering an increase of 52.8% (R\$ 721 million). These results reflect the increase in EBITDA, mainly due to the improvement in the performance of the Distribution and Generation segments, and the lower net financial expense, partially offset by the increase in Income Tax and Social Contribution, due to the better result in the period.

3.2) Indebtedness

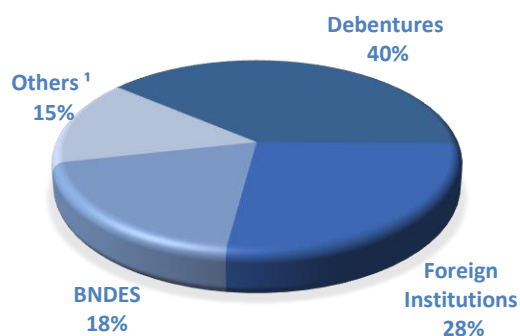
3.2.1) Debt (IFRS)

In June 30, 2021, CPFL Energia's total debt was R\$ 21.3 billion, with a reduction of 10.1% compared to the last year. The financial debt of the group, which considers loans, debentures and intercompany loans, was of R\$ 18.4 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 Renov  veis and CPFL Brasil with SGBP.

Debt Profile – IFRS



Average Cost (End of the period – IFRS)

2Q21 – 6.53%

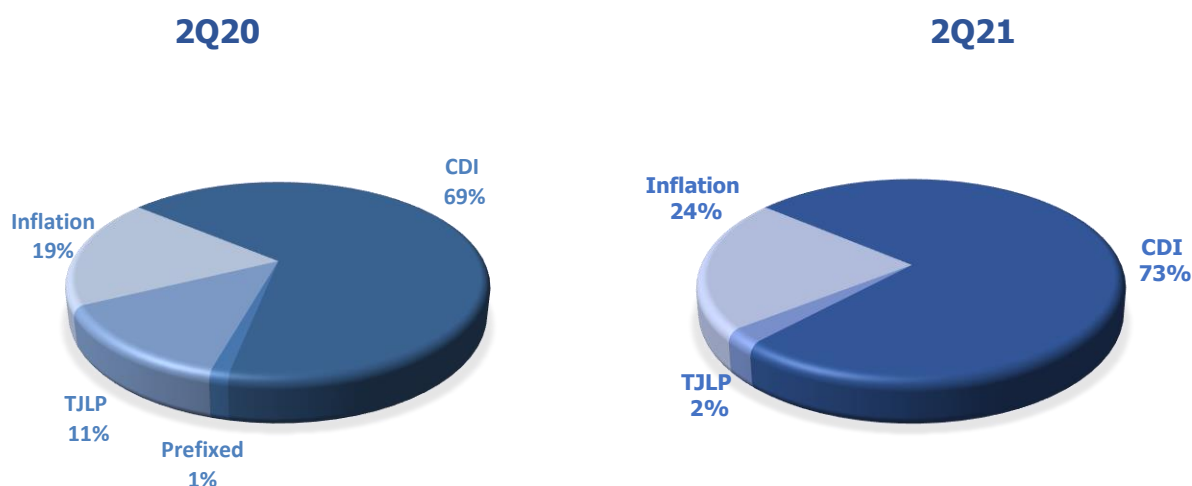
2Q20 – 4.21%

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\$ 5.2 billion, is protected by hedge operations. Considering, for instance, foreign loans, which represent almost 28% 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

2Q20 vs. 2Q21

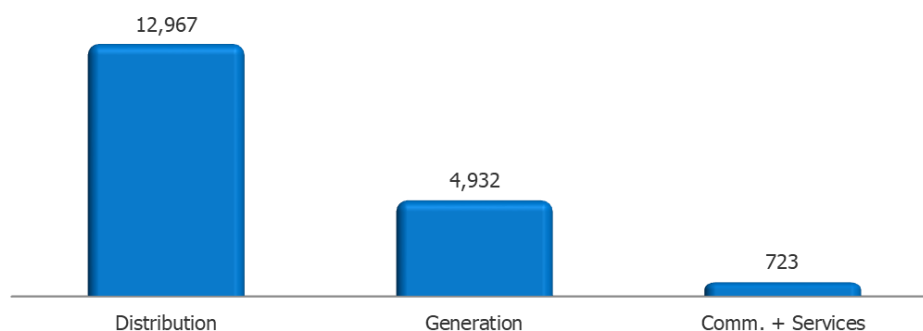


Note: (1) For debts contracted in foreign currency (27.7% of the total in 2Q21), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in IFRS criteria

IFRS R\$ Million	2Q21	2Q20	Var. %
Financial Debt (including hedge)	(18,371)	(21,642)	-15.1%
(+) Available Funds	2,738	6,988	-60.8%
(=) Net Debt	(15,633)	(14,655)	6.7%

Debt by Segment (R\$ Million – IFRS)



Notes:

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

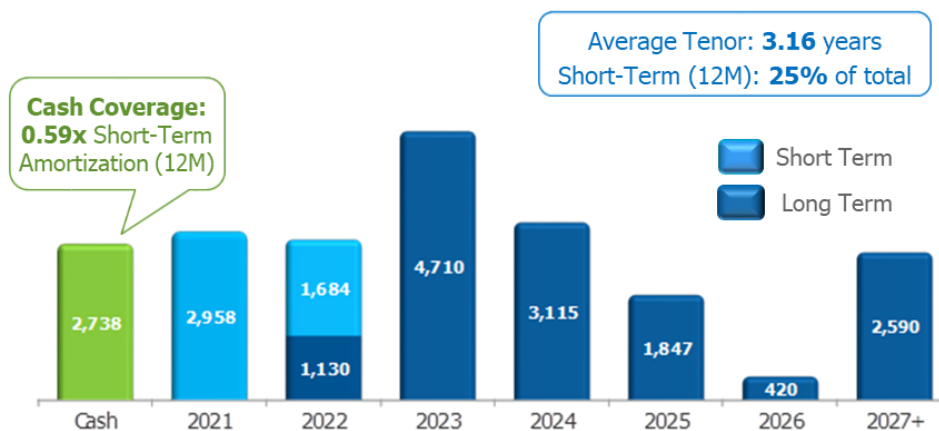
Debt Amortization Schedule in IFRS (June 2021)

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 2Q21 had a coverage ratio of **0.59x** 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 **3.16 years**.

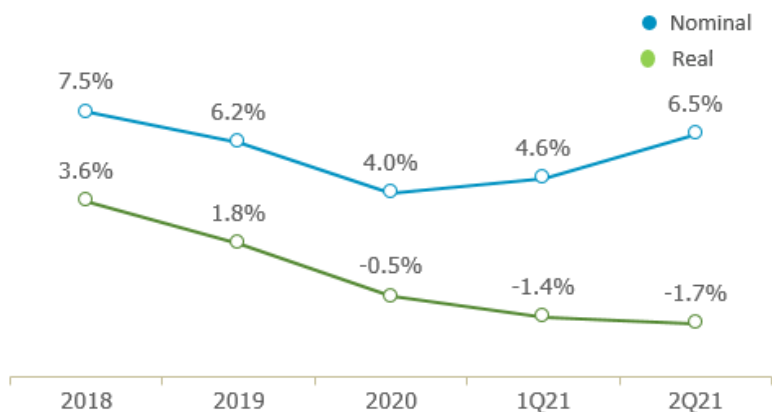
The debt amortization schedule of the financial debt below considers only the notional of the debts and derivatives.

Debt Amortization Schedule (IFRS)



Note: (1) Considering only the notional and hedge of the debt. In order to reach the financial result of R\$ 18,453 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.

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.

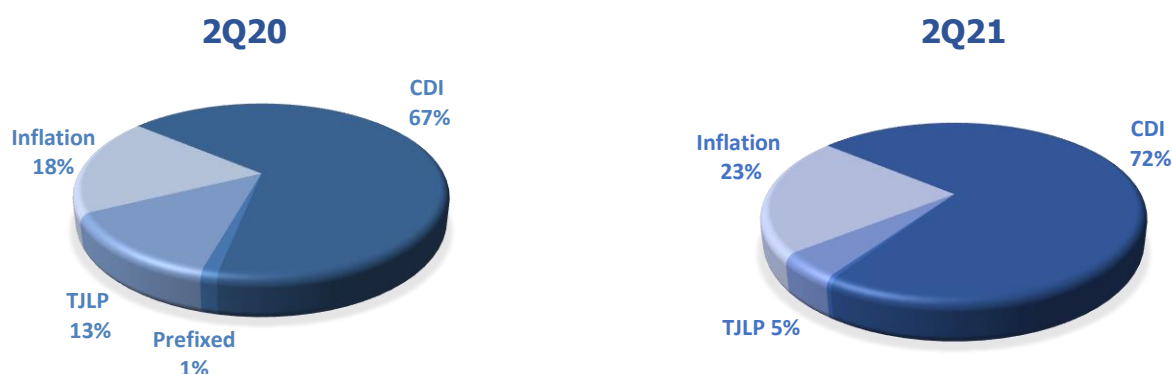
Ratings of CPFL Energia - Corporate Credit			
Agency	Scale	Rating	Perspective
Standard & Poor's	Brazilian	brAAA	Stable
Fitch Rating	Brazilian	AAA(bra)	Stable
Moody's	Brazilian	Aaa.br	Stable

Note: In June 29, 2021, Moody's reaffirmed the Aaa.br rating for CPFL Energia.

3.2.2) Debt in Financial Covenants Criteria

Indexation and Debt Cost in Financial Covenants Criteria

Indexation¹ after Hedge² - 2Q20 vs. 2Q21



Note:

(1) The total amount considers the proportional consolidation of Ceran, Enercan, Foz do Chapecó and EPASA;

(2) For debts contracted in foreign currency (31.0% 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 2Q21, the *Proforma* Net Debt totaled **R\$ 15,681** million, an increase of **4.5%** compared to net debt position at the end of 2Q20, in the amount of **R\$ 15,008** million.

Covenant Criteria - R\$ Million	2Q21	2Q20	Var.%
Financial Debt (including hedge) ¹	(18,883)	(22,293)	-15.3%
(+) Available Funds ²	3,202	7,285	-56.1%
(=) Net Debt	(15,681)	(15,008)	4.5%
EBITDA Proforma ³	8,320	6,548	27.1%
Net Debt / EBITDA	1.88	2.29	-17.8%

Notes:

(1) Considers the proportional consolidation of Ceran, Enercan, Foz do Chapecó and EPASA;

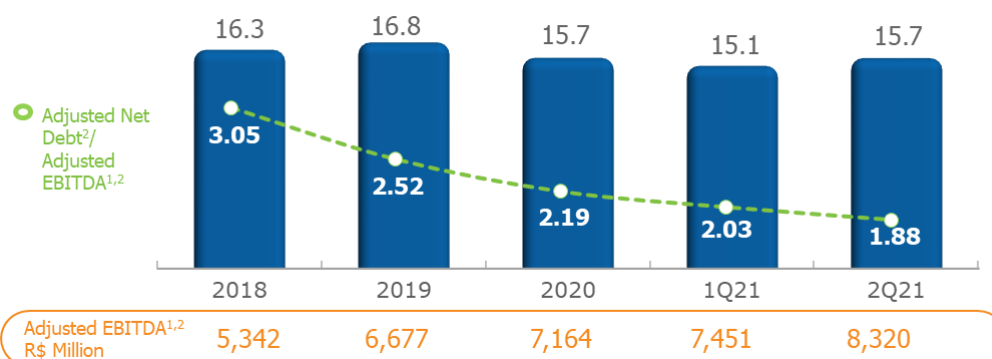
(2) Does not consider Bonds and Secutities, in the amount of R\$ 283 million;

(3) *Proforma* EBITDA in the financial covenants criteria: adjusted according CPFL Energia's stake in each of its subsidiaries.

In line with the criteria for calculation of financial covenants of loan agreements with financial institutions, net debt and the EBITDA are adjusted according to the equivalent stake of CPFL Energia in each of its subsidiaries.

Considering that the *Proforma* Net Debt totaled **R\$ 15,681 million** and *Proforma* EBITDA in the last 12 months reached **R\$ 8,320 million**, the ratio *Proforma* Net Debt/EBITDA at the end of 1Q21 reached **1.88x**.

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

Investments (R\$ Million)						
Segment	2Q21	2Q20	Var.	1H21	1H20	Var.
Distribution	738	546	35.2%	1,334	1,000	33.5%
Generation	224	63	257.8%	267	93	187.4%
Commercialization	2	1	209.8%	5	1	379.8%
Services and Others ¹	19	7	168.0%	33	25	34.8%
Transmission ²	36	32	11.9%	74	40	85.9%
Total	1,019	648	57.2%	1,714	1,158	48.0%

Notes:

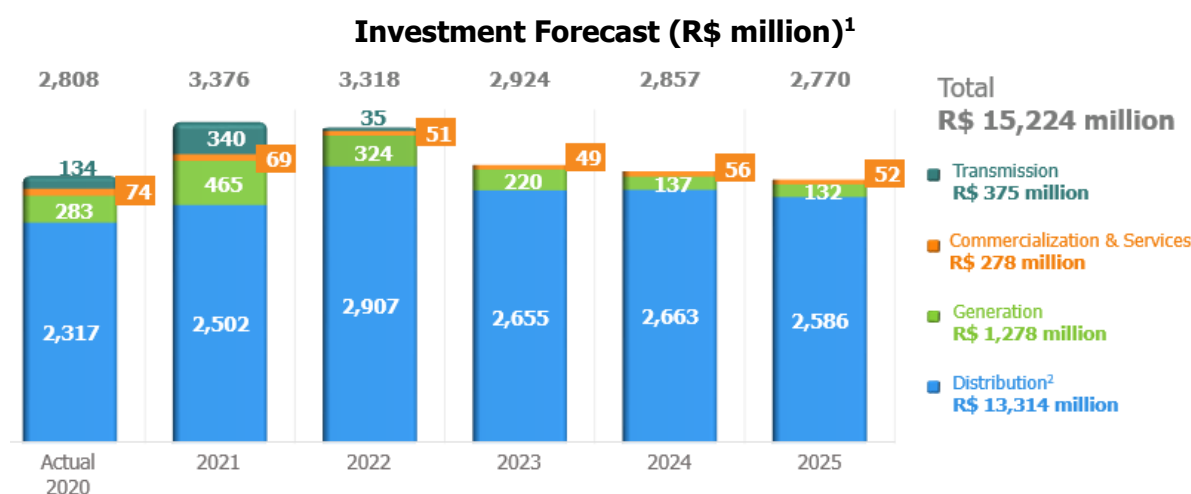
(1) Others - basically refers to assets and transactions that are not related to the listed segments;

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

In 2Q21, the investments were of R\$ 1,019 million, an increase of 57.2%, compared to R\$ 648 million registered in 2Q20. We highlight investments made by CPFL Energia in the Distribution segment, in the amount of R\$ 738 million, mainly intended for expansion, modernization and maintenance of electrical system.

3.3.2) Investment Forecast

On November 26th, 2020, the Board of Directors of CPFL Energia approved Board of Executive Officers' proposal for 2021 Annual Budget and 2021/2025 Multiannual Plan for the Company, which was previously discussed by the Budget and Corporate Finance Committee.



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 (R\$)	IEE	IBOV	
06/30/2021	R\$ 28.92	80,796	127,594	
03/31/2021	R\$ 30.42	80,913	116,634	
06/30/2020	R\$ 30.66	70,160	95,056	
QoQ	-4.9%	-0.1%	9.4%	
YoY	-5.7%	15.2%	34.2%	

On June 30, 2021, CPFL Energia's shares closed at R\$ 28.92 per share in the B3, a depreciation of 4.9% in the quarter. Considering the variation in the last 12 months, the shares showed a

devaluation of 5.7%.

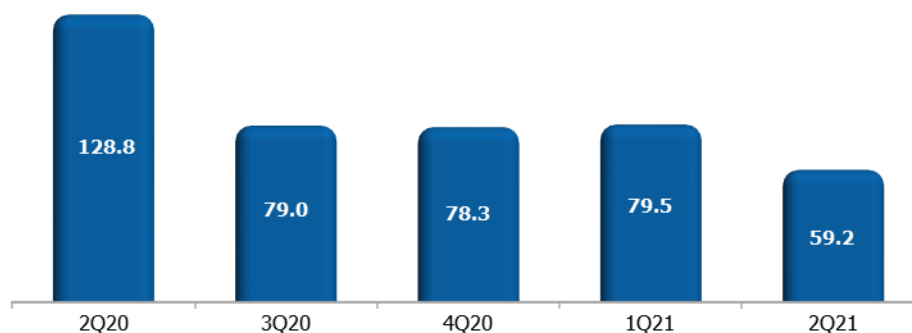
Since January-21, CPFL Energia has been part of the Corporate Sustainability Index - ISE and Carbon Efficient Index - ICO2, both from the B3.

4.2) Daily Average Volume

The daily average volume trading of CPFL Energia in 2Q21 was R\$ 59.2 million, representing a decrease of 54,0% if compared to 2Q20.

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	2Q20	2Q21	Var.
Renewable energy	Total energy generated by renewable sources	GWh	1,841	2,376	29.1%
	↳ HPPs (hydro)	GWh	469	843	79.8%
	↳ SHPPs and CGHs	GWh	317	221	-30.5%
	↳ Solar	GWh	0.3	0.3	-13.6%
	↳ Wind	GWh	700	968	38.2%
	↳ Biomass	GWh	354	344	-2.9%
Circular economy	Number of refurbished transformers	unit	2,498	2,748	10.0%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	1,225	1,747	42.7%
Natural resources	Water consumption (administrative buildings)	1,000 m³	49	24	-50.8%
	Energy consumption (administrative buildings)	MWh	12,536	8,809	-29.7%

 SMART SOLUTIONS - Offering solutions for the future of energy					
Theme	Indicator	Unit	2Q20	2Q21	Var.
Smart Grid	% of telemetered load	%	52.0%	57.1%	9.8%
	Number of installed automatic reclosers	unit	11,968	13,788	15.2%
Digitalization	% de digitalization of customer services	%	86%	89%	3.6%
	Number of digital bills	million	3.1	4.0	30.7%
	% of bills paid digitally	%	57.4%	62.7%	9.2%
Innovation	Investments in innovation (Aneel R&D) ¹	R\$ million	13.5	14.0	4.0%
Low carbon solutions	Number of projects qualified for the commercialization of carbon credits and renewable energy seals	unit	16	18	12.5%

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	2Q20	2Q21	Var.
Social transformation	Investment in Energy Efficiency actions (Aneel)	R\$ million	37.24	42.0	12.9%
	Investment through Instituto CPFL ¹	R\$ million	7.6	69.8	815.6%
	Number of hospitals benefited by the "CPFL nos Hospitais" Program ²	number of hospitals	8	27	237.5%
	Number of people benefited by Instituto CPFL social programs	1,000 people	53.119	243.0	357.5%
	Number of low income families benefited by the Energy Efficiency Programs (Aneel) ²	1,000 families	17.805	35.8	101.1%
Health & Safety	Number of safety inspections carried out in our own headcount and in contracted ones	1,000 inspections	5.4	6.3	16.5%
	Number of audits carried out in the contracted companies	number of audits	166	199	19.9%
	Accident frequency rate (own employees)	Number of injured * 1MM / hours worked with risk exposure	1.16	1.46	25.9%
	Accident frequency rate (outsourced)	Number of injured * 1MM / hours worked with risk exposure	3.71	2.72	-26.7%
	Number of fatal accidents with the population	number of accidents	5	8	60.0%

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	2Q20	2Q21	Var.
Ethics	% of employees trained in Ethics and Integrity	%	83%	86%	3.6%
Employee Development & Inclusion	Number of training hours ¹	1,000 hours	111	216	95.0%
	% of women in leadership positions	%	17.6%	19.7%	11.9%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	0.0%
	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

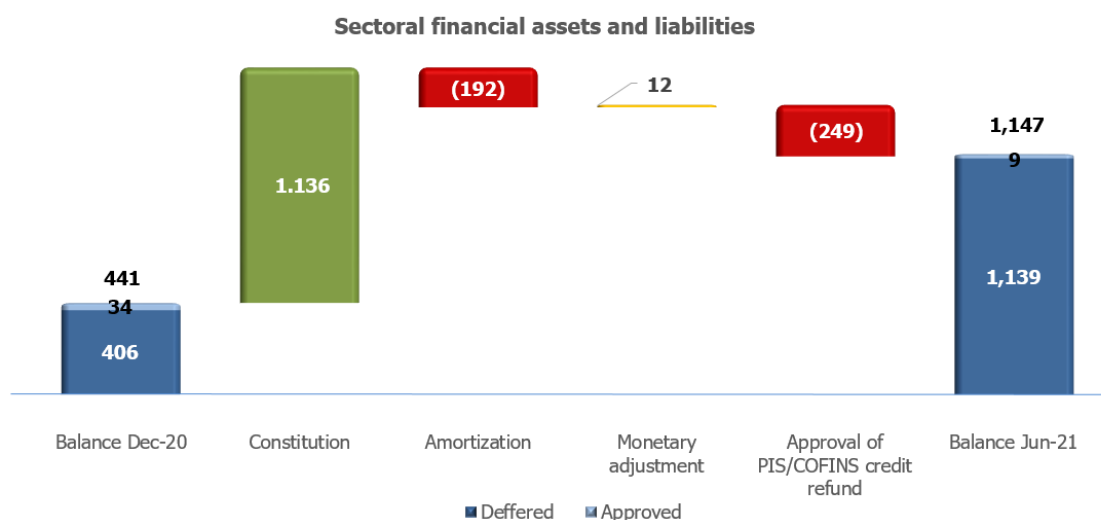
6.1.1) Economic-Financial Performance

Consolidated Income Statement - Distribution (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Gross Operating Revenue	11,313	8,527	32.7%	22,459	18,076	24.2%
Net Operating Revenue	7,522	5,394	39.5%	14,615	11,496	27.1%
Cost of Electric Power	(4,775)	(3,498)	36.5%	(9,317)	(7,286)	27.9%
Operating Costs & Expenses	(1,728)	(1,491)	15.9%	(3,239)	(2,879)	12.5%
EBIT	1,020	405	151.6%	2,059	1,331	54.7%
EBITDA ⁽¹⁾	1,249	622	100.7%	2,510	1,759	42.7%
Financial Income (Expense)	(2)	19	-	(91)	225	-
Income Before Taxes	1,017	424	139.9%	1,968	1,556	26.5%
Net Income	664	269	146.9%	1,261	997	26.4%

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

Sectoral Financial Assets and Liabilities

On June 30, 2021, the balance of sectoral financial assets and liabilities was positive in R\$ 1,147 million. If compared to December 31, 2020, there was an increase of R\$ 707 million, as demonstrated in the chart below:



The variation in this balance was due to the constitution of an asset of R\$ 1,136 million, mainly due to: (i) higher energy costs from Itaipu (R\$ 777 million), (ii) over contracting (R\$ 191 million) and (iii) increase in the costs of the Basic Network (R\$ 143 million).

The amortization of R\$ 192 million mainly favored by the tariff adjustments applied over the last 12 months, which allowed the pass-through of costs to consumers, especially part of the impact of exchange rate variation on the costs of energy from Itaipu, which had already been observed since the beginning of the pandemic.

The monetary adjustment of assets and liabilities totaled R\$ 12 million. In addition, 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.

Operating Revenue

Operating Revenue						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Gross Operating Revenue						
Revenue with Energy Sales (Captive + TUSD)	8,701	7,070	23.1%	18,147	15,783	15.0%
Short-term Electric Energy	502	192	161.5%	647	420	54.1%
Revenue from Building the Infrastructure of the Concession	708	571	24.0%	1,293	1,059	22.0%
Sectoral Financial Assets and Liabilities	691	291	137.6%	943	(173)	-
CDE Resources - Low-income and Other Tariff Subsidies	389	384	1.4%	772	760	1.6%
Adjustments to the Concession's Financial Asset	222	(61)	-	481	77	521.7%
Other Revenues and Income	120	97	23.1%	233	199	16.8%
Compensatory Fines (DIC/FIC)	(19)	(18)	7.4%	(57)	(50)	14.1%
Total	11,313	8,527	32.7%	22,459	18,076	24.2%
Deductions from the Gross Operating Revenue						
ICMS Tax	(1,776)	(1,455)	22.0%	(3,722)	(3,231)	15.2%
PIS and COFINS Taxes	(914)	(734)	24.6%	(1,887)	(1,554)	21.4%
CDE Sector Charge	(913)	(845)	8.1%	(1,925)	(1,786)	7.8%
R&D and Energy Efficiency Program	(66)	(49)	34.9%	(129)	(104)	23.9%
PROINFA	(52)	(42)	24.3%	(96)	(89)	7.9%
Tariff Flags	(60)	0	-	(67)	198	-
Others	(9)	(7)	26.2%	(17)	(15)	16.7%
Total	(3,791)	(3,133)	21.0%	(7,843)	(6,580)	19.2%
Net Operating Revenue	7,522	5,394	39.5%	14,615	11,496	27.1%

In 2Q21, gross operating revenue amounted to R\$ 11,313 million, an increase of 32.7% (R\$ 2,787 million), due to the following factors:

- (i) Increase of 23.1% (R\$ 1,630 million) in **Revenue with Energy Sales** (captive + TUSD), due to: (i) the positive average tariff adjustment in the distribution companies in the period between 2Q20 and 2Q21 (average increases of 6.09% in RGE, in June 2020¹, of 9.82% in CPFL Piratininga, in October 2020, and of 8.95% in CPFL Paulista, in April 2021); (ii) the tariff review with an average positive readjustment to the consumers of 9.95% at CPFL Santa Cruz, in March 2021; and (iii) the increase of 13.7% in the load in the concession area;
- (ii) Increase of 137.6% (R\$ 400 million) in the accounting of **Sectoral Financial Assets/Liabilities**;
- (iii) Increase of 161.5% (R\$ 310 million) in **Short-term Electric Energy**, due to a higher spot price (PLD);
- (iv) Variation of R\$ 283 million in the **adjustments to the Concession's Financial Asset**, mainly due to the increase of IPCA (from -0.62% in 2Q20 to 2.08% in 2Q21);
- (v) Increase of 24.0% (R\$ 137 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (vi) Increase of 5.7% (R\$ 26 million) in the **other items**, highlighting **Other Revenues** (mainly pole rental) which increased by 23.1% (R\$ 22 million) favored by the higher IGP-M;

¹ ANEEL suspended the application of 2020 new tariffs for RGE until July 1, 2020, due to the COVID-19 pandemic. The difference in revenue from the anniversary date of the Distributors until July 1 was transferred to the Distributor through the sectoral loan "COVID Account". Additionally, to avoid a cash flow mismatch, ANEEL gave a discount on the CDE payment to CCEE, in the same period, in the estimated amount of this difference of revenue, to be refunded in installments from July to December 2020.

Deductions from the gross operating revenue were R\$ 3,791 million in 2Q21, representing an increase of 21.0% (R\$ 659 million), due to the following factors:

- (i) Increase of 22.9% (R\$ 501 million) in **taxes** (ICMS and PIS/Cofins);
- (ii) Increase of 8.1% (R\$ 68 million) in **CDE** due to the inclusion of CDE Covid Account, mainly in the CPFL Paulista;
- (iii) Variation of R\$ 60 million in the accounting of **tariff flags**, approved by CCEE;
- (iv) Increase of 29.7% (R\$ 29 million) in the **other items**.

Net operating revenue reached R\$ 7,522 million in 2Q21, representing an increase of 39.5% (R\$ 2,128 million).

In 1H21, gross operating revenue amounted to R\$ 22,459 million, an increase of 24.2% (R\$ 4,383 million), due to the following factors:

- (i) Increase of 15.0% (R\$ 2,364 million) in **Revenue with Energy Sales** (captive + TUSD), due to: (i) the increase of 7.6% in the load in the concession area², and (ii) the positive average tariff adjustment in the distribution companies in the period between 1H20 and 1H21;
- (ii) Variation of R\$ 1,116 million in the accounting of **Sectoral Financial Assets/Liabilities**;
- (iii) Increase of 521.7% (R\$ 404 million) in the **adjustments to the Concession's Financial Asset**;
- (iv) Increase of 54.1% (R\$ 227 million) in **Short-term Electric Energy**, due to a higher spot price (PLD);
- (v) Increase of 22.0% (R\$ 233 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (vi) Increase of 4.3% (R\$ 39 million) in the **other items**.

Deductions from the gross operating revenue were R\$ 7,843 million in 1H21, representing an increase of 19.2% (R\$ 1,264 million), due to the following factors:

- (i) Increase of 17.2% (R\$ 825 million) in **taxes** (ICMS and PIS/Cofins);
- (ii) Variation of R\$ 265 million in the accounting of **tariff flags**, approved by CCEE;
- (iii) Increase of 7.8% (R\$ 139 million) in **CDE** due to the increase of the CDE quota COVID-19 account, mainly in the CPFL Paulista;
- (iv) Increase of 16.6% (R\$ 34 million) in the **other items**.

Net operating revenue reached R\$ 14,615 million in 1H21, representing an increase of 27.1% (R\$ 3,119 million).

² If we disregard the migration of large consumers and permissionaires, the load in 1H21 would be 7.8%.

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Cost of Electric Power Purchased for Resale						
Energy from Itaipu Binacional	822	1,019	-19.3%	1,794	1,929	-7.0%
PROINFRA	88	75	17.3%	185	144	28.1%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	3,174	2,254	40.8%	5,804	4,759	22.0%
PIS and COFINS Tax Credit	(366)	(303)	20.8%	(690)	(611)	13.1%
Total	3,718	3,045	22.1%	7,092	6,221	14.0%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	725	483	50.1%	1,482	1,025	44.6%
Itaipu Transmission Charges	87	73	19.0%	170	143	18.7%
Connection Charges	50	40	24.2%	96	79	21.8%
Charges for the Use of the Distribution System	10	6	51.6%	20	13	57.5%
ESS / EER	293	(104)	-	685	(86)	-
PIS and COFINS Tax Credit	(108)	(46)	133.4%	(227)	(109)	109.0%
Total	1,057	453	133.4%	2,225	1,065	109.0%
Cost of Electric Energy	4,775	3,498	36.5%	9,317	7,286	27.9%

Cost of Electric Power Purchased for Resale

In 2Q21, the cost of electric power purchased for resale amounted to R\$ 3,718 million, representing an increase of 22.1% (R\$ 673 million), due to:

- (i) Increase of 40.8% (R\$ 920 million) in the cost with **energy purchased in the regulated environment, bilateral contracts and short term**, due to an increase in the average purchase price (+38.9%);
- (ii) Increase of 17.3% (R\$ 13 million) in **Proinfra**, mainly due to an increase in the average purchase price (+18.4%);

Partially offset by:

- (iii) Decrease of 19.3% (R\$ 197 million) in the cost with **Energy from Itaipu**, due to the decrease in the average purchase price (-16.0%) and the decrease in volume (-4.0%);
- (iv) Increase of 20.8% (R\$ 63 million) in **PIS and COFINS tax credit**.

In 1H21, the cost of electric power purchased for resale amounted to R\$ 7,092 million, representing an increase of 14.0% (R\$ 871 million), due to:

- (i) Increase of 22.0% (R\$ 1,045 million) in the cost with **energy purchased in the regulated environment, bilateral contracts and short term**, due to an increase in the average purchase price (+23.5%);
- (ii) Increase of 28.1% (R\$ 40 million) in **Proinfra**, mainly due to an increase in the average purchase price (+36.6%);

Partially offset by:

- (iii) Decrease of 7.0% (R\$ 135 million) in the cost with **Energy from Itaipu**, due to the decrease in the average purchase price (-2.6%) and the decrease in volume (-4.5%);
- (iv) Increase of 13.1% (R\$ 80 million) in **PIS and COFINS tax credit**.

Volume of purchased energy (GWh)	2Q21	2Q20	Var.	1H21	1H20	Var.
Energy from Itaipu Binacional	2,605	2,714	-4.0%	5,192	5,436	-4.5%
PROINFA	257	260	-0.9%	480	512	-6.2%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	11,067	10,920	1.3%	22,779	23,066	-1.2%
Total	13,930	13,894	0.3%	28,451	29,014	-1.9%

Average price (R\$/MWh)	2Q21	2Q20	Var.	1H21	1H20	Var.
Energy from Itaipu Binacional	315.51	375.47	-16.0%	345.51	354.90	-2.6%
PROINFA	342.05	288.97	18.4%	384.78	281.67	36.6%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	286.78	206.42	38.9%	254.78	206.30	23.5%
Total	266.88	219.16	21.8%	249.26	214.42	16.2%

Charges for the Use of the Transmission and Distribution System

In 2Q21, the **charges for the use of the transmission and distribution system** reached R\$ 1,057 million, representing an increase of 133.4% (R\$ 604 million), due to:

- (i) Variation of R\$ 397 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 2Q21, due to limited hydrological conditions and the need to ensure the energy security in the country. This effect was combined with R\$ 223 million in resources, received in 2Q20, from the Reserve Fund for Future Relief of Charges, as per ANEEL Dispatch no. 986/2020, as one of the measures to face the crisis caused by the COVID-19 pandemic;
- (ii) Increase of 44.6% (R\$ 269 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 133.4% (R\$ 62 million) in **PIS and COFINS tax credit**.

In 1H21, the **charges for the use of the transmission and distribution system** reached R\$ 2,225 million, representing an increase of 109.0% (R\$ 1,160 million), due to:

- (i) Variation of R\$ 771 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, combined with the pandemic mitigation measure carried out in 2020, as explained above;
- (ii) Increase of 40.3% (R\$ 508 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 109.0% (R\$ 118 million) in **PIS and COFINS tax credit**.

PMSO

PMSO (R\$ million)								
	2Q21	2Q20	Variation		1H21	1H20	Variação	
			R\$ MM	%			R\$ MM	%
Reported PMSO								
Personnel	(247)	(231)	(15)	6.6%	(482)	(460)	(22)	4.7%
Material	(50)	(44)	(6)	14.7%	(97)	(89)	(9)	9.7%
Outsourced Services	(220)	(208)	(13)	6.2%	(434)	(408)	(26)	6.3%
Other Operating Costs/Expenses	(217)	(177)	(40)	22.5%	(371)	(348)	(23)	6.6%
Allowance for doubtful accounts	(100)	(79)	(21)	26.1%	(154)	(137)	(17)	12.2%
Legal and judicial expenses	(39)	(28)	(11)	38.6%	(58)	(61)	2	-3.8%
Assets write-off	(36)	(22)	(14)	65.1%	(73)	(57)	(16)	27.5%
Others	(42)	(48)	6	-12.1%	(86)	(94)	7	-7.7%
Total PMSO	(735)	(660)	(74)	11.3%	(1,384)	(1,305)	(79)	6.0%

In 2Q21, **PMSO** reached R\$ 735 million, an increase of 11.3% (R\$ 74 million), due to the following factors:

- (i) Increase of 26.1% (R\$ 21 million) in allowance for doubtful accounts, reflecting the increase in revenue from sales to final consumers, due to tariff adjustments, and the worsening of delinquency observed in 2021, with the extension of the deteriorated macroeconomic scenario;
- (ii) Increase of 65.1% (R\$ 14 million) in asset write-offs, due to a gain recorded in 2Q20 related to the sale of vehicles, combined with an increase in scrap and inventory write-offs in 2Q21;
- (iii) Increase of 38.6% (R\$ 11 million) in legal and judicial expenses, mainly in RGE, due to a reversal recorded in 2Q20 and the higher number of lawsuits in 2Q21;
- (iv) Inflation-linked items with a 4.3% increase (R\$ 21 million): personnel (R\$ 15 million), tree pruning (R\$ 5 million), call center (R\$ 4 million), among others, compared to the IPCA of 8.35% in the last 12 months;
- (v) Increase of 78.5% (R\$ 9 million) in collection actions, due to the suspension of power cuts in 2Q20, which affected the comparison basis;

Partially offset by:

- (vi) Decrease of 3.2% (R\$ 1 million) in expenses with lines, grid and substation maintenance, related to Capex efforts.

In 1H21, **PMSO** reached R\$ 1,384 million, an increase of 6.0% (R\$ 79 million), due to the following factors:

- (i) Increase of 12.2% (R\$ 17 million) in allowance for doubtful accounts, reflecting the increase in revenue from sales to final consumers, due to tariff adjustments;
- (ii) Increase of 27.5% (R\$ 16 million) in asset write-offs, due to the variation observed in 2Q21, explained above;
- (iii) Inflation-linked items with a 4.2% increase (R\$ 41 million): personnel (R\$ 22 million), call center (R\$ 9 million), tree pruning (R\$ 8 million), among others, compared to the IPCA of 8.35% in the last 12 months;
- (iv) Increase of 20.5% (R\$ 6 million) in collection actions;

- (v) Increase of 2.9% (R\$ 2 million) in expenses with lines, grid and substation maintenance, related to Capex efforts;

Partially offset by:

- (vi) Increase of 3.8% (R\$ 2 million) in legal and judicial expenses.

Other operating costs and expenses

Other operating costs and expenses						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Costs of Building the Infrastructure	708	571	24.0%	1,293	1,059	22.0%
Private Pension Fund	56	42	32.4%	111	87	28.6%
Depreciation and Amortization	215	203	5.9%	423	400	5.8%
Total	979	816	19.9%	1,827	1,546	18.2%

EBITDA

EBITDA totaled R\$ 1,249 million in 2Q21, an increase of 100.7% (R\$ 626 million), mainly due to the positive effects of market growth, tariff adjustments between 2Q20 and 2Q21 and to the adjustments to the concession's financial assets.

In 1H21, **EBITDA** totaled R\$ 2,510 million, an increase of 42.7% (R\$ 751 million), explained by the same effects mentioned above.

Conciliation of Net Income and EBITDA (R\$ million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Net income	664	269	146.9%	1,261	997	26.4%
Depreciation and Amortization	229	217	5.6%	451	428	5.5%
Financial Results	2	(19)	-	91	(225)	-
Income Tax /Social Contributio	353	155	127.8%	708	559	26.7%
EBITDA	1,249	622	100.7%	2,510	1,759	42.7%

EBITDA by Distributor

EBITDA by Distributor						
Distribution	2Q21	2Q20	Var.	1H21	1H20	Var.
CPFL Paulista	562	281	99.7%	1,054	738	42.7%
CPFL Piratininga	178	105	70.3%	448	290	54.8%
RGE	441	195	126.6%	916	632	44.9%
CPFL Santa Cruz	67	42	62.1%	92	99	-6.4%
EBITDA	1,249	622	100.7%	2,510	1,759	42.7%

CPFL Paulista:

EBITDA totaled R\$ 562 million in 2Q21, an increase of 99.7% (R\$ 281 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 adjustments to the concession's financial assets, which contributed with

R\$ 114 million. On the other hand, there were increases of R\$ 19 million in PMSO, R\$ 13 million in ADA and R\$ 10 million in private pension fund.

In 1H21, EBITDA totaled R\$ 1,054 million, an increase of 42.7% (R\$ 315 million). The positive results is explained by the tariff adjustment and by the adjustments to the concession's financial assets (R\$ 157 million).

CPFL Piratininga:

EBITDA totaled R\$ 178 million in 2Q21, an increase of 70.3% (R\$ 74 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 17.02% in October 2020, in addition to the positive market mix with the increase in residential and commercial segments (growth of 4.8% and 19.0%, respectively, if compared to 2Q20). The adjustments to the concession's financial assets also contributed with R\$ 43 million to this result. On the other hand, the PMSO increased by R\$ 12 million.

In 1H21, EBITDA totaled R\$ 448 million, an increase of 54.8% (R\$ 159 million). The positive result is explained by the tariff adjustment, by the positive market mix with the increase in residential and commercial segments (growth of 7.2% and 9.8%, respectively, if compared to 1H20), and by the adjustments to the concession's financial assets (R\$ 60 million).

RGE:

EBITDA totaled R\$ 441 million in 2Q21, an increase of 126.6% (R\$ 247 million), explained by the tariff adjustment favored by the IGP-M, which readjusted the parcel B by 6.19% in June 2020, in addition to the positive market mix with the increase in the commercial segment (growth of 10.4% compared to 2Q20) and the adjustments to the concession's financial assets, which contributed with R\$ 124 million.

In 1H21, EBITDA totaled R\$ 916 million, an increase of 44.9% (R\$ 284 million), explained by the tariff adjustment and the adjustments to the concession's financial assets, which contributed with R\$ 176 million.

CPFL Santa Cruz:

EBITDA totaled R\$ 67 million in 2Q21, an increase of 62.1% (R\$ 26 million), explained by the application of the periodic tariff review (PTR) in March 2021, which readjusted the parcel B by 18.89%, in addition to the positive market mix with the increase in residential and commercial segments (growth of 4.6% and 13.0%, respectively, compared to 2Q20).

In 1H21, EBITDA totaled R\$ 92 million, a decrease of 6.4% (R\$ 6 million). The less expressive result was impacted 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 million. 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

Financial Result (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Revenues	237	142	67.0%	409	530	-22.7%
Expenses	(240)	(123)	94.3%	(500)	(305)	64.0%
Financial Result	(2)	19	-	(91)	225	-

In 2Q21, the financial result recorded a net financial expense of R\$ 2 million, compared to a net financial revenue of R\$ 19 million in 2Q20 (variation of R\$ 21 million). The items that explain this variation are:

- (i) Increase of 178.3% (R\$ 121 million) in the **expenses with net debt**, resulting mainly from the increase in the IPCA;
- (ii) Negative variation of R\$ 17 million in **other financial revenues and expenses**;
Partially offset by:
 - (iii) Increase of 67.5% (R\$ 64 million) in **late payment interest and fines**, due to the higher IGP-M;
 - (iv) Positive variation of R\$ 46 million in the **mark-to-market** (non-cash effect);
 - (v) Positive variation of 160.5% (R\$ 7 million) in the **adjustment of sectoral financial assets/liabilities**.

In 1H21, the financial result recorded a net financial expense of R\$ 91 million, compared to a net financial revenue of R\$ 225 million in 1H20, registering a negative variation of R\$ 315 million. The items that explain this variation are:

- (i) Negative variation of R\$ 226 million in the **mark-to-market** (non-cash effect);
- (ii) Increase of 75.9% (R\$ 159 million) in in the **expenses with net debt**, resulting mainly from the increase in the IPCA;
- (iii) Negative variation of R\$ 34 million in **other financial income and expenses**;
Partially offset by:
 - (iv) Increase of 51.4% (R\$ 104 million) in **late payment interest and fines**, due to the higher IGP-M.

Net Income

Net Income totaled R\$ 664 million in 2Q21, an increase of 146.9% (R\$ 395 million). In 1H21, **Net Income** totaled R\$ 1,261 million, an increase of 26.4% (R\$ 263 million). These increases were due to the increase in EBITDA, partially offset by the worse financial result, mainly reflecting the increase in the IPCA 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
CPFL Paulista	Every 5 years	April 2023	5 th PTRC	April 8 th
RGE	Every 5 years	June 2023	5 th PTRC	June 19 th
CPFL Piratininga	Every 4 years	October 2023	6 th PTRC	October 23 rd
CPFL Santa Cruz	Every 5 years	March 2026	6 th PTRC	March 22 nd

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	2,670	2,880	2,792	2,837
Adjustment	17.62%	18.14%	18.31%	17.19%
Parcel A	11.79%	5.88%	11.80%	11.90%
Parcel B	7.74%	10.81%	3.96%	5.08%
Financial Components	-1.91%	1.45%	2.55%	0.21%
Effect on consumer billings	8.95%	9.95%	9.82%	9.95%
Date of entry into force	04/22/2021	06/19/2021	10/23/2020	03/22/2021

6.2) Commercialization and Services Segments

Economic-Financial Performance

Consolidated Income Statement - Commercialization (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Net Operating Revenue	621	710	-12.4%	1,214	1,428	-15.0%
EBITDA⁽¹⁾	34	20	69.5%	52	21	148.8%
Net Income	52	14	267.4%	74	20	269.9%

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

Extraordinary item: in 2Q21, R\$ 45 million were recognized in deductions from Gross Revenue and R\$ 40 million as monetary update in the financial result, related to the lawsuit filed by CPFL Brasil to exclude ICMS from the PIS/Cofins calculation base, in line with the understanding of the external audit.

Consolidated Income Statement - Services (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Net Operating Revenue	205	175	17.7%	404	327	23.7%
EBITDA⁽¹⁾	50	45	11.6%	95	73	30.1%
Net Income	31	28	13.9%	60	44	34.5%

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

6.3) Generation Segment

Consolidated Income Statement - Generation Segment (R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Gross Operating Revenue	988	708	39.6%	1,855	1,450	27.9%
Net Operating Revenue	917	651	40.7%	1,718	1,336	28.6%
Cost of Electric Power	(121)	(62)	93.5%	(223)	(164)	36.2%
Operating Costs & Expenses	(336)	(337)	-0.1%	(653)	(652)	0.3%
EBIT	460	253	82.1%	842	521	61.7%
Equity income	91	85	7.1%	182	170	6.5%
EBITDA¹	728	530	37.3%	1,377	1,076	28.0%
Financial Income (Expense)	(57)	(97)	-40.7%	(109)	(197)	-44.8%
Income Before Taxes	494	241	105.1%	915	494	85.1%
Net Income	399	174	129.5%	748	352	112.4%

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

Operating Revenue

In 2Q21, the **Gross Operating Revenue** reached R\$ 988 million, an increase of 39.6% (R\$ 280 million). The **Net Operating Revenue** was of R\$ 917 million, registering an increase of 40.7% (R\$ 265 million).

The main factors that affected the net operating revenue were:

- Increase of 41.5% (R\$ 270 million) in the **Electric Energy Supply**;
- Increase of 49.8% (R\$ 9 million) in **Other Revenues**;
- Increase of 11.9% (R\$ 4 million) in the **Revenue from Building the Infrastructure of the Concession**, related to the services rendered to the construction of transmission lines and substation; this revenue has its counterpart in operating costs;

These effects were partially offset by:

- Increase of 34.9% (R\$ 17 million) in **PIS/COFINS**.

In 1H21, the **Gross Operating Revenue** reached R\$ 1,855 million, an increase of 27.9% (R\$ 404 million). The **Net Operating Revenue** was of R\$ 1,718 million, registering an increase of 28.6% (R\$ 382 million).

The main factors that affected the net operating revenue were:

- Increase of 26.7% (R\$ 364 million) in the **Electric Energy Supply**;
- Increase of R\$ 34 million in the **Revenue from Building the Infrastructure of the Concession**, related to the services rendered to the construction of transmission lines

and substation; this revenue has its counterpart in operating costs;

- Increase of 30.0% (R\$ 10 million) in **Other Revenues**;

These effects were partially offset by:

- Increase of 24.7% (R\$ 25 million) in **PIS/COFINS**.

Cost of Electric Power

Cost of Electric Energy - R\$ Million						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Energy Purchased in the Spot Market	(49)	(5)	940.9%	(80)	(29)	174.2%
Energy Purchased Bilateral Contracts and ACL	(35)	(26)	35.5%	(77)	(73)	5.8%
PIS and COFINS Tax Credit	3	1	109.9%	7	5	36.1%
Cost of Electric Power Purchased for Resale	(81)	(29)	179.4%	(151)	(97)	54.8%
Basic Network Charges	(25)	(25)	1.1%	(54)	(50)	7.6%
Connection Charges	(3)	(3)	2.3%	(6)	(6)	1.7%
Charges for the Use of the Distribution System	(8)	(7)	27.5%	(15)	(13)	15.9%
ESS/EER	(4)	0	-	(0)	0	-
PIS and COFINS Tax Credit	1	1	3.4%	3	3	4.1%
Distribution System Usage Charges	(40)	(33)	18.8%	(72)	(66)	9.0%
Cost of Electric Energy	(121)	(62)	93.5%	(223)	(164)	36.2%

In 2Q21, the Cost of Electric Energy was of R\$ 121 million, representing an increase of 93.5% (R\$ 58 million), compared to 2Q20, due to:

- Increase of R\$ 44 million in the **cost with short-term energy** due to the increase in the volume (+20.2%) and in the average purchase price (+766.3%);
- Increase of 35.5% (R\$ 9 million) in **the cost with energy purchased in the regulated market, free market and through bilateral contracts**, due to the increase in the volume (+10.3%) and in the average purchase price (+22.9%);
- Payment of R\$ 4 million in the **System Service and Reserve Energy Charges (ESS and EER)**, due to higher thermal dispatch in the period.

In 1H21, the Cost of Electric Energy was of R\$ 223 million, representing an increase of 36.2% (R\$ 59 million), compared to 1H20, due to:

- Increase of R\$ 51 million in the **cost with short-term energy**;
- Increase of 5.8% (R\$ 4 million) in **the cost with energy purchased in the regulated market, free market and through bilateral contracts**, due to the increase in the volume (+4.3%) and in the average purchase price (+1.4%);
- Increase of 7.6% (R\$ 4 million) in **Basic Network Charges**.

Volume of purchased energy (GWh)	2Q21	2Q20	Var.	1H21	1H20	Var.
Energy Purchased in the Spot Market	497	414	20.2%	789	1,240	-36.4%
Energy Purchased Bilateral Contracts and ACL	363	329	10.3%	707	678	4.3%
Total	860	743	15.8%	1,497	1,918	-22.0%

Average price (R\$/MWh)	2Q21	2Q20	Var.	1H21	1H20	Var.
Energy Purchased in the Spot Market	99.04	11.43	766.3%	101.51	23.57	330.8%
Energy Purchased Bilateral Contracts and ACL	96.01	78.15	22.9%	109.22	107.75	1.4%
Total	97.76	41.01	138.4%	105.15	91.41	15.0%

PMSO

PMSO (R\$ million)								
	2Q21	2Q20	Variation		1H21	1H20	Variação	
			R\$ MM	%			R\$ MM	%
Personnel	(33)	(35)	2	-6.4%	(65)	(72)	7	-9.8%
Material	(7)	(4)	(3)	65.0%	(11)	(13)	3	-20.6%
Outsourced Services	(61)	(55)	(6)	10.3%	(107)	(106)	(0)	0.4%
Other Operating Costs/Expenses	(25)	(20)	(5)	25.6%	(48)	(47)	(1)	2.9%
<i>Asset Write-off</i>	(1)	(2)	1	-57.1%	(2)	(2)	1	-35.0%
<i>GSF Risk Premium</i>	(6)	(3)	(2)	72.4%	(11)	(7)	(4)	66.5%
<i>Others</i>	(18)	(14)	(4)	26.9%	(35)	(28)	(7)	25.5%
Total PMSO	(126)	(114)	(11)	9.9%	(230)	(229)	(1)	0.6%

PMSO reached R\$ 126 million in 2Q21, an increase of 9.9% (R\$ 11 million) compared to 2Q20, due to:

- Increase of 10.3% (R\$ 6 million) in the expenses with **Outsourced Services**;
- Increase of R\$ 4 million in **other expenses**;
- Increase of R\$ 3 million in the expenses with **Material**;
- Increase of R\$ 2 million in **GSF Risk Premium**, due to the monetary adjustment;

Partially offset by:

- Decrease of 6.4% (R\$ 2 million) in the expenses with **Personnel**;
- Decrease of R\$ 1 million in **Asset Write-off**.

PMSO reached R\$ 230 million in 1H21, an increase of 0.6% (R\$ 1 million) compared to 1H20, remaining practically stable in the period.

Other operating costs and expenses

Other operating costs and expenses						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Private Pension Fund	(1)	(1)	102.3%	(2)	(2)	29.1%
Costs with Infrastructure Construction	(33)	(29)	11.9%	(67)	(36)	85.8%
Depreciation and amortization	(135)	(150)	-10.1%	(270)	(300)	-10.1%
Amortization of Concession Intangible	(42)	(42)	-1.4%	(84)	(85)	-0.6%
Total	(177)	(192)	-8.2%	(354)	(385)	-8.0%

Equity Income

Equity Income (R\$ Million)						
	2Q21	2Q20	Var. %	1H21	1H20	Var. %
Projects						
Barra Grande HPP	(3)	(7)	-63.4%	(5)	(8)	-29.8%
Campos Novos HPP	42	35	20.7%	86	69	24.4%
Foz do Chapecó HPP	38	41	-7.3%	72	74	-3.2%
Epasa TPP	14	17	-16.8%	29	35	-16.2%
Total	91	85	7.1%	182	170	6.5%

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	2Q21	2Q20	Var. %	1H21	1H20	Var. %
Net Revenue	21	10	118.0%	37	24	53.8%
Operating Costs / Expenses	(16)	(11)	40.7%	(24)	(19)	30.1%
Deprec. / Amortization	(3)	(3)	-0.3%	(6)	(6)	-0.1%
Net Financial Result	(8)	(3)	170.2%	(15)	(6)	138.4%
Income Tax	2	(0)	-	4	(0)	-
Net Income	(3)	(7)	-63.4%	(5)	(8)	-29.8%

In 2Q21, the net revenue increased 118.0% (R\$ 12 million), due to higher tariffs, while the operating costs and expenses were up by 40.7% (R\$ 5 million). The net financial expense presented an increase of 170.2% (R\$ 5 million), due to the expenses with UBP, which were impacted by IGP-M.

In 1H21, the net revenue increased 53.8% (R\$ 13 million), while the operating costs and expenses grew 30.1% (R\$ 6 million). The net financial expense presented an increase of 138.4% (R\$ 9 million), due to the expenses with UBP.

Campos Novos:

Equity Income (R\$ Million)						
CAMPOS NOVOS	2Q21	2Q20	Var. %	1H21	1H20	Var.%
Net Revenue	98	85	15.5%	192	163	17.5%
Operating Costs / Expenses	(28)	(25)	13.2%	(47)	(42)	10.8%
Deprec. / Amortization	(6)	(6)	0.3%	(12)	(12)	0.2%
Net Financial Result	(2)	(2)	11.0%	(4)	(4)	-9.8%
Income Tax	(21)	(18)	17.4%	(44)	(36)	22.8%
Net Income	42	35	20.7%	86	69	24.4%

In 2Q21, the net revenue increased 15.5% (R\$ 13 million), mainly due to the contracts readjustments, by IGP-M and dollar, which occur mainly in April and October. The operating costs and expenses were up by 13.2% (R\$ 3 million). The net financial expense remained practically stable in the period, due to the negative impact of the IGP-M on expenses with UBP being offset by lower debt expenses.

In 1H21, the net revenue increased 17.5% (R\$ 29 million), mainly due to the readjustment of contracts, by IGP-M and dollar. The operating costs and expenses were up by 10.8% (R\$ 5 million). 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:

Equity Income (R\$ Million)						
FOZ DO CHAPECÓ	2Q21	2Q20	Var. %	1H21	1H20	Var.%
Net Revenue	133	117	13.6%	255	234	8.8%
Operating Costs / Expenses	(25)	(23)	8.7%	(54)	(53)	3.2%
Deprec. / Amortization	(15)	(16)	-5.0%	(27)	(32)	-15.4%
Net Financial Result	(35)	(16)	124.2%	(65)	(37)	75.2%
Income Tax	(20)	(21)	-7.5%	(37)	(38)	-4.7%
Net Income	38	41	-7.3%	72	74	-3.2%

In 2Q21, net revenue increased 13.6% (R\$ 16 million), mainly due to the contracts readjustments, mostly by IGP-M. The operating costs and expenses were up by 8.7% (R\$ 2 million) in the period. In the net financial expense, there was an increase of 124.2% (R\$ 19 million), mainly due to the expenses with UBP (impacted by IGP-M and IPCA).

In 1H21, net revenue increased 8.8% (R\$ 21 million), mainly due to the contracts readjustments. The operating costs and expenses were up by 3.2% (R\$ 1 million) in the period. In the net financial expense, there was an increase of 75.2% (R\$ 28 million), mainly due to expenses with UBP (impacted by IGP-M and IPCA).

Epasa:

Equity Income (R\$ Million)						
EPASA	2Q21	2Q20	Var. %	1H21	1H20	Var. %
Net Revenue	113	34	227.6%	207	72	186.7%
Operating Costs / Expenses	(82)	(8)	882.0%	(145)	(18)	691.3%
Deprec. / Amortization	(12)	(5)	160.4%	(24)	(9)	160.3%
Net Financial Result	0	(1)	-	(1)	(2)	-69.4%
Income Tax	(4)	(3)	29.7%	(8)	(8)	-2.0%
Net Income	14	17	-16.8%	29	35	-16.2%

In 2Q21, net revenue grew R\$ 78 million and the operating costs and expenses were up by R\$ 74 million, due to higher volumes of generation. Depreciation and amortization increased by R\$ 7 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 1H21, net revenue increased R\$ 135 million and the operating costs and expenses grew R\$ 127 million, due to higher volumes of generation. Depreciation and amortization increased by R\$ 15 million, influenced by the change in the depreciation rate of assets, as explained above. The net financial expense remained practically stable.

EBITDA

In 2Q21, **EBITDA** was of R\$ 728 million, an increase of 37.3% (R\$ 198 million), mainly due to the better performance of wind generation and contractual readjustments.

In 1H21, **EBITDA** was of R\$ 1,377 million, an increase of 28.0% (R\$ 302 million). This variation is mainly explained by the same factors that affected the quarter.

EBITDA and Net Income conciliation (R\$ million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Net Income	399	174	129.5%	748	352	112.4%
Depreciation and Amortization	177	193	-8.2%	354	385	-8.0%
Financial Result	57	97	-40.7%	109	197	-44.8%
Income Tax / Social Contribution	94	67	41.5%	166	142	17.4%
EBITDA	728	530	37.3%	1,377	1,076	28.0%

Financial Result

Financial Result (IFRS - R\$ Million)						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Financial Revenues	31	30	1.8%	62	70	-11.5%
Financial Expenses	(89)	(127)	-30.5%	(170)	(267)	-36.1%
Financial Result	(57)	(97)	-40.7%	(109)	(197)	-44.8%

In 2Q21, the financial result was a **net financial expense** of R\$ 57 million, a reduction of 40.7% (R\$ 39 million), mainly due to lower expenses with net debt (R\$ 38 million).

In 1H21, the financial result was a **net financial expense** of R\$ 109 million, a reduction of 44.8% (R\$ 88 million), mainly due to lower expenses with net debt (R\$ 76 million).

Income Tax and Social Contribution

In 2Q21, the Effective Rate of Income Tax and Social Contribution was 19.1%, compared to an effective rate of 27.7% in 2Q20. In 1H21, the Effective Rate of Income Tax and Social Contribution was 18.2%, compared to an effective rate of 28.7% in 1H20. This result is explained by better results recorded by the companies under the presumed profit tax regime and by the corporate restructuring carried out after the acquisition of CPFL Renováveis, which allowed for fiscal optimization.

Net Income

In 2Q21, **net income** was R\$ 399 million, an increase of 129.5% (R\$ 225 million), compared to R\$ 174 million in 2Q20. In 1H21, **net income** was R\$ 748 million, an increase of 112.4% (R\$ 396 million), compared to R\$ 352 million in 1H20. These results mainly reflect the higher EBITDA and the gain with the financial result, due to lower expenses with net debt.

7) ATTACHMENTS

7.1) Balance Sheet - Assets – CPFL Energia

(R\$ thousands)



ASSETS	Consolidated		
	06/30/2021	12/31/2020	06/30/2020
CURRENT			
Cash and Cash Equivalents	2,738,478	3,918,796	6,987,631
Bonds and Securities	283,106	1,872,079	1,350,434
Consumers, Concessionaries and Licensees	5,079,884	5,206,854	4,249,692
Materials and Supplies	119,097	96,182	97,156
Dividend and Interest on Equity	125,272	80,647	152,063
Income Tax and Social Contribution Recoverable	53,500	87,779	165,303
Other Recoverable Taxes	863,770	337,266	348,582
Derivatives	327,316	744,660	1,389,686
Sectoral Financial Assets	781,284	558,884	808,650
Contractual Assets	25,368	24,833	24,927
Other assets	1,035,914	883,824	713,540
TOTAL CURRENT	11,432,989	13,811,803	16,287,663
NON-CURRENT			
Consumers, Concessionaries and Licensees	474,955	828,314	742,112
Judicial Deposits	767,642	764,760	774,370
Income Tax and Social Contribution Recoverable	109,996	35,415	35,467
Other Recoverable Taxes	8,949,628	368,979	376,505
Sectoral Financial Assets	366,049	108,908	82,864
Derivatives	745,582	1,340,113	1,533,646
Deferred Taxes	640,867	585,869	445,492
Concession Financial Assets	11,523,528	10,347,567	9,417,013
Investments at Cost	116,654	116,654	116,654
Other Assets	204,533	172,140	721,542
Investments	1,054,671	1,015,918	1,029,549
Property, Plant and Equipment	8,808,609	8,797,903	8,880,619
Contractual Assets	2,140,173	1,842,905	1,446,974
Intangible Assets	8,795,531	8,969,637	9,116,917
TOTAL NON-CURRENT	44,698,420	35,295,081	34,719,722
TOTAL ASSETS	56,131,409	49,106,884	51,007,386

7.2) Balance Sheet - Liabilities – CPFL Energia

(R\$ thousands)



	Consolidated		
LIABILITIES AND SHAREHOLDERS' EQUITY	06/30/2021	12/31/2020	06/30/2020
CURRENT			
Trade Payables	3,755,053	3,909,517	2,735,037
Borrowings	1,632,425	2,797,195	4,925,936
Debentures	1,043,310	1,191,270	1,455,664
Private Pension Plan	339,869	199,803	141,194
Regulatory Liabilities	203,116	108,371	179,829
Income Tax and Social Contribution Payable	351,839	91,470	90,139
Other Taxes, Fees and Contributions	741,549	873,752	1,055,553
Intercompany Loans	2,444,499	2,409,545	851,088
Dividends	68,970	906,852	689,024
Estimated Payroll	182,044	133,429	157,962
Derivatives	2,482	1,354	488
Sector Financial Liability	-	41,514	-
Provisions for Demobilization and Environmental Expenses	19,903	19,946	-
Use of Public Asset	16,212	12,573	12,573
Other Payables	1,658,175	1,709,358	1,547,481
TOTAL CURRENT	12,459,444	14,405,951	13,841,968
NON-CURRENT			
Trade Payables	367,999	456,658	373,831
Borrowings	7,970,086	8,624,840	10,847,458
Debentures	6,337,640	6,257,032	6,485,052
Private Pension Plan	2,549,723	2,759,826	1,861,490
Income Tax and Social Contribution Payable	167,775	165,900	157,496
Other Taxes, Fees and Contributions	856	839	807
Deferred Tax Liabilities	794,562	767,807	1,157,619
Provision for Tax, Civil and Labor Risks	609,123	616,136	543,730
Derivatives	13,762	-	-
Sector Financial Liability	-	185,592	58,150
Provisions for Demobilization and Environmental Expenses	191,567	184,955	-
Use of Public Asset	125,512	112,055	93,994
Other Payables	9,162,367	333,516	632,948
TOTAL NON-CURRENT	28,290,972	20,465,155	22,212,574
SHAREHOLDERS' EQUITY			
Issued Capital	9,388,071	9,388,071	9,388,080
Capital Reserves	(1,646,570)	(1,643,775)	(1,642,743)
Legal Reserve	1,218,283	1,218,283	1,036,125
Statutory reserve - Working Capital Improvement	5,803,185	5,803,185	4,046,305
Dividend	-	865,248	1,433,295
Accumulated Comprehensive Income	(1,737,053)	(1,695,235)	(938,114)
Retained Earnings	2,067,855	-	1,354,805
	15,093,770	13,935,777	14,677,754
Equity attributable to noncontrolling interests	287,223	300,001	275,090
TOTAL SHAREHOLDERS' EQUITY	15,380,992	14,235,778	14,952,844
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	56,131,409	49,106,884	51,007,386

7.3) Income Statement – CPFL Energia

(R\$ thousands)



	Consolidated					
	2Q21	2Q20	Variation	1H21	1H20	Variation
OPERATING REVENUES						
Electricity Sales to Final Customers	7,830,608	6,597,347	18.7%	16,447,717	14,747,821	11.5%
Electricity Sales to Distributors	1,452,096	1,070,173	35.7%	2,516,335	2,197,668	14.5%
Revenue from building the infrastructure	744,323	603,471	23.3%	1,366,859	1,099,275	24.3%
Update of concession's financial asset	222,041	(61,221)	-	480,874	77,351	521.7%
Sectorial financial assets and liabilities	690,932	290,800	137.6%	943,371	(172,543)	-
Other Operating Revenues	1,762,826	1,345,971	31.0%	3,432,056	2,775,697	23.6%
	12,702,826	9,846,540	29.0%	25,187,211	20,725,268	21.5%
DEDUCTIONS FROM OPERATING REVENUES	(3,890,018)	(3,284,895)	18.4%	(8,086,279)	(6,881,357)	17.5%
NET OPERATING REVENUES	8,812,807	6,561,645	34.3%	17,100,932	13,843,911	23.5%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(4,098,958)	(3,544,665)	15.6%	(7,881,929)	(7,248,618)	8.7%
Electricity Network Usage Charges	(1,089,186)	(478,525)	127.6%	(2,283,501)	(1,115,991)	104.6%
	(5,188,144)	(4,023,190)	29.0%	(10,165,430)	(8,364,609)	21.5%
OPERATING COSTS AND EXPENSES						
Personnel	(384,367)	(357,443)	7.5%	(747,328)	(711,577)	5.0%
Material	(82,546)	(58,786)	40.4%	(155,744)	(132,894)	17.2%
Outsourced Services	(159,370)	(150,919)	5.6%	(306,251)	(321,705)	-4.8%
Other Operating Costs/Expenses	(237,746)	(205,017)	16.0%	(414,589)	(395,398)	4.9%
<i>Allowance for Doubtful Accounts</i>	<i>(99,794)</i>	<i>(80,128)</i>	<i>24.5%</i>	<i>(153,975)</i>	<i>(137,972)</i>	<i>11.6%</i>
<i>Legal and judicial expenses</i>	<i>(39,477)</i>	<i>(26,252)</i>	<i>50.4%</i>	<i>(62,964)</i>	<i>(63,762)</i>	<i>-1.3%</i>
<i>Others</i>	<i>(98,475)</i>	<i>(98,637)</i>	<i>-0.2%</i>	<i>(197,650)</i>	<i>(193,664)</i>	<i>2.1%</i>
Cost of building the infrastructure	(741,005)	(600,507)	23.4%	(1,360,003)	(1,095,597)	24.1%
Employee Pension Plans	(57,157)	(42,813)	33.5%	(113,494)	(88,252)	28.6%
Depreciation and Amortization	(359,166)	(360,404)	-0.3%	(710,815)	(715,121)	-0.6%
Amortization of Concession's Intangible	(71,537)	(72,109)	-0.8%	(143,699)	(144,219)	-0.4%
	(2,092,894)	(1,847,997)	13.3%	(3,951,923)	(3,604,763)	9.6%
EBITDA¹	2,053,683	1,208,150	70.0%	4,019,697	2,904,363	38.4%
INCOME FROM ELECTRIC ENERGY SERVICE	1,531,770	690,458	121.8%	2,983,579	1,874,539	59.2%
FINANCIAL REVENUES (EXPENSES)						
Financial Revenues	323,729	182,483	77.4%	548,864	620,775	-11.6%
Financial Expenses	(332,987)	(254,742)	30.7%	(679,165)	(572,027)	18.7%
	(9,257)	(72,259)	-87.2%	(130,301)	48,748	-
EQUITY ACCOUNTING						
Equity Accounting	91,210	85,179	7.1%	181,605	170,484	6.5%
Assets Surplus Value Amortization	(145)	(145)	-	(290)	(290)	-
	91,065	85,034	7.1%	181,315	170,194	6.5%
INCOME BEFORE TAXES	1,613,578	703,233	129.5%	3,034,593	2,093,481	45.0%
Social Contribution	(133,229)	(65,122)	104.6%	(256,390)	(195,031)	31.5%
Income Tax	(354,296)	(175,903)	101.4%	(690,913)	(532,117)	29.8%
NET INCOME	1,126,053	462,207	143.6%	2,087,289	1,366,333	52.8%
Controlling Shareholders' Interest	1,107,774	451,093	145.6%	2,054,111	1,341,134	53.2%
Non-Controlling Shareholders' Interest	18,279	11,114	64.5%	33,178	25,199	31.7%

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	Commercialization	Services	Others	Eliminations	Total
2Q21							
Net operating revenue	7.522	917	621	205	0	(453)	8.813
Operating costs and expenses	(6.502)	(457)	(588)	(164)	(23)	453	(7.281)
Depreciation e amortization	(229)	(177)	(1)	(8)	(16)	-	(431)
Income from electric energy service	1.020	460	33	41	(23)	(0)	1.532
Equity accounting	-	91	-	-	-	-	91
EBITDA	1.249	728	34	50	(7)	-	2.054
Financial result	(2)	(57)	47	1	3	-	(9)
Income (loss) before taxes	1.017	494	81	42	(20)	-	1.614
Income tax and social contribution	(353)	(94)	(28)	(10)	(1)	-	(488)
Net income (loss)	664	399	52	31	(21)	-	1.126
2Q20							
Net operating revenue	5.394	651	710	175	0	(368)	6.562
Operating costs and expenses	(4.989)	(399)	(690)	(137)	(25)	368	(5.871)
Depreciation e amortization	(217)	(193)	(0)	(7)	(16)	-	(433)
Income from electric energy service	405	253	20	38	(25)	0	690
Equity accounting	-	85	-	-	-	-	85
EBITDA	622	530	20	45	(9)	-	1.208
Financial result	19	(97)	2	0	4	-	(72)
Income (loss) before taxes	424	241	22	38	(21)	-	703
Income tax and social contribution	(155)	(67)	(7)	(10)	(1)	-	(241)
Net income (loss)	269	174	14	28	(23)	-	462
Variation							
Net operating revenue	39,5%	40,7%	-12,4%	17,7%	2951,1%	23,1%	34,3%
Operating costs and expenses	30,3%	14,5%	-14,8%	19,8%	-7,4%	23,1%	24,0%
Depreciation e amortization	5,6%	-8,2%	110,7%	20,5%	0,0%	-	-0,4%
Income from electric energy service	151,6%	82,1%	-	10,0%	-8,6%	-	121,8%
Equity accounting	-	7,1%	-	-	-	-	7,1%
EBITDA	100,7%	37,3%	-	11,6%	-23,4%	-	70,0%
Financial result	-	-40,7%	-	26,4%	-22,9%	-	-87,2%
Income (loss) before taxes	139,9%	105,1%	-	10,1%	-6,1%	-	129,5%
Income tax and social contribution	127,8%	41,5%	-	0,1%	(0)	-	102,3%
Net income (loss)	146,9%	129,5%	-	13,9%	-7,2%	-	143,6%
Income Statement by business segment - CPFL Energia (R\$ million)							
	Distribution	Generation	Commercialization	Services	Others	Eliminations	Total
1H21							
Net operating revenue	14,615	1,718	1,214	404	0	(851)	17,101
Operating costs and expenses	(12,556)	(876)	(1,164)	(325)	(46)	851	(14,117)
Depreciation e amortization	(451)	(354)	(2)	(16)	(32)	-	(855)
Income from electric energy service	2,059	842	50	79	(46)	0	2,984
Equity accounting	-	182	-	-	-	-	182
EBITDA	2,510	1,377	52	95	(14)	-	4,020
Financial result	(91)	(109)	63	1	5	-	(130)
Income (loss) before taxes	1,968	915	113	80	(41)	-	3,035
Income tax and social contribution	(708)	(166)	(39)	(20)	(14)	-	(947)
Net income (loss)	1,261	748	74	60	(55)	-	2,087
1H20							
Net operating revenue	11,496	1,336	1,428	327	(4)	(739)	13,844
Operating costs and expenses	(10,165)	(815)	(1,408)	(267)	(52)	739	(11,969)
Depreciation e amortization	(428)	(385)	(1)	(14)	(32)	-	(860)
Income from electric energy service	1,331	521	19	59	(56)	(0)	1,875
Equity accounting	-	170	-	-	-	-	170
EBITDA	1,759	1,076	21	73	(24)	-	2,904
Financial result	225	(197)	11	1	9	-	49
Income (loss) before taxes	1,556	494	30	60	(47)	-	2,093
Income tax and social contribution	(559)	(142)	(10)	(16)	(1)	-	(727)
Net income (loss)	997	352	20	44	(48)	-	1,366
Variation							
Net operating revenue	27.1%	28.6%	-15.0%	23.7%	-	15.2%	23.5%
Operating costs and expenses	23.5%	7.5%	-17.3%	21.6%	-10.7%	15.2%	17.9%
Depreciation e amortization	5.5%	-8.0%	42.1%	15.8%	-	-	-0.6%
Income from electric energy service	54.7%	61.7%	156.4%	33.4%	-17.6%	-	59.2%
Equity accounting	-	6.5%	-	-	-	-	6.5%
EBITDA	42.7%	28.0%	148.8%	30.1%	-40.4%	-	38.4%
Financial result	-	-44.8%	-	-31.3%	-	-	-
Income (loss) before taxes	26.5%	85.1%	274.0%	32.2%	-12.6%	-	45.0%
Income tax and social contribution	26.7%	-	282.1%	25.9%	2377.8%	-	30.3%
Net income (loss)	26.4%	112.4%	269.9%	34.5%	16.0%	-	52.8%

7.5) Cash Flow – CPFL Energia

(R\$ thousands)



Consolidated		
	2Q21	Last 12M
Beginning Balance	4,618,910	6,987,632
Net Income Before Taxes	1,613,578	5,738,453
Depreciation and Amortization	430,704	1,661,172
Interest on Debts and Monetary and Foreign Exchange Restatements	6,773	339,102
Consumers, Concessionaries and Licensees	36,532	(817,085)
Sectoral Financial Assets	(114,284)	(178,425)
Accounts Receivable - Resources Provided by the CDE/CCEE	(13,303)	(46,791)
Suppliers	649,668	984,143
Sectoral Financial Liabilities	(347,848)	(117,988)
Accounts Payable - CDE	(1,967)	(38,481)
Interest on Debts and Debentures Paid	(131,947)	(599,047)
Income Tax and Social Contribution Paid	(461,924)	(996,787)
Others	(333,170)	(858,651)
	(280,766)	(668,838)
Total Operating Activities	1,332,812	5,069,615
Investment Activities		
Purchases of Contract Asset, Property, Plant and Equipment and Intangible Assets	(982,926)	(3,187,301)
Securities, Pledges and Restricted Deposits	663,155	1,622,196
Others	(723)	(2,665)
Total Investment Activities	(320,494)	(1,567,770)
Financing Activities		
Loans and Debentures	950,262	1,464,172
Principal Amortization of Loans and Debentures, Net of Derivatives	(2,107,074)	(6,887,121)
Dividend and Interest on Equity Paid	(1,739,066)	(3,851,294)
Intragroup Loans with Subsidiaries	-	1,530,000
Amortization of Intragroup Loans with Subsidiaries	3,124	(7,452)
Others	-	695
Total Financing Activities	(2,892,753)	(7,751,000)
Cash Flow Generation	(1,880,435)	(4,249,156)
Ending Balance - 06/30/2021	2,738,478	2,738,478

7.6) Income Statement – Generation Segment

(R\$ thousands)



	Consolidated					
	2Q21	2Q20	Variation	1H21	1H20	Variation
OPERATING REVENUES						
Electricity Sales to Final Customers	2,761	5,762	-52.1%	7,191	11,950	-39.8%
Electricity Sales to Distributors	922,252	651,936	41.5%	1,727,892	1,363,598	26.7%
Other Operating Revenues	27,525	18,369	49.8%	45,467	34,974	30.0%
	988,411	708,114	39.6%	1,854,666	1,450,394	27.9%
DEDUCTIONS FROM OPERATING REVENUES	(71,728)	(56,683)	26.5%	(136,430)	(114,475)	19.2%
NET OPERATING REVENUES	916,683	651,431	40.7%	1,718,236	1,335,918	28.6%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(80,967)	(28,976)	179.4%	(150,690)	(97,366)	54.8%
Electricity Network Usage Charges	(39,571)	(33,306)	18.8%	(72,162)	(66,221)	9.0%
	(120,538)	(62,282)	93.5%	(222,852)	(163,587)	36.2%
OPERATING COSTS AND EXPENSES						
Personnel	(32,720)	(35,168)	-7.0%	(64,806)	(72,078)	-10.1%
Material	(7,358)	(4,460)	65.0%	(10,651)	(13,422)	-20.6%
Outsourced Services	(60,748)	(55,085)	10.3%	(106,866)	(106,433)	0.4%
Other Operating Costs/Expenses	(24,688)	(19,650)	25.6%	(47,878)	(37,173)	28.8%
<i>Allowance for Doubtful Accounts</i>	<i>(886)</i>	<i>(2,064)</i>	<i>-57.1%</i>	<i>(1,621)</i>	<i>(2,495)</i>	<i>-35.0%</i>
<i>Legal and judicial expenses</i>	<i>(5,604)</i>	<i>(3,250)</i>	<i>72.4%</i>	<i>(11,146)</i>	<i>(6,695)</i>	<i>66.5%</i>
<i>Others</i>	<i>(18,198)</i>	<i>(14,337)</i>	<i>26.9%</i>	<i>(35,111)</i>	<i>(27,982)</i>	<i>25.5%</i>
Cost of building the infrastructure	(32,554)	(29,082)	11.9%	(67,260)	(36,194)	85.8%
Employee Pension Plans	(1,426)	(705)	102.3%	(2,031)	(1,573)	29.1%
Depreciation and Amortization	(134,948)	(150,165)	-10.1%	(269,892)	(300,287)	-10.1%
Amortization of Concession's Intangible	(41,726)	(42,298)	-1.4%	(84,077)	(84,597)	-0.6%
	(336,168)	(336,613)	-0.1%	(653,460)	(651,756)	0.3%
EBITDA¹	727,862	530,179	37.3%	1,377,498	1,075,943	28.0%
INCOME FROM ELECTRIC ENERGY SERVICE	459,977	252,536	82.1%	841,925	520,576	61.7%
FINANCIAL REVENUES (EXPENSES)						
Financial Revenues	31,044	30,482	1.8%	61,741	69,734	-11.5%
Financial Expenses	(88,530)	(127,467)	-30.5%	(170,456)	(266,557)	-36.1%
	(57,486)	(96,985)	-40.7%	(108,715)	(196,823)	-44.8%
EQUITY ACCOUNTING						
Equity Accounting	91,210	85,179	7.1%	181,605	170,484	6.5%
Assets Surplus Value Amortization	(145)	(145)	0.0%	(290)	(290)	0.0%
	91,065	85,034	7.1%	181,315	170,194	6.5%
INCOME BEFORE TAXES ON INCOME	493,557	240,586	105.1%	914,524	493,947	85.1%
Social Contribution	(26,427)	(19,291)	37.0%	(46,698)	(40,915)	14.1%
Income Tax	(67,890)	(47,358)	43.4%	(119,496)	(100,671)	18.7%
NET INCOME	399,240	173,936	129.5%	748,330	352,361	112.4%
Controlling Shareholders' Interest	382,481	162,800	134.9%	715,810	327,123	118.8%
Non-Controlling Shareholders' Interest	16,759	11,136	50.5%	32,520	25,238	28.9%

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) Income Statement – Distribution Segment

(R\$ thousand)



Consolidated						
	2Q21	2Q20	Variation	1H21	1H20	Variation
OPERATING REVENUE						
Electricity Sales to Final Customers	7,358,747	6,074,853	21.1%	15,487,617	13,673,910	13.3%
Electricity Sales to Distributors	643,039	353,393	82.0%	956,250	765,006	25.0%
Revenue from building the infrastructure	708,451	571,425	24.0%	1,292,743	1,059,403	22.0%
Adjustments to the concession's financial asset	222,041	(61,221)	-	480,874	77,351	521.7%
Sectoral financial assets and liabilities	690,932	290,800	137.6%	943,371	(172,543)	-
Other Operating Revenues	1,690,278	1,297,471	30.3%	3,297,865	2,672,895	23.4%
	11,313,487	8,526,721	32.7%	22,458,720	18,076,021	24.2%
DEDUCTIONS FROM OPERATING REVENUE	(3,791,368)	(3,132,804)	21.0%	(7,843,368)	(6,579,603)	19.2%
NET OPERATING REVENUE	7,522,119	5,393,916	39.5%	14,615,353	11,496,419	27.1%
COST OF ELECTRIC ENERGY SERVICES						
Electricity Purchased for Resale	(3,717,541)	(3,045,039)	22.1%	(7,091,769)	(6,221,175)	14.0%
Electricity Network Usage Charges	(1,057,138)	(452,945)	133.4%	(2,225,086)	(1,064,833)	109.0%
	(4,774,679)	(3,497,983)	36.5%	(9,316,855)	(7,286,007)	27.9%
OPERATING COSTS AND EXPENSES						
Personnel	(246,594)	(231,246)	6.6%	(481,686)	(460,154)	4.7%
Material	(50,350)	(43,912)	14.7%	(97,367)	(88,737)	9.7%
Outsourced Services	(220,478)	(207,687)	6.2%	(433,588)	(407,891)	6.3%
Other Operating Costs/Expenses	(217,102)	(177,263)	22.5%	(371,388)	(348,452)	6.6%
Allowance for Doubtful Accounts	(99,943)	(79,289)	26.1%	(153,935)	(137,183)	12.2%
Legal and Judicial Expenses	(38,501)	(27,781)	38.6%	(58,371)	(60,700)	-3.8%
Others	(78,658)	(70,194)	12.1%	(159,082)	(150,570)	5.7%
Cost of building the infrastructure	(708,451)	(571,425)	24.0%	(1,292,743)	(1,059,403)	22.0%
Employee Pension Plans	(55,732)	(42,108)	32.4%	(111,463)	(86,679)	28.6%
Depreciation and Amortization	(214,847)	(202,805)	5.9%	(422,896)	(399,559)	5.8%
Amortization of Concession's Intangible	(14,133)	(14,133)	0.0%	(28,266)	(28,266)	0.0%
	(1,727,687)	(1,490,578)	15.9%	(3,239,397)	(2,879,140)	12.5%
EBITDA¹	1,248,733	622,293	100.7%	2,510,263	1,759,096	42.7%
EBIT	1,019,753	405,355	151.6%	2,059,101	1,331,272	54.7%
FINANCIAL INCOME (EXPENSE)						
Financial Income	237,201	142,050	67.0%	409,339	529,683	-22.7%
Financial Expenses	(239,550)	(123,318)	94.3%	(500,040)	(304,947)	64.0%
	(2,349)	18,732	-	(90,700)	224,736	-
INCOME BEFORE TAXES ON INCOME	1,017,404	424,087	139.9%	1,968,401	1,556,008	26.5%
Social Contribution	(96,579)	(41,242)	134.2%	(190,877)	(147,991)	29.0%
Income Tax	(256,778)	(113,880)	125.5%	(516,788)	(410,747)	25.8%
NET INCOME	664,047	268,966	146.9%	1,260,735	997,270	26.4%

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) Economic-Financial performance by Distributor

(R\$ thousand)



CPFL PAULISTA						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Gross Operating Revenue	5,182,485	3,784,858	36.9%	10,064,937	7,860,785	28.0%
Net Operating Revenue	3,481,454	2,447,372	42.3%	6,640,062	5,083,610	30.6%
Cost of Electric Power	(2,263,416)	(1,640,300)	38.0%	(4,365,713)	(3,345,345)	30.5%
Operating Costs & Expenses	(733,591)	(598,954)	22.5%	(1,374,024)	(1,143,540)	20.2%
EBIT	484,447	208,118	132.8%	900,324	594,725	51.4%
EBITDA⁽¹⁾	561,843	281,342	99.7%	1,053,525	738,480	42.7%
Financial Income (Expense)	(12,293)	35,323	-	(43,413)	126,950	-
Income Before Taxes	472,154	243,441	94.0%	856,912	721,675	18.7%
Net Income	309,863	156,934	97.4%	556,676	465,593	19.6%

CPFL PIRATININGA						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Gross Operating Revenue	1,990,877	1,537,028	29.5%	4,063,579	3,240,128	25.4%
Net Operating Revenue	1,320,399	966,775	36.6%	2,651,875	2,060,159	28.7%
Cost of Electric Power	(939,225)	(695,408)	35.1%	(1,833,521)	(1,433,697)	27.9%
Operating Costs & Expenses	(233,231)	(196,297)	18.8%	(429,694)	(394,894)	8.8%
EBIT	147,944	75,070	97.1%	388,660	231,567	67.8%
EBITDA⁽¹⁾	178,159	104,622	70.3%	448,409	289,644	54.8%
Financial Income (Expense)	14,726	67	21953.3%	24,132	46,620	-48.2%
Income Before Taxes	162,670	75,137	116.5%	412,792	278,187	48.4%
Net Income	104,339	47,390	120.2%	266,280	178,545	49.1%

RGE						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Gross Operating Revenue	3,613,128	2,781,051	29.9%	7,305,528	6,115,935	19.5%
Net Operating Revenue	2,354,421	1,680,624	40.1%	4,650,775	3,749,426	24.0%
Cost of Electric Power	(1,351,631)	(1,001,633)	34.9%	(2,686,483)	(2,176,886)	23.4%
Operating Costs & Expenses	(667,543)	(584,451)	14.2%	(1,256,518)	(1,138,811)	10.3%
EBIT	335,246	94,540	254.6%	707,774	433,730	63.2%
EBITDA⁽¹⁾	441,430	194,814	126.6%	915,885	632,189	44.9%
Financial Income (Expense)	(1,702)	(16,483)	-89.7%	(60,341)	45,942	-
Income Before Taxes	333,544	78,058	327.3%	647,433	479,671	35.0%
Net Income	217,932	47,005	363.6%	417,678	304,344	37.2%

CPFL SANTA CRUZ						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Gross Operating Revenue	526,998	423,784	24.4%	1,024,676	859,173	19.3%
Net Operating Revenue	365,845	299,146	22.3%	672,641	603,224	11.5%
Cost of Electric Power	(220,406)	(160,642)	37.2%	(431,137)	(330,079)	30.6%
Operating Costs & Expenses	(93,321)	(110,876)	-15.8%	(179,161)	(201,895)	-11.3%
EBIT	52,117	27,627	88.6%	62,343	71,250	-12.5%
EBITDA⁽¹⁾	67,301	41,515	62.1%	92,444	98,783	-6.4%
Financial Income (Expense)	(3,080)	(174)	1665.5%	(11,079)	5,225	-
Income Before Taxes	49,037	27,452	78.6%	51,264	76,474	-33.0%
Net Income	31,914	17,636	81.0%	20,101	48,789	-58.8%

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						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	2,433	2,320	4.9%	5,158	4,885	5.6%
Industrial	488	417	16.9%	1,009	951	6.1%
Commercial	853	797	7.1%	1,855	1,898	-2.3%
Others	1,075	1,010	6.5%	2,094	2,037	2.8%
Total	4,849	4,544	6.7%	10,116	9,771	3.5%

CPFL Piratininga						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	1,026	979	4.8%	2,187	2,039	7.2%
Industrial	201	169	18.5%	401	387	3.5%
Commercial	387	349	10.9%	847	824	2.8%
Others	244	238	2.3%	493	489	0.7%
Total	1,857	1,735	7.0%	3,928	3,740	5.0%

RGE						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	1,367	1,344	1.8%	2,949	2,948	0.0%
Industrial	354	309	14.4%	696	695	0.1%
Commercial	445	418	6.5%	949	1,019	-6.8%
Others	980	1,132	-13.4%	2,295	2,643	-13.1%
Total	3,145	3,202	-1.8%	6,889	7,305	-5.7%

CPFL Santa Cruz						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	217	207	4.6%	446	421	5.7%
Industrial	59	63	-5.1%	120	149	-19.7%
Commercial	68	66	3.8%	148	152	-2.7%
Others	206	203	1.3%	383	381	0.5%
Total	550	538	2.1%	1,097	1,104	-0.7%

7.10) Sales to the Captive Market by Distributor

(in GWh)



CPFL Paulista						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	2,433	2,320	4.9%	5,158	4,885	5.6%
Industrial	488	417	16.9%	1,009	951	6.1%
Commercial	853	797	7.1%	1,855	1,898	-2.3%
Others	1,075	1,010	6.5%	2,094	2,037	2.8%
Total	4,849	4,544	6.7%	10,116	9,771	3.5%

CPFL Piratininga						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	1,026	979	4.8%	2,187	2,039	7.2%
Industrial	201	169	18.5%	401	387	3.5%
Commercial	387	349	10.9%	847	824	2.8%
Others	244	238	2.3%	493	489	0.7%
Total	1,857	1,735	7.0%	3,928	3,740	5.0%

RGE						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	1,367	1,344	1.8%	2,949	2,948	0.0%
Industrial	354	309	14.4%	696	695	0.1%
Commercial	445	418	6.5%	949	1,019	-6.8%
Others	980	1,132	-13.4%	2,295	2,643	-13.1%
Total	3,145	3,202	-1.8%	6,889	7,305	-5.7%

CPFL Santa Cruz						
	2Q21	2Q20	Var.	1H21	1H20	Var.
Residential	217	207	4.6%	446	421	5.7%
Industrial	59	63	-5.1%	120	149	-19.7%
Commercial	68	66	3.8%	148	152	-2.7%
Others	206	203	1.3%	383	381	0.5%
Total	550	538	2.1%	1,097	1,104	-0.7%

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	4,722	30 years	November 2027
Companhia Piratininga de Força e Luz ("CPFL Piratininga")	Publicly-held corporation	Direct 100%	Interior and coast of São Paulo	27	1,848	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	3,003	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	481	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	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 Maracanaú S.A. ("CPFL Maracanaú") (e)	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

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 Jaguari de Geração de Energia Ltda ("Jaguari 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%

Note: On April 15, 2020, the constitution of Alesta Sociedade de Crédito Direto S.A. was approved. The Company is a private financial institution that operates in the category of Direct Credit Society, constituted in the form of a corporation.

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 (2Q21)

Net debt - Generation projects

Jun-21	Majority-controlled subsidiaries (fully consolidated)			Investees accounted for under the equity method					Total
	CERAN	Paulista Lajeado	Subtotal	ENERCAN	BAESA	Chapecoense	EPASA	Subtotal	
Borrowings and Debentures	212	-	212	258	-	848	51	1,158	1,369
(-) Cash and Cash Equivalents	(104)	(3)	(107)	(116)	(36)	(279)	(19)	(450)	(558)
Net Debt	108	(3)	104	142	(36)	570	32	707	811
CPFL Stake (%)	65.00%	59.93%	-	48.72%	25.01%	51.00%	53.34%	-	-
Net Debt in Generation Projects	70	(2)	68	69	(9)	290	17	368	435

Reconciliation

CPFL Energia	
Gross Debt	18,371
(-) Cash and Cash Equivalents	(2,738)
Net Debt (IFRS)	15,633
(-) Fully Consolidated Projects	(104)
(+) Proportional Consolidation	435
Net Debt (Pro Forma)	15,964

EBITDA Pro Forma Reconciliation (2Q21 - LTM)

EBITDA - Generation Projects

2Q21	Majority-controlled subsidiaries (fully consolidated)			Investees accounted for under the equity method					Total
	CERAN	Paulista Lajeado	Subtotal	ENERCAN	BAESA	Chapecoense	EPASA	Subtotal	
Net operating revenue	310	47	357	778	347	974	659	2,758	3,115
Operating cost and expense	(55)	(2)	(56)	(41)	(84)	(179)	(103)	(408)	(464)
EBITDA	255	46	301	737	263	795	555	2,350	2,651
CPFL stake (%)	65.00%	59.93%	-	48.72%	25.01%	51.00%	53.34%	-	-
Proportional EBITDA	166	27	193	359	66	405	296	1,126	1,320

Reconciliation

CPFL Energia - 2Q21 LTM	
Net income	4,428
Amortization	1,661
Financial Results	495
Income Tax /Social Contribution	1,311
EBITDA	7,895
(-) Equity income	(421)
(-) EBITDA - Fully consolidated projects	(301)
(+) Proportional EBITDA	1,320
EBITDA Pro Forma	8,493
Net Debt / EBITDA Pro Forma	1,88x

Note: in accordance with financial covenants calculation in cases of assets acquired by the Company.