

CPFL Results 1Q22

Energy for a more
sustainable future

1Q22 CPFL Results

- ✓ **EBITDA** of **R\$ 2,643 million**, growth of **34.4%**
- ✓ **Net Income** of **R\$ 1,162 million**, an increase of **20.9%**
- ✓ Net Debt of **R\$ 21.2 billion** and leverage of **2.03x Net Debt/EBITDA**
- ✓ Capex of **R\$ 1,212 million**, growth of **74.2%**
- ✓ Conclusion of the MTO of **CPFL Transmissão**: CPFL Cone Sul held **66.08%**, now holds **99.26%**
- ✓ Release of the **Sustainability Annual Report** reinforcing ESG practices and evolution of our commitments with the sustainability

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

Friday, May 13, 2022 – 11:00 a.m. (BRT), 10:00 a.m. (ET)

Zoom platform – click here to register:

https://us02web.zoom.us/webinar/register/WN_hpiO1W9BRvuEp0jDdrSgug

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MESSAGE FROM THE CEO

We started 2022 with many lessons learned due to the challenges faced in recent years and with high expectations.

In the first quarter, we once again delivered strong and consistent operating and financial results. In the Distribution business, the period highlights were the benefits from the tariff adjustments in 2021 and the recovery in the commercial segment, which grew by 4.5% with the return to in-person activities and the good performance of the construction sector. In the Generation business, the highlight was the good result from contract adjustments for inflation, as well as the better hydrologic conditions and consequent improvement in GSF. In the Transmission business, the consolidation of CPFL Transmissão made an important contribution, of R\$ 122 million in EBITDA in the quarter. On a consolidated basis (ex-CPFL Transmissão), another important highlight was the variation below annual IPCA inflation of PMSO items linked to inflation.

In terms of investment, capital expenditures in the quarter amounted to R\$ 1.2 billion, an increase of 74.2% on the same quarter last year. Around 80% of the amount was allocated to the Distribution business, in assets that will become part of the remuneration base (RAB) for the next tariff revision cycle beginning in 2023. For this year, we expect capital expenditures of R\$ 4.8 billion.

Reflecting our disciplined allocation of capital, we ended the quarter with a cash position of R\$ 4.1 billion and net debt of 2.03 times EBITDA based on the criteria of our financial covenants.

On April 29, 2022, the Shareholders Meeting approved the distribution of net income for 2021 in the amount of R\$ 3,736 million, or R\$ 3.24 per share, which corresponds to a payout ratio of 100%. The distribution will be made in three payments, with the first one, in the amount of R\$ 1,092 million, or R\$ 0.95/share, already concluded on May 11. The remaining installments will be paid as follows: R\$ 776 million, or R\$ 0.67/share, until June 30, 2022, and R\$ 1,868 million, or R\$ 1.62 per share, until December 30, 2022.

In April, we also concluded, in an auction held on the 6th, the Tender Offer for the Acquisition of Shares (MTO) issued by CPFL Transmissão, with additional investment of R\$ 1.1 billion. As a result, CPFL now holds a 99.26% interest in the company's capital and will continue to execute its strategy of balancing growth with dividend payments.

Last, but not least, we published our Annual Sustainability Report, which reinforces our best practices in ESG and the progress achieved on our 15 commitments related to the Sustainable Development Goals (SDGs), which constitute the three pillars of our Sustainability Plan: Sustainable Energy, Intelligent Solutions and Shared Value.

In closing CPFL Energia continues to perform its role as a leading company in Brazil's power industry. We are protected from the higher inflation pressuring the Brazilian

economy, have a substantial investment plan for the coming years, have acquired a new company in the Transmission business and still maintain conditions to distribute high dividends to our shareholders. And we do all of this with focus, collaboration and respect for people and the environment, while still maintaining our strong corporate governance and financial discipline required to continue creating value. And I remain confident that the modernization of Brazil's power industry will bring even more opportunities for us to take advantage of our industry leadership and proactive strategy.

Gustavo Estrella

Chief Executive Officer, CPFL Energia

Indicators (R\$ Million)	1Q22	1Q21	Var.
Load in the Concession Area - GWh	18,479	18,483	-0.02%
Sales within the Concession Area - GWh	17,911	18,111	-1.1%
Captive Market	11,013	11,628	-5.3%
Free Client	6,899	6,482	6.4%
Gross Operating Revenue	13,425	12,484	7.5%
Net Operating Revenue	8,245	7,666	7.6%
EBITDA ⁽¹⁾	2,643	1,966	34.4%
Distribution	1,838	1,262	45.7%
Generation	673	637	5.6%
Transmission ⁽²⁾	138	12	1015.8%
Commercialization, Services & Others	(6)	55	-
Net Income	1,162	961	20.9%
Net Debt ⁽³⁾	21,180	15,100	40.3%
Net Debt / EBITDA ⁽³⁾	2.03	2.03	0.3%
Investments ⁽⁴⁾	1,212	696	74.2%

Notes:

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

(2) Includes CEEE-T (CPFL Transmissão);

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

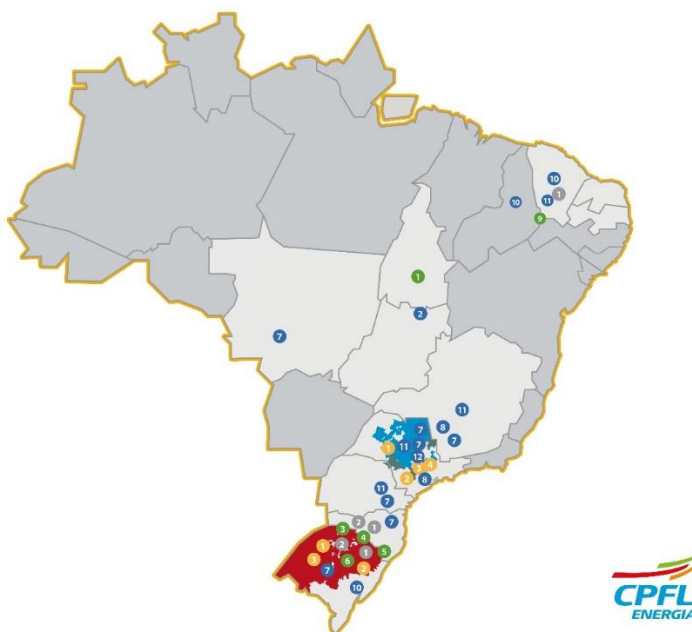
(4) Does not include special obligations.

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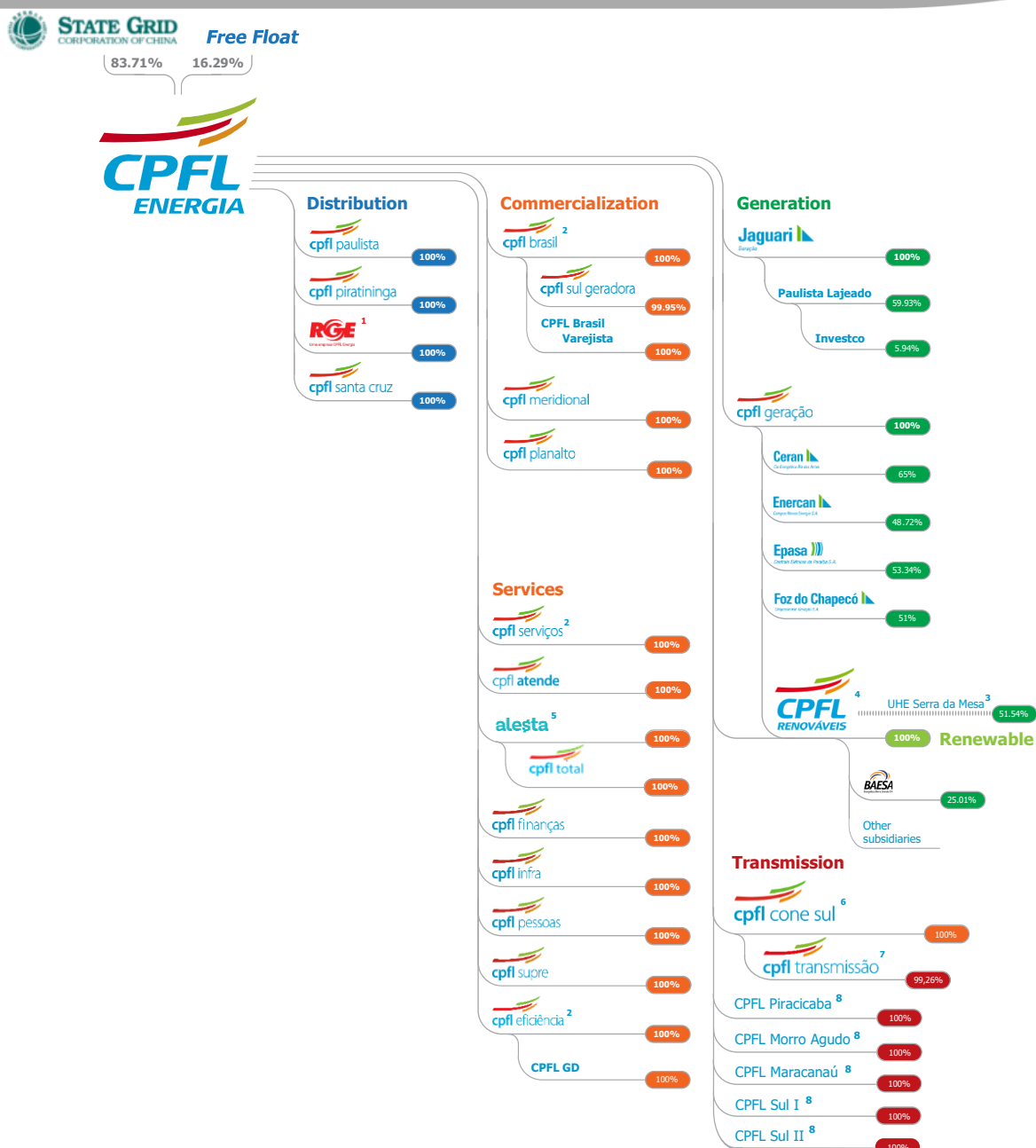
Company Operation

Our Businesses



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: 03/31/2022

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 framed in the "Others" segment. To facilitate the visualization and for having incorporated CPFL Total shares, it is presented in the "Services";
- (6) CPFL Cone Sul is a subsidiary of CPFL Brasil;
- (7) CPFL Transmissão (CEEE-T) is controlled by CPFL Cone Sul (99.26%, as of April 8, 2022);
- (8) CPFL Piracicaba, CPFL Morro Agudo, CPFL Maracanaú, CPFL Sul I e CPFL Sul II are consolidated in CPFL Geração.

Unified Tender Offer for the Acquisition of Shares (MTO) Issued by CEEE-T

The CEEE-T MTO auction was held at B3 on April 6, 2022. As a result, CPFL Cone Sul acquired 3,095,570 common shares, which represent 32.56% of total shares of this type, and 109,251 preferred shares, representing 72.08%.

These shares were acquired at the unit price of R\$ 349.29, totaling R\$ 1,119 million, remaining 0.32% of common shares and 27.20% of preferred shares in free circulation.

Therefore, CPFL Cone Sul now holds 9,586,729 shares issued by CEEE-T, representing approximately 99.26% of the Company's total capital stock, of which 9,476,391 are common shares (99.68% of this type) and 110,338 preferred shares (72.80% of this type).

For more details, please consult relevant facts and notices to the market available on the [IR website](#).¹

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 6 Advisory Committees (Audit, Strategy and Management of Process, Human Resources, Related Parties, Risk and Budget Management and Corporate Finance), which assist in the decisions and monitoring the relevant and strategic issues.

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

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

The guidelines and documents on corporate governance are available at the [IR website](#).

Dividend Policy

The CPFL Energia dividend distribution policy determines that the Company should distribute annually, as dividends, at least 50% of the adjusted net income¹. The approved Dividend Policy is merely indicative, with the purpose of signaling to the market the treatment that the Company intends to give to the distribution of dividends to its shareholders, having, therefore, a programmatic character, not binding upon the Company or its governing bodies. The Dividend Policy is available at the [IR website](#).

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

2) OPERATIONAL PERFORMANCE

2.1) Distribution

2.1.1) Load net of losses in the concession area

Load within the Concession Area - GWh			
	1Q22	1Q21	Var.
Captive Market	11,179	11,712	-4.6%
Free Client	7,301	6,771	7.8%
Total	18,479	18,483	-0.02%

2.1.2) Sales within the Distributors' Concession Area

Sales within the Concession Area - GWh				
	1Q22	1Q21	Var.	Part.
Captive Market	11,013	11,628	-5.3%	61.5%
Free Client	6,899	6,482	6.4%	38.5%
Total	17,911	18,111	-1.1%	100.0%

Sales within the Concession Area - GWh				
	1Q22	1Q21	Var.	Part.
Residential	5,603	5,697	-1.6%	31.3%
Industrial	6,203	6,314	-1.8%	34.6%
Commercial	3,040	2,909	4.5%	17.0%
Others	3,066	3,191	-3.9%	17.1%
Total	17,911	18,111	-1.1%	100.0%

Notes:

- 1) The tables with sales within the concession area by distributor can be consulted in the CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#).
- 2) As of 1Q22, sales in the concession area also include amounts distributed to other concessionaires and permissionaires, which make use of CPFL Energia's grid ("Use D"), so that the amounts from the free market have been changed throughout the historical series.

Highlights in the concession area in 1Q22:

- **Residential Segment (31.3% of total sales):** Decrease of 1.6%, mainly affected by the increasing return of activities to the presencial model, especially when compared to 1Q21, which was one of most critical moments of the pandemic with great incentive to social isolation. Counterbalancing these points, there was a positive temperature effect in RGE, which registered temperature records;
- **Industrial Segment (34.6% of total sales):** Decrease of 1.8%, mainly due to the stabilization of the economic level, a better result than those published in Brazil, which showed a decrease of 4.5% in the first quarter of 2022 if compared to the 1Q21;
- **Commercial Segment (17.0% of total sales):** Growth of 4.5%, due to the recovery effect of this segment of the economy after the pandemic impact, with the temperature also having a relevant effect in the period, especially in RGE. All the distributors had a positive performance;
- **Others Segment (17.1% of total sales):** Decrease of 3.9%, mainly due to the migration of permissionaires to the Basic Network. What softened this fall was an improvement in the economy, especially due to the advance in the fight against the

pandemic.

Sales to the Captive Market - GWh			
	1Q22	1Q21	Var.
Residential	5,603	5,697	-1.6%
Industrial	975	1,125	-13.3%
Commercial	1,992	2,046	-2.6%
Others	2,443	2,761	-11.5%
Total	11,013	11,628	-5.3%

Note: The tables with sales within the concession area by distributor can be consulted in the CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#).

Free Client - GWh			
	1Q22	1Q21	Var.
Industrial	5,228	5,189	0.8%
Commercial	1,048	864	21.3%
Others	623	430	45.0%
Total	6,899	6,482	6.4%

Free Client by Distributor - GWh			
	1Q22	1Q21	Var.
CPFL Paulista	3,104	2,978	4.2%
CPFL Piratininga	1,837	1,796	2.3%
RGE	1,694	1,458	16.2%
CPFL Santa Cruz	263	250	5.4%
Total	6,899	6,482	6.4%

Note: As of 1Q22, sales in the concession area also include amounts distributed to other concessionaires and permissionaires, which make use of CPFL Energia's grid ("Use D"), so that the amounts from the free market have been changed throughout the historical series.

2.1.3) Losses

The consolidated losses index of CPFL Energia was of 8.79% in the 12 months ended in Mar-22, compared to 9.11% in Mar-21, a decrease of 0.32 p.p. Disregarding the effect of the billing calendar in both years, the decrease would be of 0.50 p.p. (from 9.11% in Mar-21 to 8.67% in Mar-22), indicating an improvement of this indicator, despite the adverse macroeconomic conditions.

12M Accumulated Losses ¹						
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	ANEEL
CPFL Energia	9.11%	9.06%	8.82%	8.71%	8.79%	8.24%
CPFL Paulista	9.64%	9.35%	9.09%	9.02%	9.32%	8.46%
CPFL Piratininga	8.06%	7.88%	7.65%	7.40%	7.43%	6.51%
RGE Sul	9.18%	9.65%	9.47%	9.30%	9.11%	9.15%
CPFL Santa Cruz	7.87%	7.69%	7.42%	7.78%	7.55%	8.29%

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

The CPFL Energia group has intensified the reduction of losses, focusing on non-technical losses fight, with a robust metering and network shielding plan in 2022.

Since 2020, 1 thousand shields of group A customers have been carried out with measurement sets, 57.5 thousand shields of group B with Armored Boxes and 7.7 thousands regularizations of consumers without contract.

In addition, the main achievements of 1Q22 were:

- (i) Shielding of electrical borders and internal substations;
- (ii) Mapping of energy losses through microbalances;
- (iii) 96.8 thousand fraud inspections performed in consumer units;
- (iv) Replacement of more than 6.4 thousand obsolete/defective meters with new electronics;
- (v) Visit in 7.8 thousand consumer units inactivated for cutting in cases of self-reconnection;
- (vi) Market discipline through 90 news in media related to CPFL operations to fight fraud and theft.
- (vii) Intensification of actions to combat energy losses in regions with high historical load in 1Q, such as Harvest Plan and Summer Plan.

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								
	2018	2019	2020	2021	1Q21	1Q22	Var. %	ANEEL ¹
CPFL Energia	8.62	8.83	7.66	7.52	7.91	7.38	-6.7%	n.d
CPFL Paulista	6.17	6.72	6.81	6.21	6.97	5.90	-15.4%	6.79
CPFL Piratininga	5.94	6.49	5.83	5.95	6.11	5.58	-8.7%	6.19
RGE ²	14.44	14.01	10.83	10.84	10.89	11.06	1.6%	10.77
CPFL Santa Cruz ³	6.01	5.56	4.89	5.66	5.14	5.79	12.6%	8.12

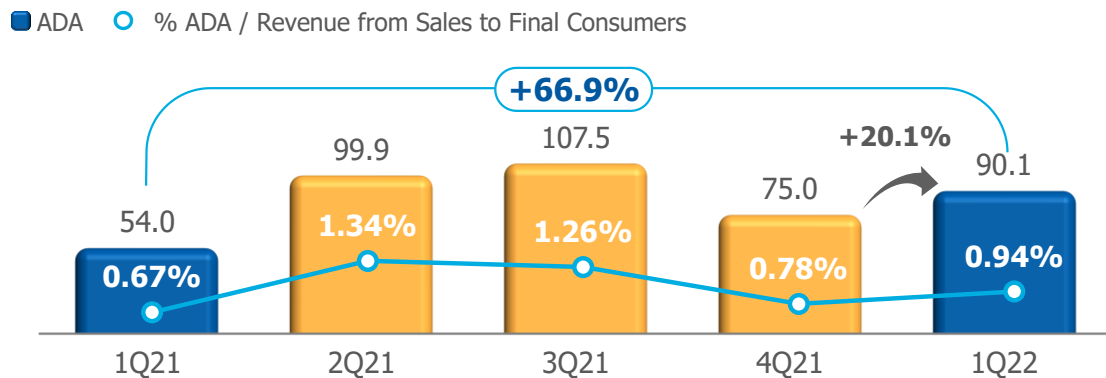
SAIFI Indicators								
Distributor	SAIFI (interruptions)							
	2018	2019	2020	2020	1Q21	1Q22	Var. %	ANEEL ¹
CPFL Energia	4.68	4.93	4.54	4.40	4.63	4.28	-7.6%	n.d
CPFL Paulista	4.03	4.38	4.27	4.24	4.40	4.09	-7.0%	5.46
CPFL Piratininga	3.89	4.34	4.32	4.13	4.51	3.99	-11.5%	5.13
RGE ²	6.10	6.25	5.27	4.83	5.16	4.80	-7.0%	7.69
CPFL Santa Cruz ³	5.09	4.25	3.68	4.21	3.99	4.01	0.5%	6.92

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, the annualized values of SAIDI and SAIFI in 1Q22 were lower than in 1Q21 (-6.7% and -7.6%, respectively). These results reflect the maintenance actions and investments in improvements in the distributors of CPFL Energia group.

2.1.5) Delinquency



ADA registered an increase of 20.1% (R\$ 15.1 million) in 1Q22, compared to 4Q21, which has benefited from some extraordinary negotiations. If compared to 1Q21, there was an increase of 66.9% (R\$ 36.1 million), mainly explained by the higher average ticket due to the tariff adjustments applied throughout 2021 and the adoption of the "hydro scarcity" tariff flag.

In 1Q22, the KPI ADA/Revenue from sales to final consumers was 0.94%, above the historical level of 0.7% to 0.8%. The delinquency continued to be pressured by the country's unfavorable economic situation and the adoption of the "hydro scarcity" tariff flag.

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

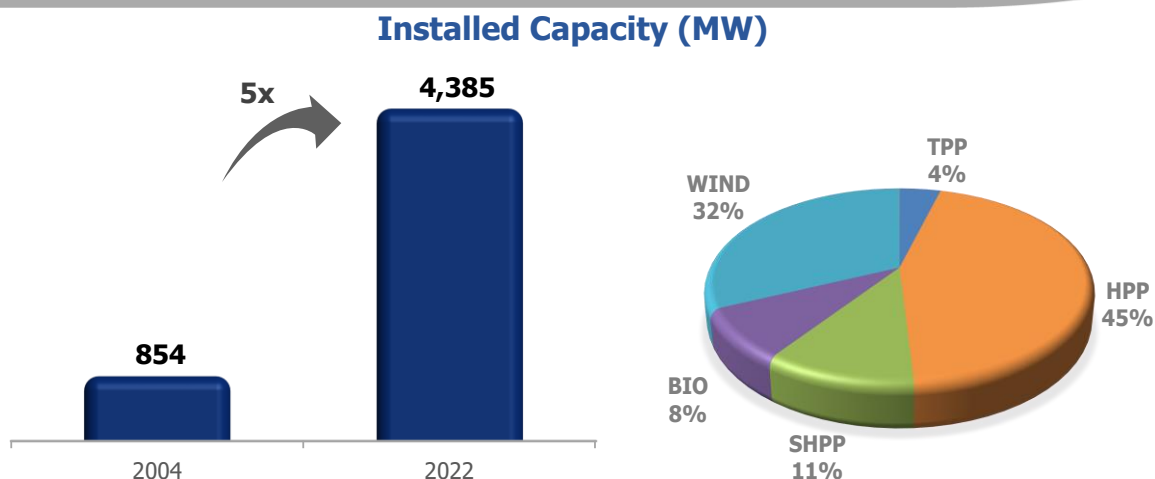
- (i) Maintenance of the volume of power cuts, with 574 thousand cuts in 1Q22;
- (ii) Refinement of the collection action prioritization algorithm, to define the best action for each customer, based on their invoice payment probability score.

2.2) Generation

2.2.1) Installed Capacity

On March 31, 2022, the Generation installed capacity of CPFL Energia group, considering the proportional stake in each project, is of 4,385 MW.

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



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

2.2.2) Operational and under construction projects

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

On March 31, 2022, the project portfolio of Generation segment (considering CPFL Energia's participation in each project) totals 8,812 MW of installed capacity. The plants in operation totalize 4,385 MW, comprising 8 HPPs (1,966 MW), 49 wind farms (1,391 MW), 48 SHPPs and MHPPs (475 MW), 8 biomass thermoelectric plants (370 MW), 2 TPPs (182 MW) and 1 solar plant (1 MW).

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

SHPP Lucia Cherobim

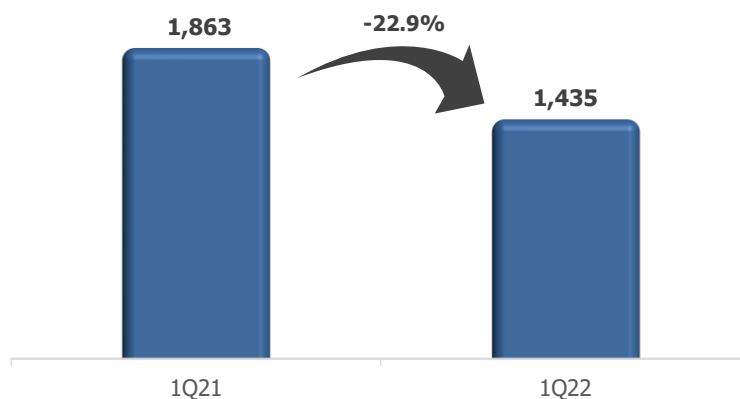
SHPP Lucia Cherobim, a project located in the state of Paraná, is scheduled to start operating in 2024. In March 2022, the physical progress of the project was 18.53%. Installed capacity is 28.0 MW and physical guarantee is 16.6 average MW. The energy was sold under a long-term contract at the 2018 new energy auction (A-6) (price: R\$ 233.27/MWh – Mar-22).

2.3) Commercialization

Number of Commercialization Consumer Units

In Mar-22, CPFL Brasil consumer units reached 1,435, a decrease of 22.9% compared to the same period of 2021. This was due to a lower volume of contracts signed for 2022.

CPFL Brasil Consumer Units



2.4) Transmission

2.4.1) CPFL Transmissão

Portfolio

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

ENS – Unsupplied Energy (MWh)

CPFL Transmissão has shown excellent operating performance over the years. The Unsupplied Energy (ENS) indicator consists of the analysis of the amount of energy interrupted due to the unavailability of Transmission assets and, therefore, verifies the effective impact of the unavailability for the society. In 1Q22, the ENS totaled 416.02 MWh vs. 422.30 MWh in 1Q21, down 1.5%.

PVd – Discounted Variable Parcel

The Discounted Variable Parcel (PVd) consists of the percentage ratio of the Variable Parcel discounts effected on the basis of the Transmitter's Monthly Invoicing. Such data are made available monthly by the National Electric System Operator (ONS). In 1Q22, PVd totaled 0.913% vs. 0.427% in 1Q21, an increase of 53.2%.

The variation in the performance of the indicator is justified by 2 events of asset unavailability, which occurred in 2021, affecting the 1Q22 results in R\$ 0.7 million.

2.4.2) Other Transcos Portfolio

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

Portfolio under Construction							
Project	Location	RAP (R\$ MM)	Estimated Capex by Aneel (R\$ MM)	Operation Start	Substation Nº	Lines (Km)	Builded
Maracanaú ¹	CE	9,1	102	May/22	1	2	96,12%
Sul I	SC	30,9	366	Mar/24	1	320	61,98%
Sul II	RS	32,0	349	Mar/23	3	85	71,58%

Note: (1) The project has been already energized, awaiting the release of the last tests by the counterparty for the commercial start-up, which should take place in May.

3) CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE

3.1) Economic-Financial Performance

Consolidated Income Statement - CPFL ENERGIA (R\$ Million)			
	1Q22	1Q21	Var.
Gross Operating Revenue	13,425	12,484	7.5%
Net Operating Revenue	9,287	8,288	12.1%
Revenue from building the infrastructure	1,042	623	67.4%
Net Operating Revenue (ex-rev. from infrastructure)	8,245	7,666	7.6%
Cost of Electric Power	(4,677)	(4,977)	-6.0%
Contribution Margin	3,568	2,688	32.7%
PMSO	(969)	(760)	27.5%
Other Operating Costs & Expenses	(1,585)	(1,099)	44.2%
Equity Income	115	90	27.3%
EBITDA¹	2,643	1,966	34.4%
Financial Income (Expense)	(432)	(121)	256.7%
Income Before Taxes	1,741	1,421	22.5%
Net Income	1,162	961	20.9%

Note:

- (1) EBITDA is calculated from the sum of net income, taxes, financial results and depreciation/amortization, according to CVM Instruction no. 527/12.
- (2) The complete Income Statement can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access it, click [here](#).

CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Transmission	Others	Consolidated
1Q22					
EBITDA ¹	1,838	673	138	(6)	2,643
Financial results	(288)	(137)	109	(116)	(432)
Net Income	839	294	147	(119)	1,162
1Q21					
EBITDA ¹	1,262	637	12	55	1,966
Financial results	(88)	(52)	0	19	(121)
Net Income	597	338	11	15	961
Variation (%)					
EBITDA ¹	45.7%	5.6%	1015.8%	-	34.4%
Financial results	225.5%	166.8%	40283.9%	-	256.7%
Net Income	40.7%	-13.1%	1279.7%	-	20.9%

Notes:

- (1) The analysis by business segment is presented in chapter 6;
- (2) The breakdown of economic-financial performance by business segment can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access it, click [here](#).

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	1Q22	1Q21	Var.
Adjustments in the concession financial assets (VNR)	305	252	21.0%
Legal and judicial expenses	(40)	(23)	70.0%
Assets write-off	(21)	(37)	-43.3%
Other extraordinary items:			
CPFL Santa Cruz - Tariff review effects (RAB appraisal report)	-	7	-
CPFL Santa Cruz - PIS/Cofins over ICMS	-	(34)	-

EBITDA effects (CPFL Transmissão Consolidation) - R\$ million	1Q22	1Q21	Var.
CPFL Transmissão - EBITDA IFRS (-) EBITDA Regulatory	35	-	-

Financial results effects - R\$ million	1Q22	1Q21	Var.
CPFL Transmissão Consolidation	111	-	-
Mark-to-market (MTM)	(11)	(24)	-55.7%

Note: The breakdown of economic-financial performance by business segment can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access, click [here](#).

Impact of the acquisition of CPFL Transmissão: With the consolidation of CPFL Transmissão's figures as of 10/01/2021, the main impacts in 1Q22 on CPFL Energia were:

- (i) R\$ 330 million in gross operating revenue, representing an increase of 2.6% in the quarter;
- (ii) R\$ 251 million in net operating revenue (ex-construction revenue), representing an increase of 3.3% in the quarter;
- (iii) R\$ 127 million in PMSO, representing an increase of 16.8% in the quarter;
- (iv) R\$ 121 million in Ebitda, representing an increase of 6.2% in the quarter;
- (v) R\$ 111 million of financial revenues, reducing the variation in financial result in 91.4% in the quarter;
- (vi) R\$ 136 million in Net Income, representing an increase of 14.2% in the quarter.

These amounts were considered for the purposes of consolidating CPFL Transmissão into the CPFL Energia group in 1Q22, that is, they already reflect the effects of the business combination. Therefore, the amounts may differ from those presented in CPFL Transmissão's Quarter Financial Statements.

Disregarding the effects of the consolidation of CPFL Transmissão over 1Q22, the variations would be as follows:

Consolidated Income Statement - CPFL ENERGIA without consolidation of CPFL Transmissão (R\$ Million)			
	1Q22	1Q21	Var.
Gross Operating Revenue	13,095	12,484	4.9%
Net Operating Revenue	9,019	8,288	8.8%
Revenue from building the infrastructure	1,025	623	64.6%
Net Operating Revenue (ex-rev. from infrastructure)	7,995	7,666	4.3%
Cost of Electric Power	(4,677)	(4,977)	-6.0%
Contribution Margin	3,318	2,688	23.4%
PMSO	(856)	(760)	12.6%
Other Operating Costs & Expenses	(1,537)	(1,099)	39.8%
Equity Income	114	90	26.6%
EBITDA¹	2,522	1,966	28.3%
Financial Income (Expense)	(542)	(121)	348.1%
Income Before Taxes	1,522	1,421	7.1%
Net Income	1,026	961	6.7%

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

The explanations below must be read along with the impacts, listed on the previous page, related to the consolidation of CPFL Transmissão, a new company of the CPFL Energia group, for a complete understanding of the amounts reported in the 1Q22 Financial Statements.

Operating Revenue

In 1Q22, gross operating revenue reached R\$ 13,095 million, representing an increase of 4.9% (R\$ 611 million). Net operating revenue reached R\$ 9,019 million in 1Q22, registering an increase of 8.8% (R\$ 731 million).

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

Net Operating Revenue without consolidation of CPFL Transmissão(R\$ Million)			
	1Q22	1Q21	Var.
Distribution	7,847	7,093	10.6%
Generation	815	754	8.2%
Transmission	127	48	164.6%
Commercialization	533	592	-9.9%
Services	231	199	16.4%
Elimination and Others	(534)	(398)	34.4%
Total	9,019	8,288	8.8%

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

Cost of Electric Energy

Cost of Electric Energy without consolidation of CPFL Transmissão (R\$ Million)			
	1Q22	1Q21	Var.
Cost of Electric Power Purchased for Resale			
Energy from Itaipu Binacional	651	972	-33.0%
PROINFA	170	97	75.7%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	2,865	3,077	-6.9%
PIS and COFINS Tax Credit	(320)	(363)	-11.8%
Total	3,366	3,783	-11.0%
Charges for the Use of the Transmission and Distribution System			
Basic Network Charges	686	780	-12.1%
Itaipu Transmission Charges	63	83	-24.2%
Connection Charges	23	48	-51.1%
Charges for the Use of the Distribution System	18	15	14.8%
ESS / EER	662	389	70%
PIS and COFINS Tax Credit	(141)	(120)	17.3%
Total	1,311	1,194	9.8%
Cost of Electric Energy	4,677	4,977	-6.0%

Cost of Electric Power Purchased for Resale

In 1Q22, the cost of electric power purchased for resale reached R\$ 3,366 million, a reduction of 11.0% (R\$ 417 million), mainly due to:

- (i) Decrease of 33.0% in **energy from Itaipu** (R\$ 321 million), due to the exchange variation, which reduced the average price of energy (-30.6%);
- (ii) Decrease of 6.9% in **energy purchased in auctions, bilateral contracts and spot market** (R\$ 212 million), due to the lower average price (-9.5%) partially offset by the higher volume of purchased energy (+2.8%);

Partially offset by the:

- (iii) Increase of 75.7% in **PROINFA** (R\$ 73 million).
- (iv) Reduction of 11.8% in **PIS and COFINS tax credit** (R\$ 43 million).

Volume of purchased energy without consolidation of CPFL Transmissão (GWh)			
	1Q22	1Q21	Var.
Energy from Itaipu Binacional	2,496	2,587	-3.5%
PROINFA	218	222	-2.2%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	15,390	14,964	2.8%
Total	18,104	17,774	1.9%

Average price without consolidation of CPFL Transmissão (R\$/MWh)			
	1Q22	1Q21	Var.
Energy from Itaipu Binacional	260.76	375.72	-30.6%
PROINFA	780.38	434.22	79.7%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	186.16	205.62	-9.5%
Total	203.58	233.24	-12.7%

Charges for the Use of the Transmission and Distribution System

In 1Q22, charges for the use of the transmission and distribution system reached R\$ 1,311 million, an increase of 9.8% (R\$ 117 million), due to:

- (i) Increase of 70.4% in **sector charges (ESS/EER)** (R\$ 274 million), 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 1Q22, due to limited hydrological conditions and the need to ensure the energy security in the country. In EER – Reserve Energy Charges, the increase observed in 1Q22 is due to the need for a contribution of resources in the reserve energy account and a lower PLD;

Partially offset by:

- (ii) Reduction of 14.7% in **connection and transmission charges** (basic network, Itaipu transport, connection, and use of the distribution system) (R\$ 136 million);
- (iii) Increase of 17.3% in **PIS and Cofins** tax credit (R\$ 21 million).

PMSO

PMSO without consolidation of CPFL Transmissão (R\$ million)				
	1Q22	1Q21	Variation	
			R\$ MM	%
Personnel	411	363	48	13.2%
Material	105	73	32	44.0%
Outsourced Services	131	147	(16)	-11.1%
Other Operating Costs/Expenses	209	177	32	18.1%
<i>Allowance for doubtful accounts</i>	<i>90</i>	<i>54</i>	<i>36</i>	<i>66.8%</i>
<i>Legal and judicial expenses</i>	<i>32</i>	<i>23</i>	<i>9</i>	<i>37.8%</i>
<i>Assets Write-Off</i>	<i>24</i>	<i>37</i>	<i>(13)</i>	<i>-35.2%</i>
<i>Others</i>	<i>62</i>	<i>62</i>	<i>(0)</i>	<i>-0.2%</i>
Total PMSO	856	760	96	12.6%

PMSO reached R\$ 856 million in 1Q22, an increase of 12.6% (R\$ 96 million), due to the following factors:

- (i) Increase of 9.4% (R\$ 56 million) in expenses linked to inflation, compared to the IPCA of 11.30% in last 12 months. Highlight to personnel costs, with an increase of 13.2% (R\$ 48 million), mainly reflecting the collective labor agreement and increase in the number of employees;
- (ii) Increase of 66.8% (R\$ 36 million) in allowance for doubtful accounts, reflecting the increase in revenue from sales to final consumers, due to tariff adjustments and the "hydro scarcity" flags, and the worsening of delinquency with the deteriorated macroeconomic scenario;
- (iii) Increase of 37.8% (R\$ 9 million) in legal and judicial expenses, due to the higher volume of civil and labor lawsuit;
- (iv) Increase of 24.6% (R\$ 6 million) in expenses related to Capex efforts;
- (v) Increase of 8.2% (R\$ 1 million) in collection actions;

Partially offset by:

- (vi) Reduction of 35.2% (R\$ 13 million) in assets write-off.

Other operating costs and expenses

Other operating costs and expenses without consolidation of CPFL Transmissão			
	1Q22	1Q21	Var.
Costs of Building the Infrastructure	1,021	619	64.9%
Private Pension Fund	59	56	4.6%
Depreciation and Amortization	457	424	7.9%
Total	1,537	1,099	39.8%

EBITDA

In 1Q22, **EBITDA** reached R\$ 2,522 million, registering an increase of 28.3% (R\$ 556 million), favored mainly by the good result of the Distribution segment.

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

EBITDA and Net Income conciliation without consolidation of CPFL Transmissão (R\$ million)			
	1Q22	1Q21	Var.
Net Income	1,026	961	6.7%
Depreciation and Amortization	457	424	7.9%
Financial Result	542	121	348.1%
Income Tax / Social Contribution	496	460	7.9%
EBITDA	2,522	1,966	28.3%

Financial Result

Financial Result without consolidation of CPFL Transmissão (R\$ Million)			
	1Q22	1Q21	Var.
Receitas	438	225	94.4%
Despesas	(980)	(346)	183.1%
Resultado Financeiro	(542)	(121)	348.1%

In 1Q22, the **net financial expense** was R\$ 542 million, an increase of 348.1% (R\$ 421 million) compared to the 1Q21. The items that explain this variation are:

- (i) Increase of 215.1% (R\$ 481 million) in the **expenses with the net debt** (debt charges net of income from financial investments), mainly reflecting the increase of CDI in the period;
- (ii) Negative variation of R\$ 45 million in **other financial revenues/expenses**;
- (iii) Reduction of 17.7% (R\$ 26 million) in **late payment interests and fines**, due to the replacement of the IGP-M by the IPCA as the monetary adjustment index in invoices issued from 06/01/2021, as determined by Aneel;

Partially offset by:

- (iv) Positive variation of 117 million in **adjustment to the sectoral financial asset/liability**;
- (v) Positive variation of R\$ 13 million in **mark-to-market** (non-cash effect).

Income Tax and Social Contribution

In 1Q22, Income Tax and Social Contribution recorded an increase of 25.8% (R\$ 119 million), mainly explained by the better performance in the Distribution segment. The effective rate, which was 32.4% in 1Q21, went to 33.2% in 1Q22.

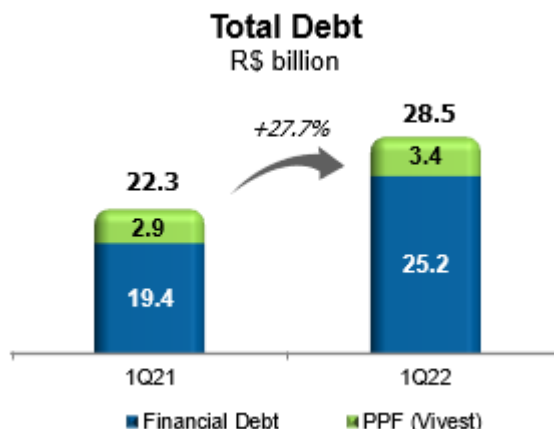
Net Income

Net income was of R\$ 1,162 million in 1Q22, registering an increase of 20.9% (R\$ 201 million). This result reflects the increase in EBITDA, mainly due to the improvement in the performance of the Distribution segment, partially offset by the higher net financial expenses.

3.2) Indebtedness

3.2.1) Debt (IFRS)

In March 31, 2021, CPFL Energia's total debt was R\$ 28.5 billion, with an increase of 27.7% compared to the last year. The financial debt of the group, which considers loans, debentures and intercompany loans, was of R\$ 25.2 billion in the same date.

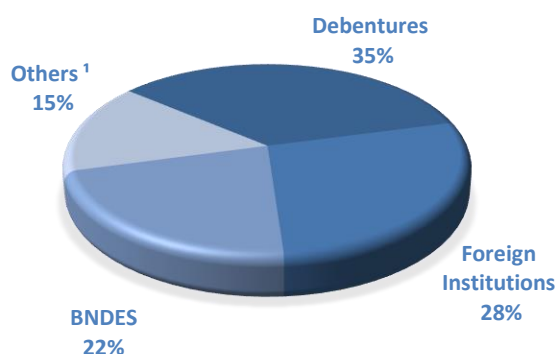


Notes:

(1) Including the mark-to-market (MTM) effect and borrowing costs;

(2) Including the intercompany loan, in the amount of R\$ 2.4 billion, of CPFL Renováveis and CPFL Brasil with SGBP.

Debt Profile – IFRS



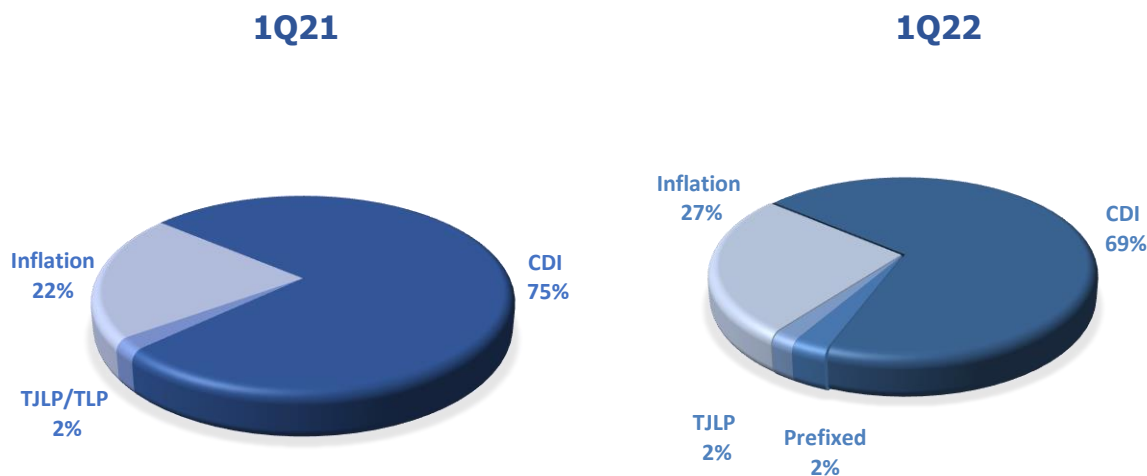
Average Cost (End of the period – IFRS)

1Q22 – 13.17%
1Q21 – 4.64%

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 debt's portfolio, around R\$ 7.1 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 1Q21 vs. 1Q22



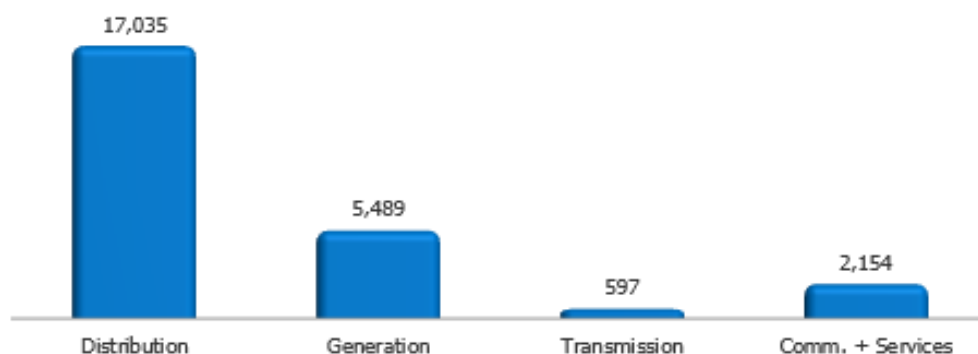
Note: (1) For debts contracted in foreign currency (28.0% of the total in 1Q22), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in IFRS criteria

IFRS R\$ Million	1Q22	1Q21	Var. %
Financial Debt (including hedge)	(25,160)	(19,418)	29.6%
(+) Available Funds	4,077	5,568	-26.8%
(=) Net Debt	(21,083)	(13,850)	52.2%

Note: Availability includes the value of Marketable Securities. Therefore, for comparison purposes, 1Q21 is being stated.

Debt by Segment (R\$ Million – IFRS)



Notes:

- 1) The Generation segment considers CPFL Renováveis, CPFL Geração and Ceraan; the 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.

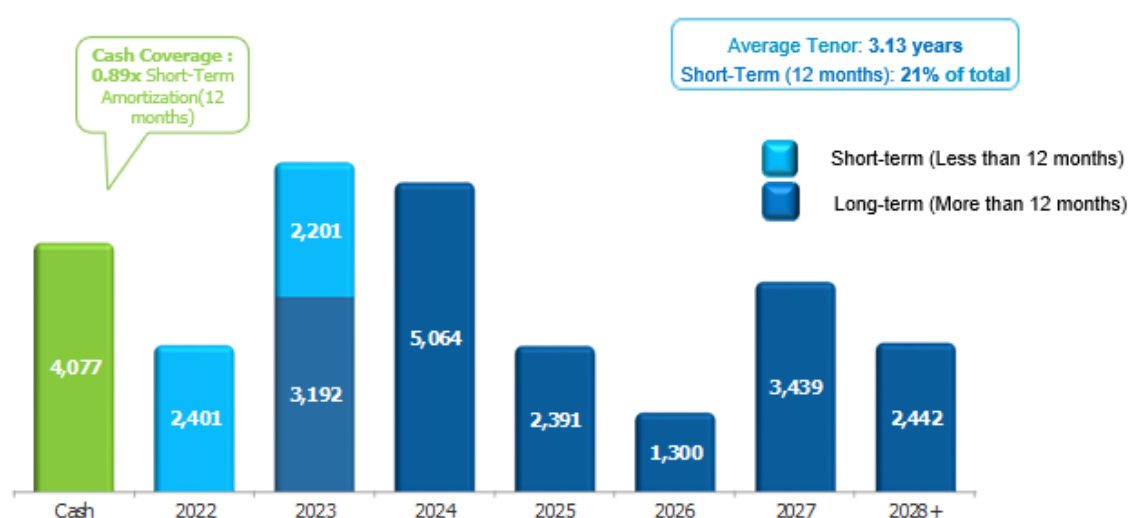
Debt Amortization Schedule in IFRS (March 2022)

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 1Q22 had a coverage ratio of **0.89x** the amortizations of the next 12 months, which allows the CPFL Group to honor part the amortization commitments of 2022. The average amortization term based on this schedule is of **3.13 years**.

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

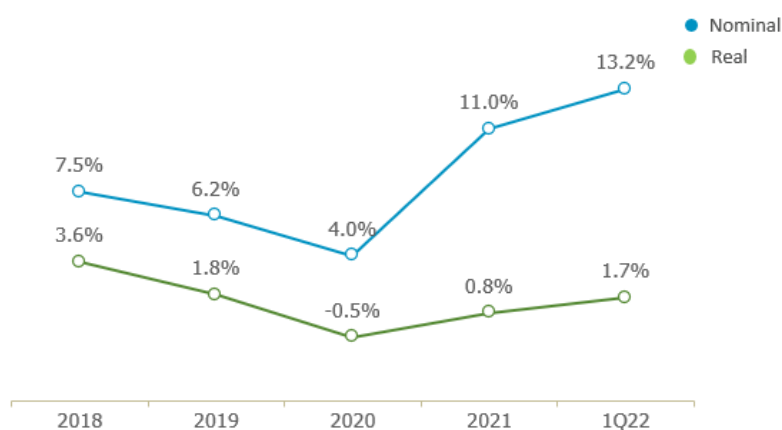
Debt Amortization Schedule (IFRS)



Note:

- (1) Considering only the notional and hedge of the debt. In order to reach the financial result of R\$ 25,160 million, should be included charges and the mark-to-market (MTM) effect and cost with funding;
- (2) Including the intercompany loan of CPFL Renováveis and CPFL Brasil with SGBP;
- (3) It does consider the amount of R\$ 581 thousand of Marketable Securities, according to covenants criteria.

Gross Debt Cost¹ in IFRS criteria



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

Ratings

The following table shows the corporate ratings of CPFL Energia.

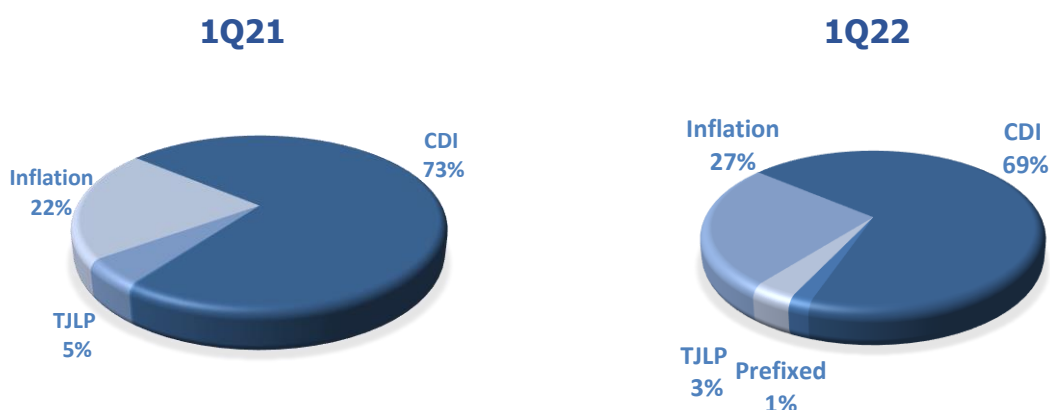
Ratings of CPFL Energia - Corporate Credit			
Agency	Scale	Rating	Perspective
Standard & Poor's	Brazilian	brAAA	Stable
Fitch Rating	Brazilian	AAA(bra)	Stable
Moody's	Brazilian	Aaa.br	Stable

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

3.2.2) Debt in Financial Covenants Criteria

Indexation and Debt Cost in Financial Covenants Criteria

Indexation¹ after Hedge² - 1Q21 vs. 1Q22



Notes:

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

(2) For debts contracted in foreign currency (28.0% of the total), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in Financial Covenants Criteria and Leverage

In the end of the 4Q21, the *Proforma* Net Debt totaled **R\$ 25,432** million, an increase of **27.5%** compared to net debt position at the end of 1Q21, in the amount of **R\$ 19,948** million.

The reconciliation of CPFL Energia's Net Debt/EBITDA indicator, for purposes of calculating financial covenants, is available on CPFL Energia's Historical Information Base, on the IR website. Click [here](#) to access it.

Covenant Criteria - R\$ Million	1Q22	1Q21	Var.%
Financial Debt (including hedge) ¹	(25,432)	(19,948)	27.5%
(+) Available Funds ³	4,251	4,847	-12.3%
(=) Net Debt	(21,180)	(15,100)	40.3%
EBITDA Proforma ²	10,423	7,451	39.9%
Net Debt / EBITDA	2.03	2.03	0.3%

Notes:

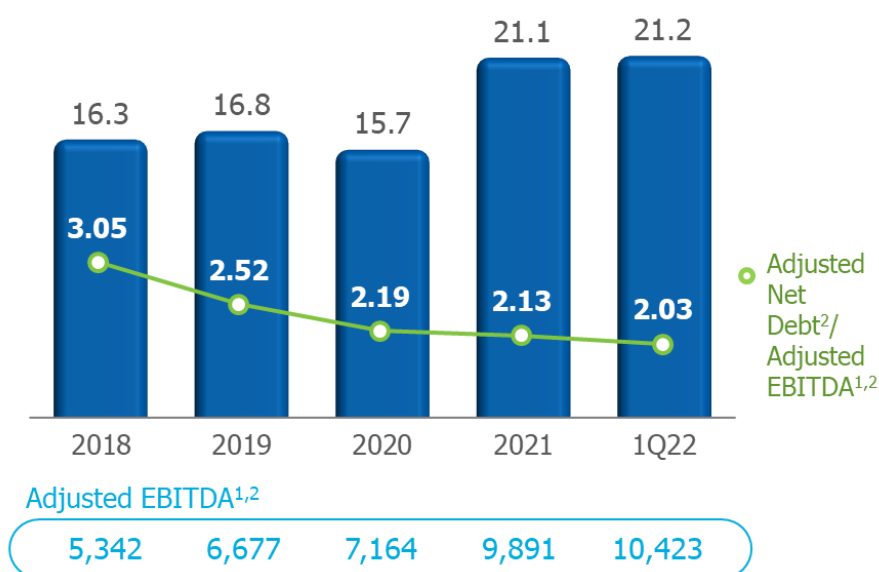
(1) Considers the proportional consolidation of Ceran, Enercan, Foz do Chapecó and EPASA. For more details, the reconciliation between IFRS balances and covenants will be in our CPFL Energia's Historical Information Basis;

(2) *Proforma* EBITDA in the financial covenants criteria: (a) adjusted according CPFL Energia's stake in each of its subsidiaries; (b) considers the result of the last 12 months of CPFL Transmissão. For more details, the reconciliation between IFRS balances and covenants is in CPFL Energia's Historical Information Base;

(3) Available Funds already considering Marketable Securities.

Considering that the *Proforma* Net Debt totaled **R\$ 21,180 million** and *Proforma* EBITDA in the last 12 months reached **R\$ 10,423 million**, the ratio *Proforma* Net Debt/EBITDA at the end of 1Q22 reached **2.03x**.

Leverage in financial covenants criteria - R\$ billion



Notes:

(1) LTM EBITDA, including CPFL Transmissão, according to financial covenants criteria.

(2) Adjusted for the proportional consolidation of the assets of Geração and CPFL Transmissão, as well as considering the loan agreement with SGBP.

3.3) Investments

3.3.1) Actual Investments

Investments (R\$ Million)			
Segment	1Q22	1Q21	Var.
Distribution	975	597	63.4%
Generation	62	44	41.2%
Commercialization	1	3	-66.7%
Services and Others ¹	4	14	-72.0%
Transmission ²	170	38	344.7%
Total	1,212	696	74.2%

Notes:

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

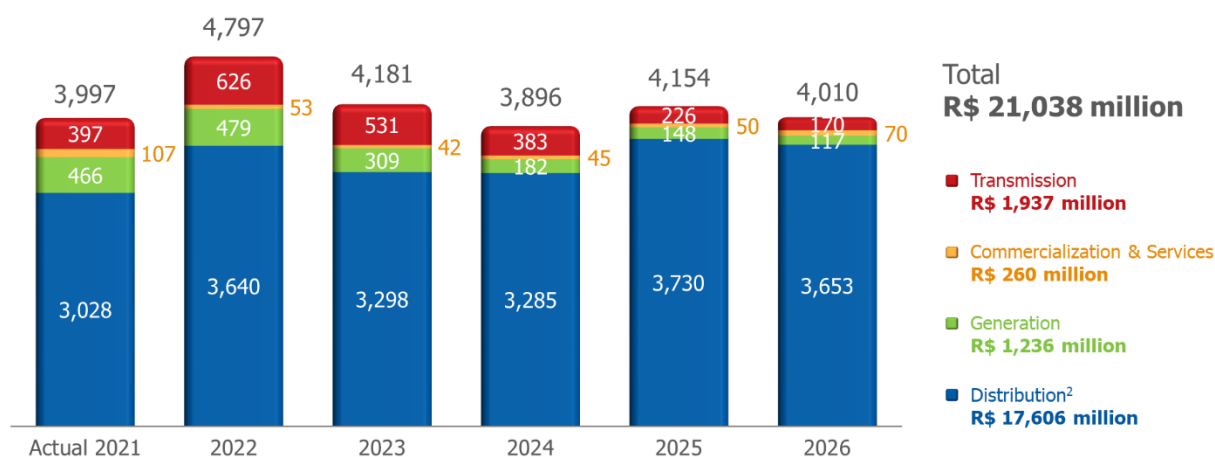
(2) Transmission - Transmission assets do not have fixed assets, the figures in this table is the addition of contractual assets.

In 1Q22, the investments were of R\$ 1,212 million, an increase of 74.2%, compared to R\$ 696 million registered in 1Q21. We highlight investments made by CPFL Energia in the Distribution segment, in the amount of R\$ 975 million, mainly intended to expansion and maintenance of grid due specially to improve client attendant and improvements and modernization.

3.3.2) Investment Forecast

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

Investment Forecast (R\$ million)¹



Notes:

1) Constant currency;

2) Disregard investments in Special Obligations (among other items financed by consumers).

4) STOCK MARKETS

4.1) Stock Performance

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

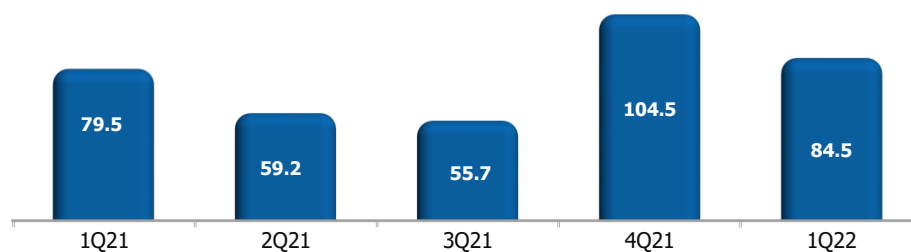
B3				
Date		CPFE3	IEE	IBOV
03/31/2022	R\$	32.27	84,843	120,260
12/31/2021	R\$	26.83	76,305	104,822
03/31/2021	R\$	27.42	80,913	116,634
QoQ		20.3%	11.2%	14.7%
YoY		17.7%	4.9%	3.1%

4.2) Daily Average Volume

The daily average volume trading of CPFL Energia in 1Q22 was R\$ 84.5 million, representing an increase of 6.3% if compared to 1Q21.

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	1Q22	1Q21	Var.
Renewable energy	Total energy generated by renewable sources	GWh	1,895	2,787	-32.0%
	↳ HPPs (hydro)	GWh	685	1,384	-50.5%
	↳ SHPPs and CGHs	GWh	420	421	-0.1%
	↳ Solar	GWh	0.1	0.4	-69.5%
	↳ Wind	GWh	728	902	-19.2%
	↳ Biomass	GWh	61	80	-23.5%
Circular economy	Number of refurbished transformers	unit	2,363	2,600	-9.1%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	1,714	1,653	3.7%
Natural resources	Water consumption (administrative buildings)	1,000 m ³	34	30	13.3%
	Energy consumption (administrative buildings)	MWh	9,254	9,104	1.6%



SMART SOLUTIONS - Offering solutions for the future of energy

Theme	Indicator	Unit	1Q22	1Q21	Var.
Smart Grid	% of telemetered load	%	55.4%	54.4%	1.8%
	Number of installed automatic reclosers	unit	14,934	13,304	12.3%
Digitalization	% de digitalization of customer services	%	90%	89%	2.1%
	Number of digital bills	million	4.1	3.4	19.5%
	% of bills paid digitally	%	66.5%	60.5%	9.9%
Innovation	Investments in innovation (Aneel R&D) ¹	R\$ million	10.9	12.4	-12.2%
Low carbon solutions	Carbon credits and Energy stamps sales Revenue	R\$ million	2.9	0.7	332.9%
	Number of projects qualified for the commercialization of carbon credits and renewable energy seals	unit	16	18	-11.1%

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	1Q22	1Q21	Var.
Social transformation	Investment in Energy Efficiency actions (Aneel)	R\$ million	21.0	31.3	-33.0%
	Investment through Instituto CPFL ¹	R\$ million	0.0	0.0	-
	Number of hospitals benefited by the "CPFL nos Hospitais" Program ²	number of hospitals	250	102	145.1%
	Number of people benefited by Instituto CPFL social programs	1,000 people	159.6	127.0	25.7%
Health & Safety	Number of low income families benefited by the Energy Efficiency Programs (Aneel)	1,000 families	2.0	16.5	-87.9%
	Number of safety inspections carried out in our own headcount and in contracted ones	1,000 inspections	6.3	5.1	22.0%
	Number of audits carried out in the contracted companies	number of audits	216	200	8.0%
	Accident frequency rate (own employees)	Number of injured * 1MM / hours worked with risk exposure	1.4	1.2	13.0%
	Accident frequency rate (outsourced)	Number of injured * 1MM / hours worked with risk exposure	3.5	2.4	46.4%
	Number of fatal accidents with the population	number of accidents	6	3	100.0%

Notes

¹ Instituto CPFL's investments start in the 2Q² Regarding completed projects. Counting projects still in progress, the number of beneficiaries is 325

The importance and success of the program **"CPFL nos Hospitais"** made the company renew its actions, creating a second phase. Health institutions from São Paulo and Rio Grande do Sul are already receiving projects as part of **"CPFL nos Hospitais 2.0"**.

The expectation is that more than **R\$ 140 million will be invested by 2024** with the expansion of the program's scope of action. From now on, the prospect is that the projects will also be executed, in greater numbers, in APAEs (associations for disabled people), Long-stay Institutions for the Elderly (ILPIs) and smaller health units.


ENABLERS

Theme	Indicator	Unit	1Q22	1Q21	Var.
Ethics	% of employees trained in Ethics and Integrity	%	50%	83%	-39.8%
Employee Development & Inclusion	Number of training hours ¹	1,000 hours	150	280	-46.5%
	% of PoC in the company	%	27.5%	25.7%	7.2%
	% of women in leadership positions	%	21.1%	17.6%	19.9%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	-
	Number of women in the Board of Directors	number	0	0	-

Note:

¹ Consider the professional requalification program

In December 2021, we launched a new **Code of Ethical Conduct**. Thus, training related to Ethics and Integrity in the company was restarted, now considering the content updates carried out.

6) PERFORMANCE OF BUSINESS SEGMENTS

6.1) Distribution Segment

6.1.1) Economic-Financial Performance

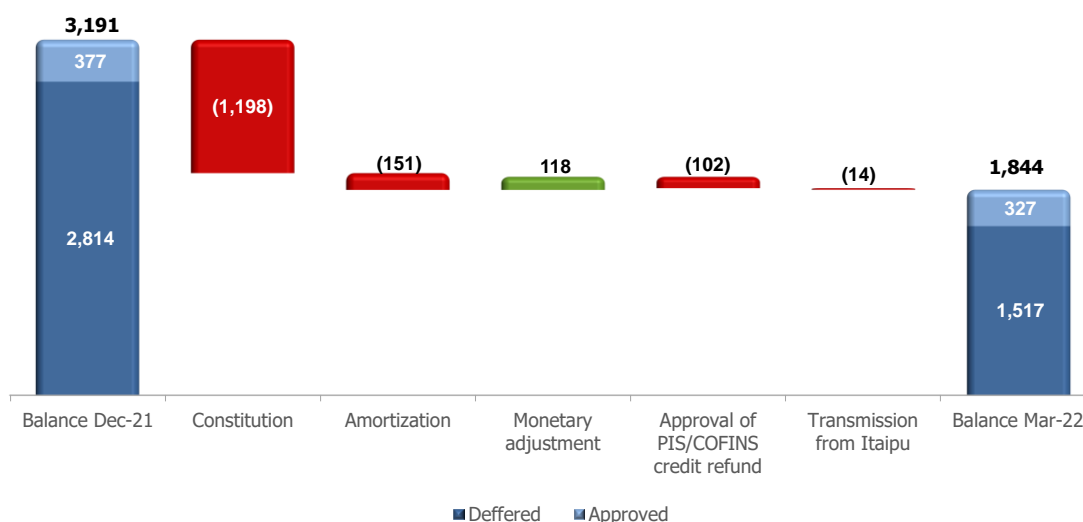
Consolidated Income Statement - Distribution (R\$ Million)			
	1Q22	1Q21	Var.
Gross Operating Revenue	11,783	11,145	5.7%
Net Operating Revenue	7,847	7,093	10.6%
Cost of Electric Power	(4,309)	(4,542)	-5.1%
Operating Costs & Expenses	(1,948)	(1,512)	28.9%
EBIT	1,590	1,039	53.0%
EBITDA ⁽¹⁾	1,838	1,262	45.7%
Financial Income (Expense)	(288)	(88)	225.5%
Income Before Taxes	1,302	951	36.9%
Net Income	839	597	40.7%

Note:

- (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization, as CVM Instruction no. 527/12.
- (2) The complete Income Statement can be consulted in the CPFL historical information base, available in the IR website, to access it, click [here](#).

Sectoral Financial Assets and Liabilities

On March 31, 2022, the balance of sectoral financial assets and liabilities was positive in R\$ 1,844 million. If compared to December 31, 2021, there was a decrease of R\$ 1,347 million, as demonstrated in the chart below:



The variation in this balance was due to the constitution of an asset of R\$ 1.198 million, mainly due to: (i) electric energy cost (R\$ 1,463 million); (ii) billed tariff flag (R\$ 503 million)²; and (iii) cost with sector charges (ESS/EER) (R\$ 195 million); partially offset by constitution of assets: (iv) energy development account ("CDE") (R\$ 450 million); (v) other financial components (R\$ 384 million); and (vi) other items (R\$ 129 million). The amortization of R\$ 151 million and the monetary adjustment of assets and liabilities totaled R\$ 118 million.

Moreover, there was the approval of the refund of the PIS/Cofins credit of CPFL Santa Cruz and RGE, in the amount of R\$ 102 million. In addition, ANEEL has approved the transfer of the Itaipu account, in the amount of R\$ 14 million to CPFL's distributors, decision taken in order to mitigate the tariff increase.

Operating Revenue

Operating Revenue			
	1Q22	1Q21	Var.
Gross Operating Revenue			
Revenue with Energy Sales (Captive + TUSD)	11,255	9,447	19.1%
Short-term Electric Energy	91	145	-37.4%
Revenue from Building the Infrastructure of the Concession	913	584	56.3%
Sectoral Financial Assets and Liabilities	(1,348)	252	-
CDE Resources - Low-income and Other Tariff Subsidies	471	383	23.1%
Adjustments to the Concession's Financial Asset	305	259	17.7%
Other Revenues and Income	142	113	25.3%
Compensatory Fines (DIC/FIC)	(46)	(38)	20.3%
Total	11,783	11,145	5.7%
Deductions from the Gross Operating Revenue			
ICMS Tax	(2,130)	(1,946)	9.4%
PIS and COFINS Taxes	(732)	(972)	-24.8%
CDE Sector Charge	(1,436)	(1,012)	41.9%
R&D and Energy Efficiency Program	(67)	(63)	6.1%
PROINFA	(55)	(44)	25.7%
Tariff Flags	494	(7)	-
Others	(11)	(8)	35.6%
Total	(3,936)	(4,052)	-2.9%
Net Operating Revenue	7,847	7,093	10.6%

In 1Q22, gross operating revenue amounted to R\$ 11,783 million, an increase of 5.7% (R\$ 637 million), due to the following factors:

- (i) Increase of 19.1% (R\$ 1,809 million) in **Revenue with Energy Sales** (captive + free clients), due to:
 - a. the positive average tariff adjustment in the distribution companies in the period

² Since Jan/22, the Tariff Flags are no longer accounted for in Deductions from Gross Operating Revenue and started to compose the balance of Sectoral Financial Assets and Liabilities.

between 1Q21 and 1Q22 (average increases of 8.95% in CPFL Paulista, in April 2021; of 9.95% in RGE, in June 2021; and of 12.40% in CPFL Piratininga, in October 2021);

- b. the tariff revision with an average positive adjustment to the consumers of 9.95% at CPFL Santa Cruz, in March 2021;
- c. the adoption of the "hydro scarcity" flags on the three months of 1Q22, compared to yellow flag on the three months of 1Q21;
- (ii) Increase of 56.3% (R\$ 329 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (iii) Increase of 17.7% (R\$ 46 million) in the **adjustments to the Concession's Financial Asset**, mainly due to the increase of asset base, partially offset by the negative variation of IPCA (from 2.48% in 1Q21 to 2.30% in 1Q22) and by the accounting of the RAB appraisal report in the tariff revision of CPFL Santa Cruz – an extraordinary item, which recorded a gain of R\$ 7 million in 1Q21, affecting the comparison basis;
- (iv) Increase of 23.1% (R\$ 88 million) in **CDE Resources - Low-income and Other Tariff Subsidies**;
- (v) Increase of 25.3% (R\$ 29 million) in the **Other Revenues and Income**;

Partially offset by:

- (vi) Variation of R\$ 1,601 million in the accounting of **Sectoral Financial Assets/Liabilities**, from an asset of R\$ 252 million in 1Q21 to a liability of R\$ 1,348 million in 1Q22. This variation was also affected by the inclusion of the balance of tariff flags from December 2021, accounted before as a deduction from operating revenues, and considered as a regulatory asset only upon tariff adjustment, according to ANEEL Dispatch nº 2,904/21 (which approved the 2022 version of the MCSE), in the amount of R\$ 494 million;
- (vii) Decrease of 37.4% (R\$ 54 million) in **Short-term Electric Energy**, due to a lower spot price (PLD);
- (viii) Increase of 20.3% (R\$ 8 million) in **Compensatory Fines**.

Deductions from the gross operating revenue were R\$ 3,936 million in 1Q22, representing an decrease of 2.9% (R\$ 116 million), due to the following factors:

- (i) Decrease of R\$ 501 million in the accounting of **tariff flags**, due to the reclassification of the tariff flag to Sectorial Financial Assets and Liabilities, as explained above;
- (ii) Decrease of 2.0% (R\$ 57 million) in **taxes** (ICMS and PIS/Cofins);

Partially offset by:

- (iii) Increase of 41.9% (R\$ 424 million) in **CDE** due to the increase of R\$ 289 million in the "CDE Use" and an increase of R\$ 132 million the inclusion of the "CDE Covid Account", mainly in CPFL Paulista and CPFL Piratininga;
- (iv) Increase of 15.5% (R\$ 18 million) in the **other items**.

Net operating revenue reached R\$ 7,847 million in 1Q22, representing an increase of 10.6% (R\$ 754 million).

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)			
	1Q22	1Q21	Var.
Cost of Electric Power Purchased for Resale			
Energy from Itaipu Binacional	651	972	-33.0%
PROINFA	170	97	75.7%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	2,397	2,630	-8.9%
PIS and COFINS Tax Credit	(279)	(324)	-14.0%
Total	2,939	3,374	-12.9%
Charges for the Use of the Transmission and Distribution System			
Basic Network Charges	709	756	-6.2%
Itaipu Transmission Charges	63	83	-24.2%
Connection Charges	66	46	43.6%
Charges for the Use of the Distribution System	11	10	2.0%
ESS / EER	661	392	68.7%
PIS and COFINS Tax Credit	(140)	(119)	17.3%
Total	1,370	1,168	17.3%
Cost of Electric Energy	4,309	4,542	-5.1%

Cost of Electric Power Purchased for Resale

In 1Q22, the cost of electric power purchased for resale amounted to R\$ 2,939 million, representing a decrease of 12.9% (R\$ 435 million), due to:

- (i) Decrease of 33.0% (R\$ 321 million) in the cost with **Energy from Itaipu**, due to the exchange variation, that led to a lower average purchase price (-30.6%);
- (ii) Decrease of 8.9% (R\$ 233 million) in the cost with **energy purchased in the regulated environment, bilateral contracts and short term**, due to the reductions in the volume (-1.2%) and in the average purchase price (-7.7%);

Partially offset by:

- (iii) Decrease of 14.0% (R\$ 46 million) in **PIS and COFINS tax credit**;
- (iv) Increase of 75.7% (R\$ 73 million) in **Proinfa**, mainly due to an increase in the average purchase price (+79.7%) with the readjustment in the Proinfa's cost quotas applied by ANEEL, according to resolution no. 2,995/2021, for the year 2022.

Volume of purchased energy (GWh)	1Q22	1Q21	Var.
Energy from Itaipu Binacional	2,496	2,587	-3.5%
PROINFA	218	222	-2.2%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	12,008	12,154	-1.2%
Total	14,721	14,963	-1.6%

Average price (R\$/MWh)	1Q22	1Q21	Var.
Energy from Itaipu Binacional	260.76	375.72	-30.6%
PROINFA	780.38	434.22	79.7%
Energy Purchased through Auction in the Regulated Environment, Bilateral Contracts and Energy Purchased in the Spot Market	199.62	216.38	-7.7%
Total	199.64	225.51	-11.5%

Charges for the Use of the Transmission and Distribution System

In 1Q22, the **charges for the use of the transmission and distribution system** reached R\$ 1,370 million, representing an increase of 56.0% (R\$ 492 million), due to:

- (i) Variation of R\$ 269 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 1Q22, due to limited hydrological conditions and the need to ensure the energy security in the country. In EER – Reserve Energy Charges, the increase observed in 1Q22 is due to the need for a contribution of resources in the reserve energy account and a lower PLD;

Partially offset by:

- (ii) Increase of 17.3% (R\$ 21 million) in **PIS and COFINS tax credit**;
- (iii) Decrease of 5.2% (R\$ 47 million) in **connection and transmission charges** (basic network, Itaipu transmission, connection and use of the distribution system), mainly due to the reduction in the annual adjustments of the transmission, caused by the reprofiling of basic network (RBSE) charges.

PMSO

PMSO (R\$ million)				
	1Q22	1Q21	Variation	
			R\$ MM	%
Personnel	255	235	20	8.3%
Material	65	47	18	38.4%
Outsourced Services	220	213	7	3.3%
Other Operating Costs/Expenses	189	154	35	22.7%
<i>Allowance for doubtful accounts</i>	90	54	36	66.9%
<i>Legal and judicial expenses</i>	32	20	12	59.6%
<i>Assets write-off</i>	26	37	(11)	-29.4%
<i>Others</i>	42	44	(2)	-4.9%
Total PMSO	729	649	80	12.3%

In 1Q22, **PMSO** reached R\$ 729 million, an increase of 12.3% (R\$ 80 million), due to the following factors:

- (i) Inflation-linked items with a 6.9% increase (R\$ 33 million): personnel (R\$ 20 million), maintenance of fleet (R\$ 6 million), tree pruning (R\$ 3 million), among others, compared to the IPCA of 11.30% in the last 12 months;
- (ii) Increase of 66.9% (R\$ 36 million) in allowance for doubtful accounts, reflecting the increase in revenue from sales to final consumers, due to tariff adjustments and the "hydro scarcity" flags, and the worsening of delinquency with the deteriorated macroeconomic scenario;
- (iii) Increase of 59.6% (R\$ 12 million) in legal and judicial expenses, mainly in RGE and CPFL Piratininga;
- (iv) Increase of 20.1% (R\$ 6 million) in expenses with lines, grid and substation maintenance, related to Capex efforts;
- (v) Increase of 11.3% (R\$ 3 million) in collection actions;

Partially offset by:

- (vi) Decrease of 29.4% (R\$ 11 million) in asset write-offs.

Other operating costs and expenses

Other operating costs and expenses			
	1Q22	1Q21	Var.
Costs of Building the Infrastructure	913	584	56.3%
Private Pension Fund	58	56	3.9%
Depreciation and Amortization	234	208	12.5%
Total	1,205	848	42.1%

EBITDA

EBITDA totaled R\$ 1,838 million in 1Q22, an increase of 45.7% (R\$ 576 million), mainly due to the positive effects of market growth and tariff adjustments between 1Q21 and 1Q22, in addition of a higher concession's financial assets (R\$ 53 million) and a gain on other revenues (R\$ 26 million), partially offset by the increase of PMSO (R\$ 43 million) and ADA (R\$ 36 million).

Conciliation of Net Income and EBITDA (R\$ million)			
	1Q22	1Q21	Var.
Net income	839	597	40.7%
Depreciation and Amortization	248	222	11.7%
Financial Results	288	88	225.5%
Income Tax /Social Contributio	463	354	30.6%
EBITDA	1,838	1,262	45.7%

EBITDA by Distributor

EBITDA by Distributor			
Distribution	1Q22	1Q21	Var.
CPFL Paulista	686	492	39.5%
CPFL Piratininga	347	270	28.6%
RGE	736	474	55.0%
CPFL Santa Cruz	69	25	175.6%
EBITDA	1,838	1,262	45.7%

Note: The Income Statement by company can be consulted in the CPFL historical information base, available in the IR website. To access it, click [here](#).

CPFL Paulista:

EBITDA totaled R\$ 686 million in 1Q22, an increase of 39.5% (R\$ 194 million), explained by the tariff adjustment favored by the IGP-M increase, which readjusted the parcel B by 31.21% in April 2021. In addition, the update of concession's financial assets, which contributed with R\$ 26 million and other revenues with R\$ 11 million. On the other hand, there were increases of R\$ 22 million in ADA and R\$ 3 million in private pension fund.

CPFL Piratininga:

EBITDA totaled R\$ 347 million in 1Q22, an increase of 28.6% (R\$ 77 million), explained by tariff adjustment favored by the IGP-M increase, which readjusted the parcel B by 24.79% in October 2021. In addition, other revenues contributed with R\$ 7 million. On the other hand, there were increases of R\$ 9 million in ADA.

RGE:

EBITDA totaled R\$ 736 million in 1Q22, an increase of 55.0% (R\$ 261 million), explained by the tariff adjustment favored by the IGP-M, which readjusted the parcel B by 37.22% in June 2021, and the update of concession's financial assets, which contributed with R\$ 22 million. On the other hand, there were increases of R\$ 16 million in PMSO and R\$ 4 million in ADA.

CPFL Santa Cruz:

EBITDA totaled R\$ 69 million in 1Q22, an increase of 175.6% (R\$ 44 million), explained by the application of the periodic tariff review (PTR) in March 2021, which readjusted the parcel B by 18.89%. In addition, in 1Q21, was registered a 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, reducing the basis of comparison in 1Q22.

Financial Result

Financial Result (R\$ Million)			
	1Q22	1Q21	Var.
Revenues	399	172	132.0%
Expenses	(687)	(260)	163.7%
Financial Result	(288)	(88)	225.5%

In 1Q22, the financial result recorded a **net financial expense** of R\$ 288 million, an increase of 225.5% (R\$ 199 million) compared to 1Q21. The items that explain this variation are:

- (i) Increase of 159.6% (R\$ 288 million) in the **expenses with net debt**, resulting mainly from the increase in CDI;
- (ii) Decrease of 17.7% (R\$ 26 million) in **late payment interest and fines**, due to the replacement of IGP-M to IPCA in invoices from July/2021, as determined by ANEEL;
- (iii) Negative variation of R\$ 17 million in **other financial revenues and expenses**;
Partially offset by:
 - (iv) Positive variation of R\$ 117 million in the **adjustment of sectoral financial assets/liabilities**;
 - (v) Positive variation of R\$ 15 million in the **mark-to-market** (non-cash effect).

Net Income

Net Income totaled R\$ 839 million in 1Q22, an increase of 40.7% (R\$ 243 million). These increases were due to higher EBITDA, partially offset by the worsening in the financial result, due to higher expenses with net debt.

6.1.2) Tariff Events

Reference dates

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

Annual tariff adjustments in 2021 and 2022

Annual Tariff Adjustments (ATAs)				
	CPFL Santa Cruz	CPFL Paulista	RGE	CPFL Piratininga
Ratifying Resolution	3,017	3,018	2,880	2,966
Adjustment	7.82%	12.77%	15.23%	14.78%
Parcel A	5.44%	7.27%	5.88%	2.11%
Parcel B	2.69%	4.27%	10.81%	6.05%
Financial Components	-0.31%	1.23%	-1.45%	6.62%
Effect on consumer billings	8.83%	14.97%	9.95%	12.40%
Date of entry into force	03/22/2022	04/08/2022	06/19/2021	10/23/2021

Note (1): the effect on consumer billing is also impacted by the financial components removed in the last tariff revision or adjustment.

6.2) Commercialization and Services Segments

Economic-Financial Performance

Consolidated Income Statement - Commercialization Segment (R\$ Million)			
	1T22	1T21	Var.
Gross Operating Revenue	605,084	676,112	-10.5%
Net Operating Revenue	533,379	592,248	-9.9%
Cost of Electric Power	(574,514)	(564,976)	1.7%
Operating Costs & Expenses	(12,903)	(11,052)	16.7%
EBIT	(54,037)	16,219	-
EBITDA¹	(53,012)	17,162	-
Financial Income (Expense)	(48,891)	16,284	-
Income Before Taxes	(102,928)	32,504	-
Net Income	(86,345)	21,641	-

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

Consolidated Income Statement - Services Segment (R\$ Million)			
	1T22	1T21	Var.
Gross Operating Revenue	251,753	216,930	16.1%
Net Operating Revenue	231,335	198,679	16.4%
Operating Costs & Expenses	(183,202)	(161,127)	13.7%
EBIT	48,133	37,552	28.2%
EBITDA¹	57,291	45,159	26.9%
Financial Income (Expense)	226	227	-0.6%
Income Before Taxes	48,359	37,779	28.0%
Net Income	35,566	28,114	26.5%

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

6.3) Generation Segment

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

Consolidated Income Statement - Generation Segment (R\$ Million)			
	1Q22	1Q21	Var.
Gross Operating Revenue	882	814	8.4%
Net Operating Revenue	815	754	8.2%
Cost of Electric Power	(140)	(102)	36.9%
Operating Costs & Expenses	(300)	(282)	6.4%
EBIT	375	370	1.5%
Equity income	114	90	26.6%
EBITDA¹	673	637	5.6%
Financial Income (Expense)	(137)	(52)	166.8%
Income Before Taxes	352	408	-13.8%
Net Income	294	338	-13.1%

Notes:

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

(2) The complete Income Statement can be consulted in the CPFL historical information base, available in the IR website, to access it, click [here](#).

Operating Revenue

In 1Q22, the **Gross Operating Revenue** reached R\$ 882 million, an increase of 8.4% (R\$ 69 million). The **Net Operating Revenue** was of R\$ 815 million, registering an increase of 8.2% (R\$ 62 million).

The main factors that affected the net operating revenue were:

- Increase of 7.8% (R\$ 63 million) in the **Electric Energy Supply**;
- Increase of R\$ 9 million in **Other Revenues**;

These effects were partially offset by:

- Increase of 11.7% (R\$ 7 million) in **Deductions from Operating Revenue**, mainly due to taxes (PIS/COFINS).
- Decrease of 70.2% (R\$ 3 million) in **Energy Sales to Final Consumers**.

Cost of Electric Power

Cost of Electric Energy - R\$ Million			
	1Q22	1Q21	Var.
Energy Purchased in the Spot Market	16	31	-49.2%
Energy Purchased Bilateral Contracts and ACL	89	42	109.6%
PIS and COFINS Tax Credit	(7)	(4)	109.2%
Cost of Electric Power Purchased for Resale	97	70	39.2%
Basic Network Charges	32	28	13.2%
Connection Charges	3	3	8.7%
Charges for the Use of the Distribution System	9	7	38.8%
ESS/EER	0	(4)	-
PIS and COFINS Tax Credit	(2)	(1)	18.6%
Distribution System Usage Charges	43	33	32.1%
Cost of Electric Energy	140	102	36.9%

In 1Q22, the Cost of Electric Energy was of R\$ 140 million, representing an increase of 36.9% (R\$ 38 million), compared to 1Q21, due to:

- Increase of 109.6% (R\$ 46 million) in **the cost with energy purchased in the regulated market, free market and through bilateral contracts**, due to the increase in the volume (+113.8%);
- Increase of 32.1% (R\$ 10 million) in **Distribution System Usage Charges**;

These effects were partially offset by:

- Decrease of 49.2% (R\$ 15 million) in the **cost with short-term energy**, due to the decrease in the average purchase price (-54.6%);
- Increase of 109.2% (R\$ 4 million) in **PIS and COFINS Tax Credit**.

Volume of purchased energy (GWh)	1Q22	1Q21	Var.
Energy Purchased in the Spot Market	327	292	11.8%
Energy Purchased Bilateral Contracts and ACL	1,408	659	113.8%
Total	1,735	951	82.4%

Average price (R\$/MWh)	1Q22	1Q21	Var.
Energy Purchased in the Spot Market	48.02	105.70	-54.6%
Energy Purchased Bilateral Contracts and ACL	63.08	64.34	-2.0%
Total	60.24	77.06	-21.8%

PMSO

PMSO (R\$ million)				
	1Q22	1Q21	Variation	
			R\$ MM	%
Personnel	40	32	8	24.8%
Material	9	3	5	161.4%
Outsourced Services	48	45	3	7.0%
Other Operating Costs/Expenses	19	23	(4)	-19.3%
<i>Asset Write-off</i>	(0)	1	(1)	-
<i>GSF Risk Premium</i>	6	6	1	10.7%
<i>Legal and judicial expenses</i>	1	2	(1)	-59.0%
<i>Others</i>	12	15	(3)	-19.0%
Total PMSO	116	104	12	11.5%

PMSO reached R\$ 116 million in 1Q22, an increase of 11.5% (R\$ 12 million) compared to 1Q21. The increase of 20.4% (R\$ 16 million) in **Personnel, Material and Outsourced Services**, was driven by the collective agreement, the greater number of employees and the intensification of asset maintenance activities. This effect was partially offset by the decrease of 19.3% (R\$ 4 million) in **Other Operating Costs/Expenses**.

Other operating costs and expenses

Other operating costs and expenses			
	1Q22	1Q21	Var.
Private Pension Fund	(1)	(1)	72.9%
Depreciation and amortization	(141)	(135)	4.6%
Amortization of Concession Intangible	(42)	(42)	-1.1%
Total	(183)	(177)	3.2%

Equity Income

Equity Income (R\$ Million)			
	1Q22	1Q21	Var. %
Projects			
Barra Grande HPP	0	(3)	-
Campos Novos HPP	52	44	16.5%
Foz do Chapecó HPP	42	34	23.3%
Epasa TPP	21	15	38.0%
Total	114	90	26.6%

Notes:

- (1) Disclosure of interest in subsidiaries is made in accordance with IFRS 12 and CPC 45.
- (2) The complete Income Statement of the projects can be consulted in the CPFL historical information base, available in the IR website, to access it, [click here](#).

Below are the main variations of each project:

Barra Grande:

Equity Income (R\$ Million)			
BARRA GRANDE	1Q22	1Q21	Var. %
Net Revenue	21	15	34.2%
Operating Costs / Expenses	(11)	(9)	29.9%
Deprec. / Amortization	(4)	(3)	14.2%
Net Financial Result	(5)	(7)	-33.9%
Income Tax	(0)	1	-
Net Income	0	(3)	-

In 1Q22, the net revenue increased 34.2% (R\$ 5 million), while the operating costs and expenses increased 29.9% (R\$ 3 million) mainly due to energy volume and price variation. The net financial expense presented a decrease of 33.9% (R\$ 3 million), due to the expenses with UBP, which were impacted by IGP-M.

Campos Novos:

Equity Income (R\$ Million)			
CAMPOS NOVOS	1Q22	1Q21	Var. %
Net Revenue	115	94	22.5%
Operating Costs / Expenses	(28)	(19)	45.0%
Deprec. / Amortization	(7)	(6)	11.5%
Net Financial Result	(3)	(2)	45.8%
Income Tax	(27)	(23)	16.4%
Net Income	52	44	16.5%

In 1Q22, the net revenue increased 22.5% (R\$ 21 million), mainly due to the contracts readjustments, by IGP-M and dollar, which occur mainly in April and October. The operating costs and expenses increased 45.0% (R\$ 9 million) mainly due to higher volume in energy purchased in the free market. The net financial expense increased 45.8% (R\$ 1 million), due to higher debt expenses.

Foz do Chapecó:

Equity Income (R\$ Million)			
FOZ DO CHAPECÓ	1Q22	1Q21	Var. %
Net Revenue	144	122	17.6%
Operating Costs / Expenses	(39)	(29)	34.2%
Deprec. / Amortization	(14)	(12)	19.9%
Net Financial Result	(28)	(31)	-10.2%
Income Tax	(21)	(17)	22.0%
Net Income	42	34	23.3%

In 1Q22, net revenue increased 17.6% (R\$ 21 million), mainly due to the contracts readjustments, mostly by IGP-M. The operating costs and expenses increased 34.2% (R\$ 10 million). In the net financial expense, there was a decrease of 10.2% (R\$ 3 million), mainly due to income from financial investments, due to the higher cash balance and the increase in the CDI.

Epasa:

Equity Income (R\$ Million)			
EPASA	1Q22	1Q21	Var. %
Net Revenue	39	95	-59.0%
Operating Costs / Expenses	(5)	(63)	-91.6%
Deprec. / Amortization	(12)	(12)	0.0%
Net Financial Result	3	(1)	-
Income Tax	(3)	(3)	1.4%
Net Income	21	15	38.0%

In 1Q22, net revenue decreased R\$ 56 million and the operating costs and expenses were down by R\$ 58 million, due to lower volumes of generation. There was a net financial income of R\$ 3 million, compared to a net expense of R\$ 1 million in 1Q21, due to the higher cash balance and higher CDI, in addition to lower debt expenses.

EBITDA

In 1Q22, **EBITDA** was of R\$ 673 million, an increase of 5.6% (R\$ 35 million), mainly due to contractual readjustments, partially offset by worse performance of wind generation.

EBITDA and Net Income conciliation (R\$ million)			
	1Q22	1Q21	Var.
Net Income	294	338	-13.1%
Depreciation and Amortization	183	177	3.2%
Financial Result	137	52	166.8%
Income Tax / Social Contribution	58	70	-17.0%
EBITDA	673	637	5.6%

Financial Result

Financial Result (IFRS - R\$ Million)			
	1Q22	1Q21	Var.
Financial Revenues	29	30	-3.0%
Financial Expenses	(167)	(82)	103.9%
Financial Result	(137)	(52)	166.8%

In 1Q22, the financial result was a **net financial expense** of R\$ 137 million, an increase of 166.8% (R\$ 86 million), mainly due to higher expenses with net debt (R\$ 72 million).

Income Tax and Social Contribution

In 1Q22, the income tax and social contribution item registered a negative result of R\$ 58 million, an effective rate of 16.5%, compared to a negative result of R\$ 70 million in 1Q21, a decrease of 17.0% (R\$ 12 million).

Net Income

In 1Q22, **net income** was R\$ 294 million, a decrease of 13.1% (R\$ 44 million), compared to R\$ 338 million in 1Q21. This result mainly reflects the loss in the financial result, due to higher expenses with net debt.

6.4) Transmission Segment

Economic-Financial Performance - IFRS (CPFL Transmissão + 5 projects)

Consolidated Income Statement - Transmission Segment (R\$ Million)			
	1Q22	1Q21	Var.
Gross Operating Revenue	462	52	780,1%
Net Operating Revenue	395	48	723,1%
Operating Costs & Expenses	(271)	(36)	659,9%
EBIT	124	12	901,3%
EBITDA¹	138	12	1015,8%
Financial Income (Expense)	109	0	40283,9%
Income Before Taxes	234	13	1747,2%
Net Income	147	11	1279,7%

Note:

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

(2) The complete Income Statement can be consulted on CPFL Energia's Historical Information Base, available on the IR website. To access it, click [here](#).

6.4.1) CPFL Transmissão

6.4.1.1) Regulatory Themes

Periodic Tariff Revision ("RTP")

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

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

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

In this sense, on June 30, 2020, Resolution No. 2,709 was published, which approved the provisional result of the Periodic Review of the RAP of Concession Contract No. 055/2001-ANEEL, effective July 1, 2018. The result was temporary since the Regulatory Remuneration Base ("RRB") was in a preliminary position, without the consolidation of the audit conducted by the Superintendence of Economic and Financial Supervision (SFF). Thusly, the definitive values were determined to be processed after the conclusion of RRB inspection activities and that the necessary adjustments and consequent financial effects would be considered in subsequent tariff adjustment, occurred with the Resolution ("REH") No. 2,725/2020. The index of RAP provisional repositioning revised (assets that went into operation until January 31, 2018) in 2020 was **7.17%**.

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

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

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

Ordinance MME 120/2016 – RBSE

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

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

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

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

Annual Tariff Adjustment ("RTA")

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

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

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

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

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

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

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

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

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

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

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

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

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

(*) Figures considering Adjustment Parcel - PA

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

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

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

Concession Contract No. 4/2021-ANEEL

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

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

6.4.1.2) Regulatory Results

Disclaimer:

This chapter contains the regulatory results (Regulatory Financial Statements prepared for Aneel, the electricity sector regulatory agency) and analyzes the performance of CPFL Transmissão regardless of its date of acquisition by the CPFL Energia group. **This content, therefore, is merely for the purpose of analyzing the regulatory/management performance, following the market practices for transmission businesses and is not an official report from the Company to the Securities and Exchange Commission of Brazil (CVM), which strictly and rigidly follows the IFRS international accounting standards.**

CPFL Transmissão was acquired and its balances were incorporated into the consolidated balance sheet of CPFL Energia as of 10/01/2021. The following comparisons are merely illustrative for the purposes of analyzing its performance in 1Q22 vs. 1Q21. The values have not been audited and are still subject to change.

Regulatory Income Statement - CPFL Transmissão (R\$ Million)			
	1Q22	1Q21	Var.
Gross Operating Revenue	287	330	-13,2%
Net Operating Revenue	225	264	-14,9%
Operating Costs & Expenses	(168)	(143)	17,6%
Equity Income	-	13	-100,0%
EBITDA	86	164	-47,7%
Financial Result	111	(77)	244,2%
Earnings Before Taxes	168	58	191,1%
Net Earnings	103	9	1037,4%

Operating Income

Operating Revenue - CPFL Transmissão (R\$ Million)			
	1Q22	1Q21	Var.
Revenue from Use of the Electricity Grid			
Concession Contract 055/2001	277	322	-13,9%
Concession Contract 080/2002	5	4	33,2%
Concession Contract 004/2021	-	-	-
TESB	5	5	1,3%
Regulatory Charges	(36)	(36)	2,3%
Gross Revenue	287	330	-13,2%
Deductions from Revenue	(62)	(66)	-6,5%
Net Revenue	225	264	-14,9%

In 1Q22, gross operating revenue reached R\$ 287 million, down 13.2% (R\$ 44 million), mainly due to:

- (i) reprofiling of the financial component of RBSE, which decreased R\$ 38 million;

- (ii) Adjustment portion variation (-R\$21 million);
partially offset by:
- (iii) updating of revenue (RAP) by IPCA, in addition to the increase in revenue from new investments in the basic network (R\$ 14 million).

Regulatory charges that are part of billed revenue, together with tariff subsidies, remained stable in the quarter.

Deductions from revenue reached R\$ 62 million in 1Q22, down 6.5% (R\$ 4 million) from 1Q21, justified by the reduction of PIS/COFINS taxes, resulting from the reduction in operating revenue. Deductions from gross revenue refer to taxes (PIS/COFINS) and regulatory charges (CDE, PROINFA, R&D and Inspection Fee), which are passed on to tariffs.

O&M Costs and Expenses – PMSO and Depreciation/Amortization

PMSO and Depreciation/Amortization			
	1Q22	1Q21	Var.
Personnel	(107)	(91)	17,8%
Material	(2)	(1)	32,1%
Outsourced Services	(15)	(21)	-32,0%
Others	(16)	1	-
PMSO	(139)	(113)	23,1%
Depreciation and Amortization	(29)	(30)	-3,4%
TOTAL	(168)	(143)	17,6%

Personnel, Material, Services and Other (PMSO) expenses totaled R\$ 139 million in 1Q22, increasing 23.1% (R\$ 26 million) from 1Q21, chiefly due to:

- (i) variation in Personnel, caused by the implementation of the Retirement Incentive Program (PIA) and impact of the regularization of the collective bargain agreement (R\$ 16 million);
- (ii) increase in provision for labor judicial contingencies (R\$ 4 million);
- (iii) recognition of provision of regulatory infringement notices (R\$ 4 million).

In 1Q22, Depreciation and Amortization totaled R\$ 29 million, a decrease of 3.4% (R\$ 1 million) from 1Q21.

Equity Income

Equity Income (R\$ Million)			
	1Q22	1Q21	Var. %
Projects			
FOTE	-	4	-100,0%
TSLE	-	9	-100,0%
TPAE	-	-	-
ETAU	-	1	-
Total	-	14	-100,0%

In 1Q22, there was no equity income recognized in regulatory accounting, resulting in a reduction of R\$ 14 million, mainly justified by the results of FOTE and TSLE in 1Q21. These investments were divested during 2021, being part of the company's privatization process.

EBITDA

EBITDA and Net Income conciliation (R\$ million)			
	1Q22	1Q21	Var.
Net Income	103	9	1037,5%
Depreciation and Amortization	29	30	-3,4%
Financial Result	(110)	77	-
Income Tax / Social Contribution	65	49	34,1%
EBITDA	86	164	-47,7%

Regulatory EBITDA in 1Q22 was a positive R\$ 86 million, a reduction of 47.7% (R\$ 78 million) compared to R\$ 164 million recorded in 1Q21, mainly due to:

- (i) reduction of net revenue, essentially justified by the reprofiling of the financial component of RBSE (R\$ 39 million);
- (ii) increase in PMSO occasioned by implementation of the Retirement Incentive Program (PIA), impact of the regularization of the collective agreement and recognition of provision for labor and regulatory contingencies (R\$ 24 million).

Financial Result

Financial Result (R\$ Million)			
	4T21	4T20	Var. %
Revenue	125	12	955,9%
Expenses	(15)	(89)	-82,7%
Financial Result	110	(77)	-

In 1Q22, the financial result was a **net financial revenue** of R\$ 110 million, compared to net financial expense of R\$ 77 million in 1Q21, which resulted in a variation of R\$ 187 million, chiefly due to:

- (i) exchange variation linked to foreign currency loans (R\$ 160 million), due to the appreciation of the *real* against the dollar (20.3% appreciation in 1Q22 vs. 11.1% devaluation in 1Q21);
- (ii) income from financial application (R\$ 17 million);
- (iii) other effects (R\$ 10 million).

Income Tax and Social Contribution

In 1Q22, Income Tax and Social Contribution was a negative result of R\$ 65 million, compared to a negative result of R\$ 48 million in 1Q21, increasing 34.1% (R\$ 17 million), resulting from the recognition of deferred Income Tax and Social Contribution liabilities, in alignment with the practices followed in the CPFL Group.

Net Income

In 1Q22, **net income** reached R\$ 103 million, increasing 1,037.5% (R\$ 94 million) from the net income in 1Q21, mainly explained by the change in financial result, due to exchange variation linked to financing contracted in foreign currency, partially offset by the reduction of EBTIDA and the increase in Income Tax and Social Contribution expenses recognized during the period.

6.4.1.3) Key Differences – Regulatory vs. IFRS

Revenue: As per IFRS, revenues from investments made during the concession period are recognized through the cash flow of the contractual asset, which is remunerated at the estimated rate of the projects. In regulatory accounting, investments are treated as property, plant and equipment, and depreciated over their life cycle, with revenue booked through the billing process, during the concession term, similar to perceived revenue in operating cash flow.

Cost of Construction: Under IFRS, infrastructure installation costs that refer to the investment amounts made, considering the manpower used, are recognized in results, which does not exist in regulatory accounting.

Depreciation: Under IFRS, assets related to the concession are classified as contractual assets or financial assets. Under IFRS, property, plant and equipment comprises assets belonging to the Company and not linked to the concession. In regulatory accounting, the concession asset is considered property, plant and equipment and is depreciated over its life cycle.

Other Expenses (Provisions): Under IFRS, Contractual Assets are measured at fair value and losses related to the impairment of assets that comprise them must be recognized in results. This loss is calculated through future investments linked to obligations, which, according to discounted cash flow, would not be recoverable during the concession period due to the delay in works that result in the reduction of expected RAP. In regulatory accounting, the rule of fair value measurement is not applicable.

Income Tax/Social Contribution: The difference between corporate and regulatory Income Tax/Social Contribution expenses is due to the respective differences in their calculation bases.

7) ATTACHMENTS

The tables contained in this chapter in previous versions of CPFL Energia's Earnings Release are available in Excel format, in the CPFL Energia Historical Information Base, available on the IR website. Click [here](#) access the file.

If you have any doubts, please [Contact IR](#).