



**CESP - COMPANHIA ENERGÉTICA DE SÃO PAULO**

*Publicly-held Company*

*CNPJ No. 60.933.603/0001-78*

*NIRE 35.300.011.996 | CVM Code 02577*

**NOTICE TO THE MARKET**

**CESP - COMPANHIA ENERGÉTICA DE SÃO PAULO** ("Company") (B3: CESP3, CESP5, CESP6), in compliance with Paragraph 4, Article 157 of Federal Law 6,404/76 and with CVM Instruction 358 of January 3, 2002 and other applicable provisions, hereby informs its shareholders and the general market that:

Due to the determination of the Ordinance No. 524 of the Ministry of Mines and Energy, issued on June 11, 2021 ("Ordinance"), aiming to preserve the level of reservoirs in the region and the respective governability of the hydraulic cascade of the river basin concerned, the Company's Board of Directors approved the immediate beginning of tests to reduce the minimum flow rate practiced at the Porto Primavera Hydroelectric Power Plant, until it reaches the value of 2,700 m<sup>3</sup>/s, prescribed by the Ordinance, in a stable manner.

Based on the approval, on this date, by the Company's Board of Directors, and aligned with

The decrease will take place in a controlled and monitored manner and the process should be maintained until the resumption of the rainy season, at the end of October 2021, unless otherwise decided by the federal authorities.

Regarding the current hydrological scenario and possible impacts on CESP's results, we would like to emphasize that the Company's energy balance management strategy is guided by a detailed planning with proactive management and strong discipline in the execution of energy sales, seeking to generate value and mitigate the hydrological risk ("GSF").

The worsening of the GSF resulted in an increase in the Company's exposure, particularly in the second half of 2021. In the face of this scenario, CESP took advantage of the windows of opportunity in the market and purchased the energy necessary to balance, at this time, the energy balance of this year, at an average price of R\$232/MWh.

Additionally, CESP has been working to capture opportunities in future energy sales, especially from 2024 onwards.

The Company is available for further clarification and informs that it will keep the market and its shareholders informed about subsequent relevant events.

São Paulo, June 14, 2021.

**Mario Bertoncini**

Chief Executive and Investor Relations Officer