Periods ended

06.30.2023 and 06.30.2022



ENGIE BRASIL ENERGIA S.A.

# QUARTERLY INFORMATION

CNPJ 02.474.103/0001-19 NIRE 42 3 0002438-4

R. Paschoal Apóstolo Pítsica, 5064 | Agronômica
Florianópolis – SC | CEP 88025-255

EGIE B3 LISTED NM · IBOVESPA B3 · IEE B3 · ITAG B3 · ISE B3 · ICO2 B3

## GLOSSARY

ACR: Regulated Contracting Environment
ADR: American Depositary Receipts
Aneel: National Electric Energy Agency
ANP: National Petroleum, Natural Gas and Biofuel Agency
ASM: Annual Shareholders Meeting
B3: Brasil, Bolsa, Balcão
BASA: Banco da Amazônia
BD: Defined Benefit
BNB: Banco do Nordeste do Brasil
BNDES: Brazilian Development Bank
BNP: Banque Nationale de Paris
CARF: Administrative Council of Tax Appeals
CCC: Fuel Consumption Account
CCEE: Electricity Trading Chamber
CDE: Energy Development Account
CDI: Interbank Deposit Certificate
CFH: Cash Flow Hedge
COFINS: Contribution to Finance Social Security
CPC: Accounting Pronouncements Committee
CSLL: Social Contribution on Net Income
CSRF: Upper Chamber of Tax Appeals
CUSD: Contracts for the Use of Distribution System
CUST: Contracts for the Use of Transmission System
CVM: Brazilian Securities and Exchange Commission
DI: Interbank Deposit
FGTS: Workers' Severance Fund
GC: Confidentiality Bonus
GSF: Generation Scaling Factor
HPP: Hydroelectric Power Plant
HSBC: Hong Kong and Shanghai Banking Corporation
IASB: International Accounting Standards Board
ICMS: State tax on the circulation of goods and transportation and communication services
IFRS: International Financial Reporting Standards
IGP-M: General Market Price Index
INPC: National Consumer Price Index
IoE: Interest on Equity
IPCA: Consumer Price Index - Comprehensive
IR: Income Tax
IRPJ: Corporate Income Tax
ISSQN: Tax on Services of Any Nature
KM: Kilometer
MUFG: Mitsubishi UFJ Financial Group
MW: Megawatt
MWa: Average Megawatt
NDF: Non-Deliverable Forward
OCI: Other Comprehensive Income
O&M: Operation and Maintenance
ONS: National Electricity System Operator
PIS: Social Integration Program
RAP: Allowed Annual Revenue
RBO: Return of Grant Bonus
R&D: Research and Development Program
RTP: Periodical Tariff Review
SHPP: Small Hydroelectric Power Plant
SPA: Share Purchase Agreement
SPE: Special Purpose Entity
TJLP: Long-Term Interest Rate
TPP: Thermal Power Plant
UBP: Use of Public Asset
WPP: Wind Power Plant

# ENGIE BRASIL ENERGIA S.A.
## CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
## BALANCE SHEET AS OF JUNE 30, 2023 AND DECEMBER 31, 2022
### (In thousands of Reais)

**ASSETS**

| | Note | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| **CURRENT ASSETS** | | | | | |
| Cash and cash equivalents | 3 | 2,096,001 | 321,005 | 4,753,812 | 2,235,887 |
| Accounts receivable | 4 | 505,606 | 547,279 | 988,581 | 1,143,117 |
| Income tax and social contribution credits | | 157,387 | 131,251 | 215,699 | 181,438 |
| Dividends receivable | | 151,991 | 309,862 | - | - |
| Derivative financial instruments - trading | 13 | - | - | 157,887 | 209,928 |
| Restricted deposits | 5 | 37,642 | 30,877 | 47,513 | 34,527 |
| Concession financial asset | 6 | - | - | 373,561 | 363,802 |
| Contract asset | 7 | - | - | 599,992 | 558,179 |
| Other current assets | 8 | 541,509 | 191,273 | 676,803 | 318,872 |
| | | **3,490,136** | **1,531,547** | **7,813,848** | **5,045,750** |
| Non-current assets held for sale | | 4,577 | 327,107 | 4,577 | 2,332,778 |
| | | **3,494,713** | **1,858,654** | **7,818,425** | **7,378,528** |
| **NON-CURRENT ASSETS** | | | | | |
| **Long-term assets** | | | | | |
| Derivative financial instruments - hedge | 13 | - | - | - | 31,981 |
| Derivative financial instruments - trading | 13 | - | - | 79,778 | 45,638 |
| Restricted deposits | 5 | 11,405 | 10,741 | 318,553 | 235,970 |
| Judicial deposits | | 57,061 | 67,898 | 60,659 | 71,435 |
| Concession financial asset | 6 | - | - | 2,925,750 | 2,856,475 |
| Contract asset | 7 | - | - | 6,088,414 | 5,895,776 |
| Other non-current assets | 8 | 201,764 | 187,966 | 381,268 | 332,623 |
| | | **270,230** | **266,605** | **9,854,422** | **9,469,898** |
| **Investments** | **9** | **14,694,965** | **14,099,469** | **3,412,612** | **3,006,423** |
| **Property, plant and equipment** | **10** | **3,312,368** | **3,397,697** | **14,890,801** | **14,196,959** |
| **Intangible assets** | **11** | **2,197,633** | **2,265,850** | **4,286,702** | **4,134,944** |
| | | **20,475,196** | **20,029,621** | **32,444,537** | **30,808,224** |
| **TOTAL ASSETS** | | **23,969,909** | **21,888,275** | **40,262,962** | **38,186,752** |

The notes are an integral part of this quarterly information.

# ENGIE BRASIL ENERGIA S.A.
## CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
## BALANCE SHEET AS OF JUNE 30, 2023 AND DECEMBER 31, 2022
(In thousands of Reais)

**LIABILITIES AND EQUITY**

| | Note | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| **CURRENT LIABILITIES** | | | | | |
| Suppliers | 12 | 203,515 | 150,191 | 676,443 | 535,398 |
| Dividends and interest on equity | | 1,635,777 | 180,617 | 1,637,604 | 181,104 |
| Debt instruments | 14 | 1,000,039 | 830,271 | 1,976,383 | 1,652,968 |
| Concessions payable (Use of Public Asset) | 15 | 648,388 | 399,390 | 656,215 | 406,871 |
| Tax and regulatory liabilities | | 41,764 | 88,543 | 165,273 | 264,258 |
| Labor obligations | | 107,790 | 150,208 | 110,162 | 153,809 |
| Derivative financial instruments - trading | 13 | - | - | 142,913 | 189,932 |
| Provisions | 17 | 2,024 | 4,106 | 2,061 | 4,144 |
| Retirement benefits obligations | 16 | 31,394 | 54,015 | 31,394 | 54,015 |
| Other current liabilities | 19 | 156,562 | 125,516 | 720,052 | 442,049 |
| | | **3,827,253** | **1,982,857** | **6,118,500** | **3,884,548** |
| Liabilities related to non-current assets held for sale | | - | - | - | 2,005,671 |
| | | **3,827,253** | **1,982,857** | **6,118,500** | **5,890,219** |
| **NON-CURRENT LIABILITIES** | | | | | |
| Debt instruments | 14 | 5,555,640 | 5,427,274 | 16,696,323 | 16,288,157 |
| Derivative financial instruments - trading | 13 | - | - | 68,153 | 31,527 |
| Concessions payable (Use of Public Asset) | 15 | 4,676,556 | 4,794,057 | 4,736,266 | 4,849,081 |
| Provisions | 17 | 214,963 | 207,085 | 552,529 | 531,756 |
| Retirement benefits obligations | 16 | 263,582 | 218,959 | 263,582 | 218,959 |
| Deferred income tax and social contribution | 18 | 898,434 | 694,143 | 1,884,531 | 1,505,352 |
| Other non-current liabilities | 19 | 191,821 | 127,378 | 645,237 | 431,529 |
| | | **11,800,996** | **11,468,896** | **24,846,621** | **23,856,361** |
| **TOTAL LIABILITIES** | | **15,628,249** | **13,451,753** | **30,965,121** | **29,746,580** |
| **EQUITY** | | | | | |
| Capital stock | 20 | 4,902,648 | 4,902,648 | 4,902,648 | 4,902,648 |
| Capital reserves | 20 | (176,543) | (156,743) | (176,543) | (156,743) |
| Profit reserves | | 2,381,683 | 2,381,683 | 2,381,683 | 2,381,683 |
| Additional dividends proposed | | - | 1,455,160 | - | 1,455,160 |
| Equity valuation adjustments | 20 | (405,142) | (146,226) | (405,142) | (146,226) |
| Retained earnings | | 1,639,014 | - | 1,639,014 | - |
| | | **8,341,660** | **8,436,522** | **8,341,660** | **8,436,522** |
| Non-controlling interest | | - | - | 956,181 | 3,650 |
| **TOTAL SHAREHOLDERS' EQUITY** | | **8,341,660** | **8,436,522** | **9,297,841** | **8,440,172** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **23,969,909** | **21,888,275** | **40,262,962** | **38,186,752** |

The notes are an integral part of this quarterly information.

# ENGIE BRASIL ENERGIA S.A.
## CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
## INCOME STATEMENT FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022
### (In thousands of reais, unless otherwise stated)

| | | Parent Company | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2nd quarter | | First six months | | 2nd quarter | | First six months | |
| | Note | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **NET OPERATING REVENUE** | 21 | **1,221,413** | **1,136,281** | **2,367,657** | **2,195,658** | **2,609,533** | **2,996,265** | **5,523,281** | **6,058,566** |
| **OPERATING COSTS** | 22 | **(469,166)** | **(429,740)** | **(878,431)** | **(814,008)** | **(1,078,474)** | **(1,443,876)** | **(2,311,381)** | **(2,964,043)** |
| **GROSS PROFIT** | | **752,247** | **706,541** | **1,489,226** | **1,381,650** | **1,531,059** | **1,552,389** | **3,211,900** | **3,094,523** |
| **Operating income (expenses)** | | | | | | | | | |
| Selling expenses | 22 | (14,583) | (4,871) | (22,930) | (9,993) | (16,316) | (6,961) | (28,271) | (13,789) |
| General and administrative expenses | 22 | (87,245) | (75,747) | (165,432) | (147,746) | (92,188) | (70,280) | (172,237) | (149,143) |
| Reversal (recording) of provision for impairment of assets, net | 9/10 | 1,205,158 | (168,466) | 1,205,158 | (50,105) | 1,201,115 | (179,562) | 1,201,115 | (72,298) |
| Sale of subsidiary | 9 | (1,250,666) | - | (1,250,666) | (94,430) | (1,289,063) | - | (1,289,063) | (94,430) |
| Other operating (expenses) income, net | | (2,168) | (355) | (2,672) | (1,309) | (64,023) | 805 | (63,815) | 453 |
| | | **(149,504)** | **(249,439)** | **(236,542)** | **(303,583)** | **(260,475)** | **(255,998)** | **(352,271)** | **(329,207)** |
| **Equity income** | | | | | | | | | |
| Equity | 9 | 492,723 | 427,442 | 1,207,572 | 989,786 | 207,639 | 159,837 | 455,354 | 332,403 |
| Goodwill amortization | 9 | (648) | (836) | (1,483) | (1,671) | - | - | - | - |
| | | **492,075** | **426,606** | **1,206,089** | **988,115** | **207,639** | **159,837** | **455,354** | **332,403** |
| **INCOME BEFORE FINANCIAL RESULT AND TAXES** | | **1,094,818** | **883,708** | **2,458,773** | **2,066,182** | **1,478,223** | **1,456,228** | **3,314,983** | **3,097,719** |
| **Financial result** | | | | | | | | | |
| Financial income | 23 | 40,309 | 62,422 | 83,957 | 139,107 | 113,702 | 151,972 | 229,151 | 301,886 |
| Financial expenses | 23 | (179,502) | (336,379) | (430,721) | (651,423) | (522,841) | (876,621) | (1,153,788) | (1,582,808) |
| Expenses with concessions payable (Use of Public Asset) | 23 | (80,736) | (252,751) | (282,634) | (517,732) | (82,871) | (256,069) | (287,637) | (524,083) |
| | | **(219,929)** | **(526,708)** | **(629,398)** | **(1,030,048)** | **(492,010)** | **(980,718)** | **(1,212,274)** | **(1,805,005)** |
| **INCOME BEFORE INCOME TAXES** | | **874,889** | **357,000** | **1,829,375** | **1,036,134** | **986,213** | **475,510** | **2,102,709** | **1,292,714** |
| **Income tax and social contribution** | | | | | | | | | |
| Current | 18 | 72,957 | 112,887 | - | (119,923) | 9,416 | 62,223 | (135,724) | (232,859) |
| Deferred | 18 | (215,245) | (75,625) | (214,965) | 122,771 | (262,984) | (143,139) | (352,118) | (20,209) |
| | | **(142,288)** | **37,262** | **(214,965)** | **2,848** | **(253,568)** | **(80,916)** | **(487,842)** | **(253,068)** |

**To be continued on the next page**

| | Note | Parent Company | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2nd quarter | | First six months | | 2nd quarter | | First six months | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **NET INCOME FOR THE PERIOD** | | **732,601** | **394,262** | **1,614,410** | **1,038,982** | **732,645** | **394,594** | **1,614,867** | **1,039,646** |
| **NET INCOME ATTRIBUTABLE TO:** | | | | | | | | | |
| Shareholders of ENGIE Brasil Energia | | 732,601 | 394,262 | 1,614,410 | 1,038,982 | 732,601 | 394,262 | 1,614,410 | 1,038,982 |
| Non-controlling shareholder | | - | - | - | - | 44 | 332 | 457 | 664 |
| | | **732,601** | **394,262** | **1,614,410** | **1,038,982** | **732,645** | **394,594** | **1,614,867** | **1,039,646** |
| **BASIC AND DILUTED EARNINGS PER SHARE - IN REAIS** | | **0.89788** | **0.48321** | **1.97862** | **1.27338** | **0.89788** | **0.48321** | **1.97862** | **1.27338** |

The notes are an integral part of this quarterly information.

# ENGIE BRASIL ENERGIA S.A.
## CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
## COMPREHENSIVE INCOME STATEMENT FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022
### (In thousands of Reais)

| | | Parent Company | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2nd quarter | | First six months | | 2nd quarter | | First six months | |
| | Note | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **NET INCOME FOR THE PERIOD** | | **732,601** | **394,262** | **1,614,410** | **1,038,982** | **732,645** | **394,594** | **1,614,867** | **1,039,646** |
| **Other comprehensive income that in the future:** | | | | | | | | | |
| **- will not be reclassified to profit or loss** | | | | | | | | | |
| **Retirement benefit** | | | | | | | | | |
| Remeasurement of retirement obligations | 16 | - | - | (31,397) | - | - | - | (31,397) | - |
| Deferred income tax and social contribution | 18 | - | - | 10,674 | - | - | - | 10,674 | - |
| | | - | - | **(20,723)** | - | - | - | **(20,723)** | - |
| **- will be reclassified to profit or loss** | | | | | | | | | |
| **Cash flow hedge** | | | | | | | | | |
| Unrealized (losses) gains generated in the year | 13 | - | (220,269) | - | 127,174 | (293,475) | (204,311) | (380,370) | 26,166 |
| Deferred income and social contribution | 18 | - | 74,891 | - | (43,239) | - | 74,891 | - | (43,239) |
| Equity income of the abovementioned effects | | (293,475) | 15,958 | (380,370) | (101,008) | - | - | - | - |
| Unrealized gains (losses) generated in the year of joint venture | 9 | 133,351 | (150,936) | 162,085 | 345,590 | 133,351 | (150,936) | 162,085 | 345,590 |
| | | **(160,124)** | **(280,356)** | **(218,285)** | **328,517** | **(160,124)** | **(280,356)** | **(218,285)** | **328,517** |
| **COMPREHENSIVE INCOME FOR THE PERIOD** | | **572,477** | **113,906** | **1,375,402** | **1,367,499** | **572,521** | **114,238** | **1,375,859** | **1,368,163** |
| **NET INCOME ATTRIBUTABLE TO:** | | | | | | | | | |
| Shareholders of ENGIE Brasil Energia | | 572,477 | 113,906 | 1,375,402 | 1,367,499 | 572,477 | 113,906 | 1,375,402 | 1,367,499 |
| Non-controlling shareholder | | - | - | - | - | 44 | 332 | 457 | 664 |
| | | **572,477** | **113,906** | **1,375,402** | **1,367,499** | **572,521** | **114,238** | **1,375,859** | **1,368,163** |

The notes are an integral part of this quarterly information.

# ENGIE BRASIL ENERGIA S.A.
## CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
## CHANGES IN SHAREHOLDERS' EQUITY STATEMENT FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022
(In thousands of Reais)

| | | | | Profit reserves | | | | | Equity valuation adjustments | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Capital stock | Capital reserve | Legal reserve | Tax incentive reserve | Retained earnings reserve | Additional dividends proposed | Retained earnings | Deemed cost | Other comprehensive income | Equity of Company's shareholders | Non-controlling interest | Consolidated equity |
| **Balances on 12.31.2021** | | **4,902,648** | **-** | **980,530** | **264,783** | **1,766,086** | **549,798** | **-** | **331,070** | **(865,907)** | **7,929,008** | **3,589** | **7,932,597** |
| Related-party transactions – Acquisition of subsidiary | | - | (192,449) | - | - | - | - | - | - | - | **(192,449)** | - | **(192,449)** |
| Interim dividends based on retained earnings reserve of 2020 credited | | - | - | - | - | (638,667) | - | - | - | - | **(638,667)** | - | **(638,667)** |
| Additional dividends in 2021 credited | | - | - | - | - | - | (549,798) | - | - | - | **(549,798)** | (1,120) | **(550,918)** |
| Net income for the period | | - | - | - | - | - | - | 1,038,982 | - | - | **1,038,982** | 664 | **1,039,646** |
| Fair value of cash flow hedge | 13 | - | - | - | - | - | - | - | - | (17,073) | **(17,073)** | - | **(17,073)** |
| Interest in joint venture | 9 | - | - | - | - | - | - | - | - | 345,590 | **345,590** | - | **345,590** |
| Dividends and IOE not claimed | | - | - | - | - | - | - | 7,817 | - | - | **7,817** | - | **7,817** |
| Realization of deemed cost | | - | - | - | - | - | - | 20,749 | (20,749) | - | **-** | - | **-** |
| Tax incentive reserve | | - | - | - | 16,851 | - | - | (16,851) | - | - | **-** | - | **-** |
| **Balances on 06.30.2022** | | **4,902,648** | **(192,449)** | **980,530** | **281,634** | **1,127,419** | **-** | **1,050,697** | **310,321** | **(537,390)** | **7,923,410** | **3,133** | **7,926,543** |
| **Balances on 12.31.2022** | | **4,902,648** | **(156,743)** | **980,530** | **273,736** | **1,127,417** | **1,455,160** | **-** | **291,022** | **(437,248)** | **8,436,522** | **3,650** | **8,440,172** |
| Related-party transactions – Acquisition of subsidiary | 9 | - | (19,800) | - | - | - | - | - | - | - | **(19,800)** | - | **(19,800)** |
| Contribution from non-controlling shareholders | | - | - | - | - | - | - | - | - | - | **-** | 953,414 | **953,414** |
| Additional dividends in 2022 credited | | - | - | - | - | - | (1,455,160) | - | - | - | **(1,455,160)** | (1,340) | **(1,456,500)** |
| Net income for the period | | - | - | - | - | - | - | 1,614,410 | - | - | **1,614,410** | 457 | **1,614,867** |
| Remeasurement of retirement obligations | 16 | - | - | - | - | - | - | - | - | (20,723) | **(20,723)** | - | **(20,723)** |
| Fair value of cash flow hedge | 13 | - | - | - | - | - | - | - | - | (380,370) | **(380,370)** | - | **(380,370)** |
| Interest in joint venture | 9 | - | - | - | - | - | - | - | - | 162,085 | **162,085** | - | **162,085** |
| Dividends and IOE not claimed | | - | - | - | - | - | - | 4,696 | - | - | **4,696** | - | **4,696** |
| Realization of deemed cost | | - | - | - | - | - | - | 19,908 | (19,908) | - | **-** | - | **-** |
| **Balances on 06.30.2023** | | **4,902,648** | **(176,543)** | **980,530** | **273,736** | **1,127,417** | **-** | **1,639,014** | **271,114** | **(676,256)** | **8,341,660** | **956,181** | **9,297,841** |

The notes are an integral part of this quarterly information.

# ENGIE BRASIL ENERGIA S.A.
## CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
## CASH FLOW STATEMENT (INDIRECT METHOD)
## FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022
**(In thousands of Reais)**

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | Note | 06.30.2023 | 06.30.2022 | 06.30.2023 | 06.30.2022 |
| **Cash flow from operating activities** | | | | | |
| Income before income taxes | | 1,829,375 | 1,036,134 | 2,102,709 | 1,292,714 |
| Reconciliation of net income with cash from operations: | | | | | |
| Equity interest income | 9 | (1,206,089) | (988,115) | (455,354) | (332,403) |
| Depreciation and amortization | 10/11 | 209,396 | 213,023 | 458,503 | 508,900 |
| (Reversal) recording of provision for impairment of assets, net | | (1,205,158) | 50,105 | (1,201,115) | 72,298 |
| Interest and monetary variation | 23 | 385,567 | 628,312 | 1,066,724 | 1,512,531 |
| Concessions payable expenses (Use of Public Asset) | 23 | 282,634 | 517,732 | 287,637 | 524,083 |
| Sale of subsidiary | | 1,250,666 | 94,430 | 1,289,063 | 94,430 |
| Extension of concession period | | - | - | (239,297) | - |
| Remuneration of concession financial asset | 6 | - | - | (254,018) | (318,745) |
| Remuneration of contract asset | 7 | - | - | (420,536) | (540,313) |
| Transmission infrastructure construction revenue | 7 | - | - | (178,597) | (417,981) |
| Losses due to inefficiency in construction | 7 | - | - | 16,458 | 42,096 |
| Unrealized losses in trading operations, net | 13 | - | - | 7,508 | 7,076 |
| Other | | 310 | 1,991 | 66,361 | (22,127) |
| **Profit before adjusted taxes** | | **1,546,701** | **1,553,612** | **2,546,046** | **2,422,559** |
| (Increase) decrease in assets | | | | | |
| Trade accounts receivable | | 55,509 | (9,009) | 175,222 | 60,462 |
| Income tax and social contribution credit | | 44,749 | (114,701) | 36,513 | (136,247) |
| Restricted and judicial deposits | | 8,198 | 14,226 | 1,773 | 10,342 |
| Concession financial asset | 6 | - | - | 174,984 | 156,393 |
| Contract asset | 7 | - | - | 284,661 | 104,818 |
| Other assets | | 9,014 | 75,417 | (17,493) | 137,147 |
| (Decrease) increase in liabilities | | | | | |
| Trade accounts payable | | 20,833 | (43,699) | (669) | (111,806) |
| Tax and regulatory obligations | | (21,232) | 16,124 | (40,756) | 2,464 |
| Labor obligations | | (42,418) | (49,739) | (43,851) | (53,119) |
| Retirement benefits obligations | | (24,463) | (20,637) | (24,464) | (20,637) |
| Other liabilities | | 7,324 | (16,978) | 77,230 | (259,550) |
| **Cash from operations** | | **1,604,215** | **1,404,616** | **3,169,196** | **2,312,826** |
| Payment of interest on debts, net of hedge | 13/14 | (170,563) | (161,557) | (471,235) | (436,138) |
| Payment of income tax and social contribution | | (100,305) | (223,120) | (259,863) | (335,560) |
| **Net cash from operating activities** | | **1,333,347** | **1,019,939** | **2,438,098** | **1,541,128** |

**To be continued on the next page**

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | 06.30.2023 | 06.30.2022 | 06.30.2023 | 06.30.2022 |
| **Investing activities** | | | | | |
| Dividends received from subsidiaries and joint ventures | | 954,055 | 508,699 | 211,250 | 227,500 |
| Capital increase in subsidiaries | 9 | (600,049) | (859,828) | - | - |
| Capital decrease in subsidiaries | 9 | 66,510 | 412,135 | - | - |
| Acquisition of subsidiaries | 9 | - | - | - | (656,157) |
| Cash and cash equivalents of subsidiary acquired | 9 | - | - | - | 199,870 |
| Amount received for sale of subsidiary, net of costs of sale | | 50,934 | - | 50,934 | - |
| Changes in cash and cash equivalents of subsidiary sold | | - | - | (107,999) | - |
| Investment in property, plant and equipment and intangible assets | 10/11 | (46,979) | (33,739) | (914,616) | (459,145) |
| Payment of obligations linked to the acquisition of assets | | - | - | (2,075) | - |
| Concessions payable (Use of Public Asset) | 15 | (151,137) | (138,984) | (155,160) | (142,680) |
| Other | | (477) | 3,734 | (477) | 2,574 |
| **Net cash from investing activities** | | **272,857** | **(107,983)** | **(918,143)** | **(828,038)** |
| **Financing activities** | | | | | |
| New debt instruments | 14 | 687,211 | - | 1,003,676 | 744,249 |
| Payment of debt instruments, net of hedge | 13/14 | (518,396) | (1,429,828) | (897,698) | (1,712,890) |
| Payment of dividends and interest on equity | | - | (694,474) | - | (695,719) |
| Deposits linked to debt service | | (23) | 121,836 | (61,422) | 108,256 |
| Capital contribution from non-controlling shareholders, net of issuance costs | 9 | - | - | 953,414 | - |
| **Net cash from financing activities** | | **168,792** | **(2,002,466)** | **997,970** | **(1,556,104)** |
| **Increase (decrease) in cash and cash equivalents** | | **1,774,996** | **(1,090,510)** | **2,517,925** | **(843,014)** |
| **Reconciliation of cash and cash equivalents** | | | | | |
| Opening balance | 3 | 321,005 | 2,559,208 | 2,235,887 | 5,156,406 |
| Closing balance | 3 | 2,096,001 | 1,468,698 | 4,753,812 | 4,313,392 |
| **Increase (decrease) in cash and cash equivalents** | | **1,774,996** | **(1,090,510)** | **2,517,925** | **(843,014)** |

Additional information on transactions not affecting cash and cash equivalents is presented in Note 28 - Additional information to the cash flow.

The notes are an integral part of this quarterly information.

# ENGIE BRASIL ENERGIA S.A.
## CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
## VALUE ADDED STATEMENT FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022
**(In thousands of Reais)**

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 06.30.2022 | 06.30.2023 | 06.30.2022 |
| **VALUE ADDED GENERATED** | | | | |
| Gross operating revenue | 2,626,018 | 2,435,505 | 5,156,877 | 5,273,866 |
| Remuneration of contract asset | - | - | 420,536 | 540,313 |
| Remuneration of concession financial asset | - | - | 254,018 | 318,745 |
| Revenue from generation construction | - | - | 908,152 | 466,552 |
| Revenue from construction of transmission infrastructure | - | - | 178,597 | 417,981 |
| Unrealized gains on trading operations | - | - | - | 2,278 |
| Sale of subsidiary | (1,250,666) | (94,430) | (1,289,063) | (94,430) |
| Other operating (expenses) income, net | (2,672) | (1,309) | (63,815) | 453 |
| | **1,372,680** | **2,339,766** | **5,565,302** | **6,925,758** |
| **(-) Inputs** | | | | |
| Electric power purchases | (225,860) | (223,327) | (977,109) | (1,160,288) |
| Charges for the use of and connection to the power grid | (217,148) | (193,804) | (331,857) | (298,304) |
| Third-party materials and services | (100,126) | (82,333) | (271,558) | (239,552) |
| Transactions in the short-term energy market | (74,954) | (23,728) | (114,215) | (114,845) |
| Fuels for electric energy production | - | - | (66,031) | (49,861) |
| Insurance | (14,620) | (14,028) | (39,069) | (37,851) |
| Costs of construction of plants | - | - | (793,045) | (425,246) |
| Costs of construction of transmission infrastructure | - | - | (189,841) | (460,205) |
| Reversal (recording) of provision for impairment of assets, net | 1,205,158 | (50,105) | 1,201,115 | (72,298) |
| Extension of concession period | - | - | 239,297 | - |
| Other | (35,299) | (34,206) | (45,926) | (17,258) |
| | **537,151** | **(621,531)** | **(1,388,239)** | **(2,875,708)** |
| **GROSS ADDED VALUE** | **1,909,831** | **1,718,235** | **4,177,063** | **4,050,050** |
| Depreciation and amortization | (209,396) | (213,023) | (458,503) | (508,900) |
| **NET ADDED VALUE GENERATED** | **1,700,435** | **1,505,212** | **3,718,560** | **3,541,150** |
| **ADDED VALUE RECEIVED THROUGH TRANSFER** | | | | |
| Financial income | 83,957 | 139,107 | 229,151 | 301,886 |
| Equity income | 1,206,089 | 988,115 | 455,354 | 332,403 |
| **ADDED VALUE TO DISTRIBUTE** | **2,990,481** | **2,632,434** | **4,403,065** | **4,175,439** |

**To be continued on the next page**

## ADDED VALUE DISTRIBUTED

| | Parent Company | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | 06.30.2023 | % | 06.30.2022 | % | 06.30.2023 | % | 06.30.2022 | % |
| **Remuneration:** | | | | | | | | |
| **Labor** | | | | | | | | |
| Remuneration and payroll charges | 90,518 | 3.1 | 70,635 | 2.8 | 113,404 | 2.8 | 85,403 | 2.0 |
| Benefits | 30,305 | 1.0 | 23,850 | 0.9 | 37,333 | 0.8 | 29,275 | 0.7 |
| Profit sharing | 16,060 | 0.5 | 14,452 | 0.5 | 19,427 | 0.4 | 16,877 | 0.4 |
| Workers' severance fund (FGTS) | 7,445 | 0.2 | 7,184 | 0.3 | 9,405 | 0.2 | 8,567 | 0.2 |
| | **144,328** | **4.8** | **116,121** | **4.5** | **179,569** | **4.2** | **140,122** | **3.3** |
| **Government** | | | | | | | | |
| Federal taxes | 443,296 | 14.8 | 243,247 | 9.2 | 948,047 | 21.5 | 749,575 | 18.0 |
| State taxes | 5,662 | 0.2 | 5,852 | 0.2 | 6,893 | 0.2 | 6,585 | 0.2 |
| Municipal taxes | 2,158 | 0.1 | 2,259 | 0.1 | 3,026 | 0.1 | 2,717 | 0.1 |
| Sectorial charges | 70,907 | 2.4 | 66,013 | 2.5 | 98,976 | 2.2 | 92,966 | 2.2 |
| Concessions payable expenses (Use of Public Asset) | 282,634 | 9.5 | 517,732 | 19.7 | 287,637 | 6.5 | 524,083 | 12.6 |
| | **804,657** | **27.0** | **835,103** | **31.7** | **1,344,579** | **30.5** | **1,375,926** | **33.1** |
| **Third-party capital** | | | | | | | | |
| Interest and monetary variations | 414,264 | 13.9 | 633,576 | 24.1 | 1,086,998 | 24.7 | 1,522,122 | 36.4 |
| Interest, inflation adjustment and depreciation capitalized | - | - | - | - | 115,107 | 2.6 | 41,306 | 1.0 |
| Rentals | 96 | - | 759 | - | 6,418 | 0.1 | 6,021 | 0.1 |
| Other financial expenses | 12,726 | 0.4 | 7,893 | 0.3 | 55,527 | 1.3 | 50,296 | 1.2 |
| | **427,086** | **14.3** | **642,228** | **24.4** | **1,264,050** | **28.7** | **1,619,745** | **38.7** |
| **Equity** | | | | | | | | |
| Tax incentive reserve | - | - | 16,851 | 0.6 | - | - | 16,851 | 0.4 |
| Realization of deemed cost | (19,908) | (0.7) | (20,749) | (0.8) | (19,908) | (0.5) | (20,749) | (0.5) |
| Dividends and IOE not claimed | (4,696) | (0.2) | (7,817) | (0.3) | (4,696) | (0.1) | (7,817) | (0.2) |
| Non-controlling shareholder | - | - | - | - | 457 | - | 664 | - |
| Net income for the period | 1,639,014 | 54.8 | 1,050,697 | 39.9 | 1,639,014 | 37.2 | 1,050,697 | 25.2 |
| | **1,614,410** | **53.9** | **1,038,982** | **39.4** | **1,614,867** | **36.6** | **1,039,646** | **24.9** |
| | **2,990,481** | **100.0** | **2,632,434** | **100.0** | **4,403,065** | **100.0** | **4,175,439** | **100.0** |

The notes are an integral part of this quarterly information.

# Economic-Financial Performance

## Results by segment – 2Q23 X 2Q22 (in R$ million)

| | Electric Energy | | | | |
|---|---|---|---|---|---|
| | Generation[1] | Transmission | Trading | Gas transportation | Consolidated |
| **2Q23** | | | | | |
| Net operating revenue | 2,251 | 252 | 107 | - | 2,610 |
| Operational costs | (838) | (134) | (106) | - | (1,078) |
| **Gross income** | **1,413** | **118** | **1** | **-** | **1,532** |
| Selling, general and administrative expenses | (100) | (8) | (1) | - | (109) |
| Other operating revenues (expenses), net | (2) | (63) | - | - | (65) |
| Impairment, net | 1,201 | - | - | - | 1,201 |
| Sale of subsidiary | (1,289) | - | - | - | (1,289) |
| Equity income | - | - | - | 208 | 208 |
| **Income before financial results and taxes** | **1,223** | **47** | **-** | **208** | **1,478** |
| **2Q22** | | | | | |
| Net operating revenue | 2,366 | 466 | 164 | - | 2,996 |
| Operational costs | (1,083) | (200) | (161) | - | (1,444) |
| **Gross income** | **1,283** | **266** | **3** | **-** | **1,552** |
| Selling, general and administrative expenses | (77) | 3 | (1) | - | (75) |
| Impairment | (180) | - | - | - | (180) |
| Equity income | - | - | - | 160 | 160 |
| **Income before financial results and taxes** | **1,026** | **269** | **2** | **160** | **1,457** |
| **Change** | | | | | |
| Net operating revenue | (115) | (214) | (57) | - | (386) |
| Operational costs | 245 | 66 | 55 | - | 366 |
| **Gross income** | **130** | **(148)** | **(2)** | **-** | **(20)** |
| Selling, general and administrative expenses | (23) | (11) | - | - | (34) |
| Other operating revenues (expenses), net | (2) | (63) | - | - | (65) |
| Impairment, net | 1,381 | - | - | - | 1,381 |
| Sale of subsidiary | (1,289) | - | - | - | (1,289) |
| Equity income | - | - | - | 48 | 48 |
| **Income before financial results and taxes** | **197** | **(222)** | **(2)** | **48** | **21** |

[1] *Generation and sale of electric energy from the Company's portfolio ("Generation").*

The Company's financial result is not allocated by segment since Management administers the cash flow on a consolidated and corporate basis.

## Net Operating Revenue

### Operating revenue by segment – 2Q23 X 2Q22 (in R$ million)

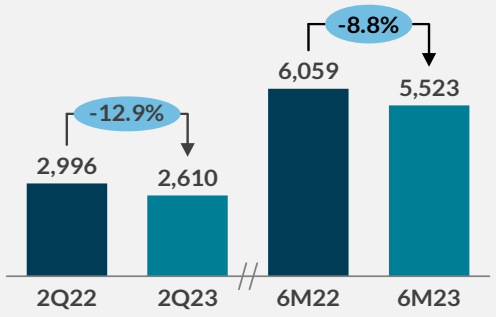
| | Electric Energy | | | |
|---|---|---|---|---|
| | Generation | Transmission | Trading | Consolidated |
| **2Q23** | | | | |
| Distribution companies | 1,050 | - | - | 1,050 |
| Free consumers | 787 | - | - | 787 |
| Remuneration of concession assets | 104 | 138 | - | 242 |
| Trading companies | 204 | - | - | 204 |
| Energy trading operations | - | - | 106 | 106 |
| Construction revenue | - | 97 | - | 97 |
| Transactions in the short-term market | 64 | - | 1 | 65 |
| Services rendered revenue | 36 | 17 | - | 53 |
| Other revenues | 6 | - | - | 6 |
| **Net operating revenue** | **2,251** | **252** | **107** | **2,610** |
| **2Q22** | | | | |
| Distribution companies | 1,038 | - | - | 1,038 |
| Free consumers | 838 | - | - | 838 |
| Remuneration of concession assets | 164 | 292 | - | 456 |
| Trading companies | 222 | - | - | 222 |
| Energy trading operations | - | - | 163 | 163 |
| Construction revenue | - | 166 | - | 166 |
| Transactions in the short-term market | 62 | - | - | 62 |
| Services rendered revenue | 34 | 8 | - | 42 |
| Unrealized gains on trading operations | - | - | 1 | 1 |
| Other revenues | 8 | - | - | 8 |
| **Net operating revenue** | **2,366** | **466** | **164** | **2,996** |
| **Change** | | | | |
| Distribution companies | 12 | - | - | 12 |
| Free consumers | (51) | - | - | (51) |
| Remuneration of concession assets | (60) | (154) | - | (214) |
| Trading companies | (18) | - | - | (18) |
| Energy trading operations | - | - | (57) | (57) |
| Construction revenue | - | (69) | - | (69) |
| Transactions in the short-term market | 2 | - | 1 | 3 |
| Services rendered revenue | 2 | 9 | - | 11 |
| Unrealized gains on trading operations | - | - | (1) | (1) |
| Other revenues | (2) | - | - | (2) |
| **Net operating revenue** | **(115)** | **(214)** | **(57)** | **(386)** |

**In 2Q23, net operating revenues were down 12.9%** (R$ 386 million) versus 2Q22, from R$ 2,996 million to **R$ 2,610 million**. This change was mainly a reflection of the following factors:

**Transmission:** R$ 214 million (45.9%) decrease in the transmission segment. Additional details provided in a specific item ahead.

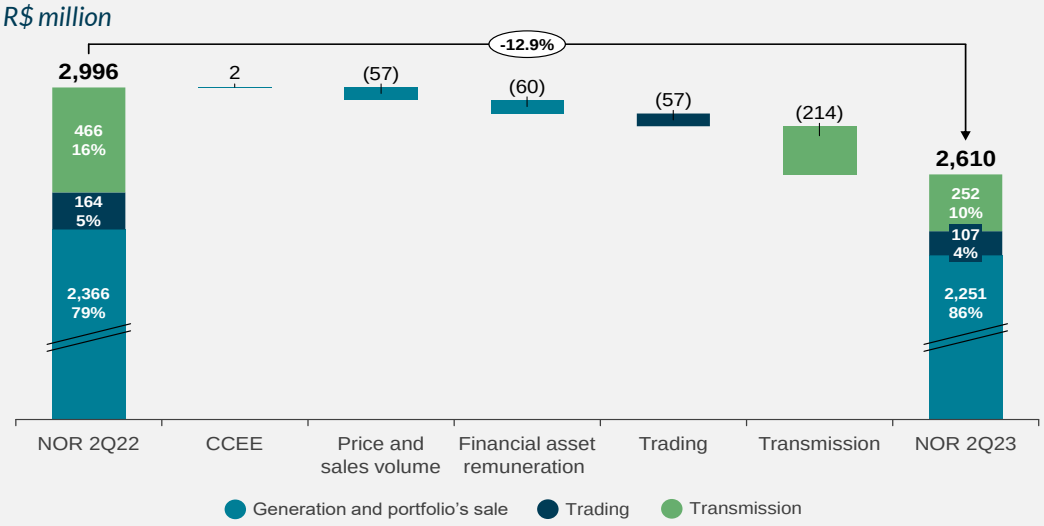
**Generation and sale of energy from the portfolio:** down R$ 115 million (4.9%), due largely to a combination of the following: (i) R$ 60 million decrease in the return of financial concession assets corresponding to the portion of payment for the Jaguara and Miranda Hydro Plants' concessions associated with the energy allocated to the Regulated Contracting Environment (ACR) because of the lower inflation between periods; (ii) R$ 57 million decrease in revenues from power purchase agreements in the regulated and free environments, a result of the decreased volume of energy sold, mitigated by the higher net average selling price; and (iii) R$ 2 million increase in transactions on the short-term market, in particular at the Electric Energy Trading Exchange (CCEE). Additional details provided in the item "Detailed Short-Term Operations".

**Net Operating Revenue**
*R$ million*




**Trading:** R$ 57 million (34.8%) decrease arising mainly from a decrease in revenues from transactions made. Additional details provided in a specific item ahead.

**Net Operating Revenue Change by Segment**
*R$ million*




## Comments on Variation in Net Operating Revenue

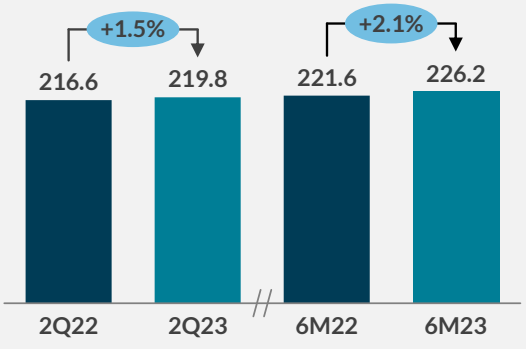
### *Generation and Sales of Energy from the Portfolio*

- Net Average Selling Price

**The average selling price of energy**, net of charges on revenues and trading operations, was **R$ 219.80/MWh in 2Q23, up 1.5%** from 2Q22's R$ 216.60/MWh. As a result, it caused an increase of R$ 26 million between the quarters.

The price increase was largely due to the monetary restatement of existing agreements and a slight increase in the Differences Settlement Price (PLD), partially mitigated by the sale of the subsidiary Pampa Sul, which had energy sales prices above the average sales price of the rest of the Company's portfolio.

**Net Average Selling Price***
*R$/MWh*

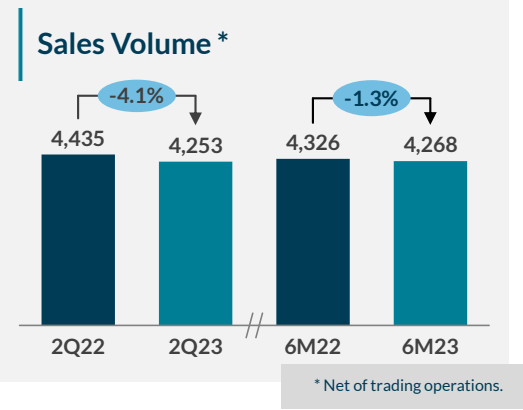



* Net of sale taxes and trading operations.

- **Sales Volume**

**The volume of energy sold** under contract, net of trading operations, dropped from 9,685 GWh (4,435 average MW) in 2Q22 to **9,289 GWh (4,253 average MW) in 2Q23**, down 396 GWh (182 average MW), or 4.1% year on year, with a negative impact of R$ 83 million.

The decrease in the volume of energy sold was due to the lower sales volume made available to free consumers and reduction in sales volume to distributors as a result of the sale of the subsidiary Pampa Sul.




- **Revenue from Sale of Electric Energy**
  - Distribution Companies:

**Revenue from sales to distribution companies was R$ 1,050 million in 2Q23, up R$ 12 million (1.2%)** from 2Q22's R$ 1,038 million. The following effects caused the change: (i) R$ 35 million — 3.4% increase in the net average selling price; and (ii) R$ 23 million — 86 GWh (40 average MW) in sales volume decrease.

The higher net average selling price between the quarters at hand was mainly the product of the monetary restatement of selling prices between periods, partly offset by the year-on-year increase in reimbursements under the regulated environment contracts.

The decrease in sales volume between periods is mostly a consequence of seasonal sales weighting, together with the Sale of subsidiary Pampa Sul.

  - Free Consumers:

**Revenues from sales to free consumers was down R$ 51 million (6.1%)** year-on-year, from R$ 838 million in 2Q22 to **R$ 787 million in 2Q23**. The decrease is due to the 332 GWh (152 average MW) lower volume of energy sold (R$ 63 million), mitigated by the 1.4% increase in net average selling price (R$ 12 million).

The change in the volume of energy sold is mainly due to the expiration of supply agreements and the decrease in the electric energy made available for sale to these consumers. The higher net average selling price was mostly caused by the monetary restatement of agreements in force, partly offset by lower prices under new contracts, under the influence of a market-wide price drop.

  - Trading Companies:

**In 2Q23, revenues from sales to trading companies were R$ 204 million, down R$ 18 million (8.1%)** from 2Q22's R$ 222 million. The change is explained by a combination of the 9.2% decrease in net average selling price (R$ 21 million) and the 22 GWh (10 average MW) increase in the volume of energy sold (R$ 3 million).

The price decrease was essentially due to the drop in short-term market prices. These are pegged to the PLD, which remained low throughout 2022, thereby impacting prices in 2Q23. Prices in 2Q22 were the product of 2021's high PLD. The decrease in 2Q23 was slightly offset by the monetary restatement of agreements in force. The higher quantity year-on-year was mainly a product of new agreements executed to manage the Company's portfolio.

- **Transactions in the Short-term Energy Market**

**In 2Q23**, revenues from the short-term market were **R$ 64 million**, versus R$ 62 million in 2Q22. This represents a **R$ 2 million (3.2%) increase** between the quarters at hand. Additional explanations on these operations and the variation observed can be found in "Detailed of Short-Term Operations".

- **Remuneration of Concession Financial Assets**

Concession financial assets represent the present value of the future cash flows from the tranche of energy allocated to the Regulated Contracting Environment (ACR) as concerns the Jaguara and Miranda Hydro Plants, equivalent to 70% da of their physical guarantee. These assets are remunerated at the internal rate of return and the change in the Consumer Price Index – Extended (IPCA).

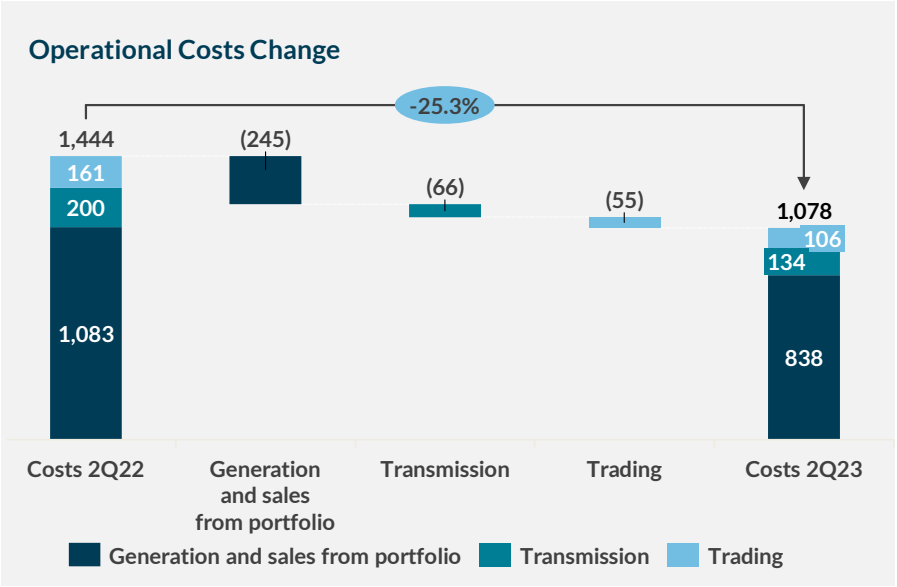
**Remuneration of concession financial assets** dropped from R$ 164 million in 2Q22 to **R$ 104 million in 2Q23, down R$ 60 million (36.6%)**. The change was largely due to the lower IPCA between comparative periods.

## Operational Costs

### Costs by segment – 2Q23 x 2Q22 (in R$ million)

| | Electric Energy | | | |
|---|---|---|---|---|
| | Generation | Transmission | Trading | Consolidated |
| **2Q23** | | | | |
| Electric power purchases | 340 | - | 100 | 440 |
| Depreciation and amortization | 217 | 4 | - | 221 |
| Charges for the use of power grid and connection | 168 | - | - | 168 |
| Construction costs | - | 113 | - | 113 |
| Materials and third-party services | 102 | 9 | - | 111 |
| Transactions in the short-term market | 101 | - | - | 101 |
| Personnel | 63 | 4 | - | 67 |
| Fuel for generation | 44 | - | - | 44 |
| Royalties | 21 | - | - | 21 |
| Insurance | 18 | 2 | - | 20 |
| Unrealized losses on trading operations | - | - | 6 | 6 |
| Concession period extension | (239) | - | - | (239) |
| Other operational costs, net | 3 | 2 | - | 5 |
| **Operational costs** | **838** | **134** | **106** | **1,078** |
| **2Q22** | | | | |
| Electric power purchases | 423 | - | 157 | 580 |
| Depreciation and amortization | 251 | - | - | 251 |
| Charges for the use of power grid and connection | 149 | - | - | 149 |
| Construction costs | - | 196 | - | 196 |
| Materials and third-party services | 99 | 4 | - | 103 |
| Transactions in the short-term market | 36 | - | - | 36 |
| Personnel | 40 | - | - | 40 |
| Fuel for generation | 8 | - | - | 8 |
| Royalties | 34 | - | - | 34 |
| Insurance | 18 | - | - | 18 |
| Unrealized losses on trading operations | - | - | 4 | 4 |
| Other operational costs, net | 25 | - | - | 25 |
| **Operational costs** | **1,083** | **200** | **161** | **1,444** |
| **Change** | | | | |
| Electric power purchases | (83) | - | (57) | (140) |
| Depreciation and amortization | (34) | 4 | - | (30) |
| Charges for the use of power grid and connection | 19 | - | - | 19 |
| Construction costs | - | (83) | - | (83) |
| Materials and third-party services | 3 | 5 | - | 8 |
| Transactions in the short-term market | 65 | - | - | 65 |
| Personnel | 23 | 4 | - | 27 |
| Fuel for generation | 36 | - | - | 36 |
| Royalties | (13) | - | - | (13) |
| Insurance | - | 2 | - | 2 |
| Unrealized losses on trading operations | - | - | 2 | 2 |
| Concession period extension | (239) | - | - | (239) |
| Other operational costs, net | (22) | 2 | - | (20) |
| **Operational costs** | **(245)** | **(66)** | **(55)** | **(366)** |

**Operational costs were down R$ 366 million (25.3%)** between quarters, from R$ 1,444 million in 2Q22 to **R$ 1,078 million in 2Q23**. This was mainly the reflection of a combination of the following: (i) R$ 245 million (22.6%) decrease in the costs of the Company's generation and sales of energy from the portfolio segment; (ii) R$ 66 million (33.0%) decrease in the costs of the transmission segment, mainly due to lower construction costs; and (iii) a R$ 55 million (34.2%) decrease in energy trading operations' costs.




Such variations resulted essentially from the behavior of the main components below:

## Comments on Variations in Operational Costs

### *Generation and Energy Sales from the Portfolio*

- **Energy purchases:** There was a R$ 83 million (19.6%) decrease in energy purchases between 2Q22 and 2Q23, due largely to a combination of the 372 GWh (170 average MW) decrease in the volume of energy purchased (-R$ 65 million) and the 4.2% decrease in net average energy purchase price (-R$ 18 million). The lower volume is due to a decrease in purchases for the purposes of portfolio management. The lower net average purchase price reflects the higher prices in force in 2022, a consequence of 2021's high PLD.

- **Transactions in the short-term energy market:** costs associated with these transactions were up R$ 65 million (180.6%) year on year. Additional explanations on these transactions and the change can be found in "Details of Short-Term Operations".

- **Fuels for generation:** up R$ 36 million (450.0%) between quarters. The change was due to (i) the R$ 39 million increase at the Pampa Sul TPP, arising from the increase in generation and the payment of ICMS on purchased coal, which included a special deferral regime for the sale of energy; and mitigated by (ii) the R$ 3 million decrease at the Lages Co-Generation Plant (UCLA), due to lower generation by the plants.

- **Depreciation and amortization:** down R$ 34 million (13.5%) between the comparative quarters. The decrease is mainly a consequence of the cessation of Pampa Sul's depreciation because of its recognition as a Non-Current Asset Held for Sale and subsequent disposal in May 2023.

- **Personnel:** up R$ 23 million (57.5%) between the comparative quarters, due largely to the annual adjustment of employee pay and benefits, increase provisioning for bonuses and profit sharing, and the higher headcount year-on-year, partially mitigated by the sale of the subsidiary Pampa Sul.

- **Charges for the use of the electric network and connection: up** R$ 19 million (12.8%) between the comparative quarters, due largely to the annual restatement of transmission and distribution charges and the partial commercial startup of the Santo Agostinho Wind Complex in 2023. The gain was partly mitigated by the negative restatement of the distribution charge for the Miranda HPP, due to a specific Aneel certifying resolution associated with the annual quotas regime.

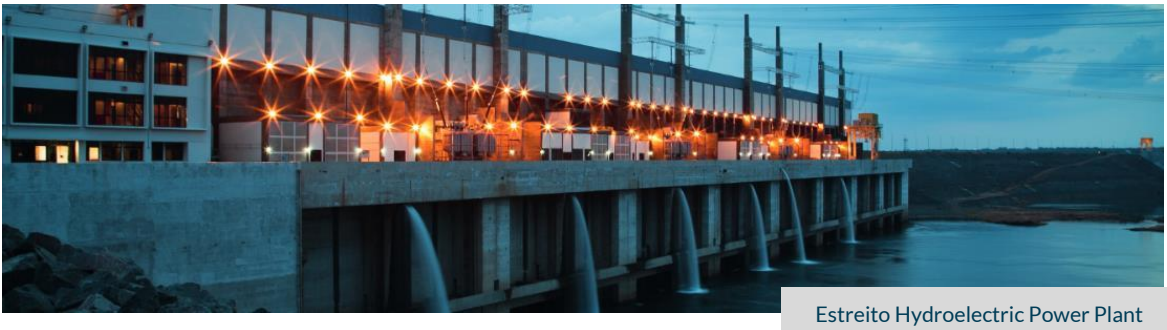
- **Financial compensation for the use of water resources (royalties):** down R$ 13 million (38.2%) between the comparative quarters essentially due to reduced generation at the hydro plants in 2Q23 vis-à-vis 2Q22 mitigated by the annual restatement.

- **Concession period extension:** Law 13.360/16 provides for Aneel to add to the original concession periods a like number of days as there are events excluding the responsibility of the agent recognized by the regulator. Based on this law, Aneel's Board approved Technical Note 877/2022–SCG/SFG/ANEEL on January 31, 2023, resolving that the concession period replenishment days shall shift GSF (Generation Scaling Factor) extension days. This will cause the later to be recalculated over time, extending the concession period for the Estreito HPP by 852 days. On April 27, 2023,

Aneel issued Official Notice 281/2023-SRG-SCG/ANEEL, requesting CCEE to calculate the concession extension. CCEE performed the calculations in document CT-CCEE06666/2023, published on May 10, 2023, generating 620 additional days beyond the previously calculated extension.

In view of this, in 2Q23, an intangible asset was recognized, corresponding to the right to extend the concession in the amount of R$ 243 million, as a contra entry to the "Extension of concession term" item in the income statements, in the amount of R$ 239 million, and the liability for concessions payable, in the amount of R$ 4 million.

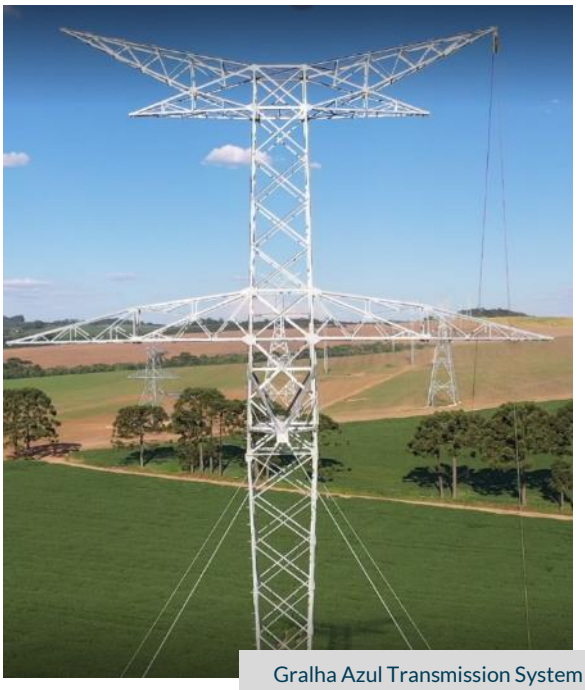
The remaining costs of this segment showed no significant variations between the quarters and years analyzed.



Estreito Hydroelectric Power Plant

## Operational Result from the Energy Transmission Segment

The Company has primary responsibility for the construction and installation of infrastructure pertaining to the Gralha Azul, Novo Estado and Gavião Real transmission systems and is exposed to the risks and benefits of these constructions. Consequently, based on prevailing accounting practices, the Company books revenue over the course of the implementation of the transmission infrastructure for an amount corresponding to the construction costs plus a gross margin on the construction services provided. Expenditures incurred in the construction are recognized in the cost of the transmission infrastructure. The Annual Allowed Revenue (RAP) is received once the transmission system goes into commercial operations. Thus, only resources generated from operational activities are received from then onwards. The Gralha Azul and Novo Estado transmission systems went into full commercial operations on February 19 and 27, 2023, respectively.



Gralha Azul Transmission System

**Gross result from the energy transmission segment was a positive R$ 118 million in 2Q23**, down R$ 148 million (55.6%) from 2Q22's R$ 266 million. The variation is largely due to (i) a R$ 154 million (52.7%) decrease in concession assets remuneration, caused in particular by the lower inflation rates and reduced contract asset balances because of the tariff revision; and (ii) a positive R$ 14 million (46.7%) in net result from construction revenues and costs (reductions of R$ 69 million and R$ 83 million, respectively), arising mainly from the completion of construction works for the Gralha Azul and Novo Estado Transmission Systems.

In addition, 2Q23 saw the recognition of other operational expenses in the amount of R$ 64 million, with a negative impact on results arising from the periodic tariff revision for the offset against the contractual asset, based on CVM Circular Notice 04/2020 and Aneel Certifying Resolution 3.216, of July 4, 2023, because of the drop in NTN-B. The tariff is calculated based on the composition of the issued debt amount and the interest rates implicit in secondary market quotes for the last 5 years. Due to the revision, the contractual asset balance is adjusted to consider the new financial flow.

**RAP receipts net of PIS and Cofins in 2Q23 were R$ 184 million, 97.8% above the R$ 93 million recorded in 2Q22**, of which R$ 167 million (R$ 85 million in 2Q22) corresponding to amortization of the contractual asset, offset against the contractual asset account, and R$ 17 million (R$ 8 million in 2Q22) concerning revenues from O&M services rendered. The breakdown of the Regulatory transmission EBITDA is provided below.

| (In millions of R$) | 2Q23 | 2Q22 | Change |
|---|---|---|---|
| RAP, net of PIS and Cofins | 184 | 93 | 91 |
| Operational costs | (17) | (4) | (13) |
| Selling, general and administrative expenses | (8) | 3 | (11) |
| Operational revenues, net | 1 | - | 1 |
| **Regulatory transmission EBITDA** | **160** | **92** | **68** |

## Operational Result of the Energy Trading Segment

The Company operates in the physical energy trading market in order to generate results through energy price variations, within pre-established limits of risk. Energy trading operations are transacted in an active market and for accounting purposes, are defined as financial instruments according to their fair value. This is principally due to the fact that there is no commitment to match purchase and sale operations, flexibility being permitted to manage the contracts and obtain results through price variations in the market.

**Quarter-on-quarter gross profit was down R$ 2 million (66.7%)**, from R$ 3 million in 2Q22 to R$ 1 million in 2Q23, due to the following: (i) R$ 3 million decrease between periods from the marking-to-market of future supply transactions — the gap between contracted and market prices; mitigated by the (ii) R$ 1 million increase in results from energy buying and selling transactions.

## Details of Short-Term Operations

Short-term operations are classified as energy purchase or sale operations, the principal objective being the management of the Company's exposure on the CCEE. Consequently, the price of these operations is characterized by the linkage with the Price for Settlement of Differences (PLD). This item also includes the transactions conducted through the CCEE, given their volatile and seasonal nature, therefore, short-term, of the results originating from accounting movement in the CCEE. Additionally, the long and short positions are settled at the PLD, thus, similar to the short-term operations described above.

In relation to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of a Board agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense item. In this context, it is worth pointing out that due to adjustments in the Company's portfolio management strategy, changes have been taking place in the profile of the mentioned billings. Such fluctuations complicate the direct comparison of the elements comprising each billing for the periods being analyzed - the reason for including this specific topic. The strategy allows us to analyze the fluctuations of the principal elements involved in spite of allocation being either to an income or expenses account according to the credit or debit nature of the billing to which they relate.

Generically, these elements are revenues or expenses arising, for example, (i) from the application of the Energy Reallocation Mechanism (MRE); (ii) from the Generation Scaling Factor (GSF), triggered when generation of plants, part of the MRE, is smaller or greater (Secondary Energy) than the allocated energy; (iii) from the so-called "submarket risk"; (iv) dispatch driven by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) and settled at the PLD.

**In 2Q23** and 2Q22, **net results** (difference between revenues and costs — net of taxes) from short-term operations — especially those realized within the scope of the CCEE — **were a negative R$ 36 million** and a positive R$ 26 million, respectively. This represents a **R$ 62 million decrease between the comparative periods**, comprised of a R$ 63 million decrease in results from the generation and sale of energy from the portfolio segment' transactions and a R$ 1 million increase in results from energy trading transactions.

These changes were essentially as a result of the following factors: (i) negative MRE effects because of low hydro generation and the consequent increase in the reimbursable amount to other MRE players; (ii) negative impact of the MRE's Adjustment Factor (GSF) due to the lower volume of energy produced in the MRE resulting in negative variation between the periods under analysis; (iii) positive impact of the export of excess hydro capacity, that is energy not used to serve the National Interconnected System (SIN) and that MRE-member hydro plants would have wasted was allocated to a new commercial transaction with neighboring countries; (vi) free energy reduction because of the seasonally weighted energy allocation strategy over the periods, combined with the positive variation in PLD; and (v) a decrease in the negative modulation impacts between quarters.

In December 2022, Aneel established maximum and minimum limits of PLD for the year 2023 at R$ 678.29/MWh and R$ 69.04 /MWh, respectively. The following table shows average PLD values for the submarkets in which the Company operates, in MWh.

| Average PLD in R$/MWh | 2Q23 | 2Q22 | Chg. 2Q (%) |
|---|---|---|---|
| South | 69.04 | 50.70 | 23.9% |
| Southeast/Center-West | 69.04 | 50.70 | 23.9% |
| Northeast | 69.04 | 50.70 | 23.9% |

## Sale of a Subsidiary

On May 31, 2023, after the fulfillment of the applicable conditions precedent the Company completed the disposal of its equity interest in its subsidiary Usina Termelétrica Pampa Sul S.A. ("Pampa Sul"). On that date, the entity ceased to be controlled by the Company and was de-consolidated. The result of the disposal of the asset, net of selling costs (negative R$ 1,289 million), and impairment reversal (R$ 1,243 million), was a negative R$ 46 million in 2Q23.

## Impairment

Furthermore, aside from the impairment reversal associated with the sale of Pampa Sul, the Company in 2Q23 recognized provisions in the amount of R$ 42 million for the incident had at the Paracatu Photovoltaic Complex as a result of strong winds in the region of the municipality of Paracatu (MG) on April 02, 2023.

In 2Q22, the Company recognized R$ 180 million in impairment. This non-recurring event was caused by the recognition of impairment arising from a firm intent to dispose of Pampa Sul TPP, whose preliminary valuation was below book value.

## Equity Income – Gas Transportation

The Company has a 32.5% direct corporate stake in TAG. The result of equity income from TAG for the compared quarters in analysis is composed of the following items:

| | 2Q23 | | 2Q22 | |
|---|---|---|---|---|
| **Income statement – in R$ million** | **100%** | **Company's share** | **100%** | **Company's share** |
| Net operational revenue | 2,283 | 742 | 2,054 | 668 |
| Costs of services provided | (609) | (198) | (766) | (249) |
| **Gross income** | **1,674** | **544** | **1,288** | **419** |
| General and administrative expenses | (147) | (48) | (17) | (5) |
| **Income before financial result and taxes** | **1,527** | **496** | **1,271** | **414** |
| Financial result | (552) | (179) | (521) | (169) |
| **Income before taxes** | **975** | **317** | **750** | **245** |
| Income tax and social contribution | (335) | (109) | (258) | (85) |
| **TAG's net income** | **640** | **208** | **492** | **160** |

The reconciliation of TAG's net profit with EBITDA is shown in the following table:

| | 2Q23 | | 2Q22 | |
|---|---|---|---|---|
| **EBITDA – in R$ million** | **100%** | **Company's share** | **100%** | **Company's share** |
| **Income before financial result and taxes** | **1,527** | **496** | **1,271** | **414** |
| Depreciation and amortization | 172 | 56 | 166 | 54 |
| Goodwill amortization | 148 | 48 | 228 | 74 |
| **EBITDA** | **1,847** | **600** | **1,665** | **542** |
| **EBITDA Margin** | **80.9%** | | **81.1%** | |

**Between 2Q22 and 2Q23, equity income increased by R$ 48 million (30.0%)**, from R$ 160 million to R$ 208 million, respectively.

The change was largely a consequence of a combination of the following: (i) R$ 58 million increase in EBITDA due mainly to (i.i) restatement of transportation tariffs; (i.ii) June 2022 termination of the O&M agreement with Petrobras Transporte S.A. (Transpetro), taken over by ENGIE Soluções em Manutenção (Esom), a subsidiary of the ENGIE Group in Brazil; and mitigated by (i.iii) the establishment of provisions for liabilities with Petrobras arising from court escrow deposits held by TAG and whose return is deemed probable; and (i.iv) recognition of impairment of tax credits; and (ii) R$ 26 million decrease in goodwill amortization due to the revision of useful life.

The gains were partly mitigated by (iii) a R$ 10 million increase in net financial expenses arising largely from the higher CDI quarter on quarter; and (iv) a R$ 24 million increase in Income Tax (IR) and Social Contribution (CSLL) due essentially to higher before-taxes earnings.

Furthermore, net operational revenues and the cost of services rendered were impacted, each in the amount of R$ 20 million, by the pass-through to clients of charges that are not to generate margins for the transportation agent, such as congestion charges, balance charges and gas for system usage. It is worth emphasizing that the pass-throughs are provided for in National Oil Agency (ANP) resolutions.

## Balance Sheet

TAG's principal asset and liability groups as of June 30, 2023 and December 31, 2022 were as follows:

| Balance Sheet | 06.30.2023 | 12.31.2022 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | **3,305** | **2,828** |
| Cash and cash equivalents | 578 | 688 |
| Accounts receivables from clients | 1,565 | 1,513 |
| Derivative financial instruments - hedge | 267 | 284 |
| Other current assets | 895 | 343 |
| **Non-current assets** | **29,751** | **30,585** |
| Restricted deposits | 247 | 217 |
| Derivative financial instruments - hedge | 200 | 284 |
| Other non-current assets | 134 | 624 |
| Property, plant and equipment | 26,419 | 26,706 |
| Intangible | 2,751 | 2,754 |
| **Total** | **33,056** | **33,413** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current liabilities** | **4,487** | **4,341** |
| Debt instruments | 4,075 | 3,974 |
| Other current liabilities | 412 | 367 |
| **Non-current liabilities** | **18,603** | **20,356** |
| Debt instruments | 13,203 | 15,584 |
| Deferred income taxes and social contribution | 4,900 | 3,908 |
| Other non-current liabilities | 500 | 864 |
| **Shareholders' equity** | **9,966** | **8,716** |
| **Total** | **33,056** | **33,413** |



Transportadora Associada de Gás - TAG

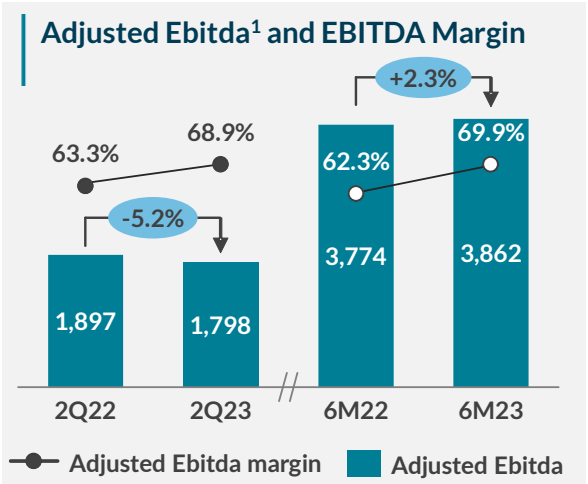
# EBITDA and EBITDA Margin

## EBITDA by segment – 2Q23 x 2Q22 (in R$ million)

| | Electric Energy | | | | |
|---|---|---|---|---|---|
| | Generation | Transmission | Trading | Gas transportation | Consolidated |
| **2Q23** | | | | | |
| Income before financial results and taxes | 1,223 | 47 | - | 208 | 1,478 |
| Depreciation and amortization | 228 | 4 | - | - | 232 |
| **EBITDA** | **1,451** | **51** | **-** | **208** | **1,710** |
| Impairment, net | (1,201) | - | - | - | (1,201) |
| Sale of subsidiary | 1,289 | - | - | - | 1,289 |
| **Adjusted EBITDA** | **1,539** | **51** | **-** | **208** | **1,798** |
| **Adjusted EBITDA margin** | **68.4%** | **20.2%** | **-** | **-** | **68.9%** |
| **2Q22** | | | | | |
| Income before financial results and taxes | 1,026 | 269 | 2 | 160 | 1,457 |
| Depreciation and amortization | 260 | - | - | - | 260 |
| **EBITDA** | **1,286** | **269** | **2** | **160** | **1,717** |
| Impairment | 180 | - | - | - | 180 |
| **Adjusted EBITDA** | **1,466** | **269** | **2** | **160** | **1,897** |
| **Adjusted EBITDA margin** | **62.0%** | **57.7%** | **1.2%** | **-** | **63.3%** |
| **Change** | | | | | |
| Income before financial results and taxes | 197 | (222) | (2) | 48 | 21 |
| Depreciation and amortization | (32) | 4 | - | - | (28) |
| **EBITDA** | **165** | **(218)** | **(2)** | **48** | **(7)** |
| Impairment, net | (1,381) | - | - | - | (1,381) |
| Sale of subsidiary | 1,289 | - | - | - | 1,289 |
| **Adjusted EBITDA** | **73** | **(218)** | **(2)** | **48** | **(99)** |
| **Adjusted EBITDA margin** | **6.4 p.p.** | **(37.5 p.p.)** | **(1.2 p.p.)** | **-** | **5.6 p.p.** |

Between 2Q23 and 2Q22, adjusted EBITDA was down R$ 99 million (5.2%), from R$ 1,897 million in 2Q22 to **R$ 1,798 million in 2Q23**. The change was a consequence of the following **negative effects**: (i) R$ 218 million (81.0%) from the energy transmission segment; and (ii) R$ 2 million (100.0%) from the energy trading segment. The negative impacts were partly offset by the following **positive effects**: (iii) R$ 73 million (5.0%) in the Company's generation and sale of energy from the portfolio segment; and (iv) R$ 48 million (30.0%) from the higher equity income from a jointly held subsidiary – TAG.

The main changes in Adjusted EBITDA can be found in the transmission segment, whose effects were largely the product of a combination of the following: (i) R$ 154 million decrease in revenues from contract assets remuneration; (ii) recognition of R$ 64 million with a negative impact arising from the periodic tariff revision; (iii) R$ 14 million increase in construction results; and (iv) R$ 4 million decrease in O&M margin (O&M RAP net of costs) due to cost increase.




[1] Adjusted EBITDA: net income + income tax and social contribution + financial results + depreciation and amortization + impairment + non recurrent effects.

In addition, EBITDA was positively affected by the electric energy generation and sale segment, with the following positive effects: (i) R$ 239 million concerning the concession period extension arising from liability waiver; (ii) R$ 83 million in energy purchases; and (iii) R$ 13 million in royalties. These effects were mitigated by the following negative changes: (iv) R$ 63 million in short-term market transactions held; (v) R$ 60 million in return on and monetary restatement of concession assets of the Jaguara and Miranda HPPs; (vi) R$ 57 million from the combined variations of volume of energy sold and net average selling price; (vii) R$ 36 million in own fuel consumption; (viii) R$ 23 million in payroll costs; (ix) R$ 19 million in electric grid usage and connection charges; and (x) R$ 4 million in other operational and administrative revenues, costs and expenses.

Considering the non-recurring effects of the net impairment reversal and disposal of a subsidiary had in the relevant quarters, EBITDA was down R$ 7 million (0.4%) from R$ 1,717 million in 2Q22 to R$ 1,710 million in 2Q23.

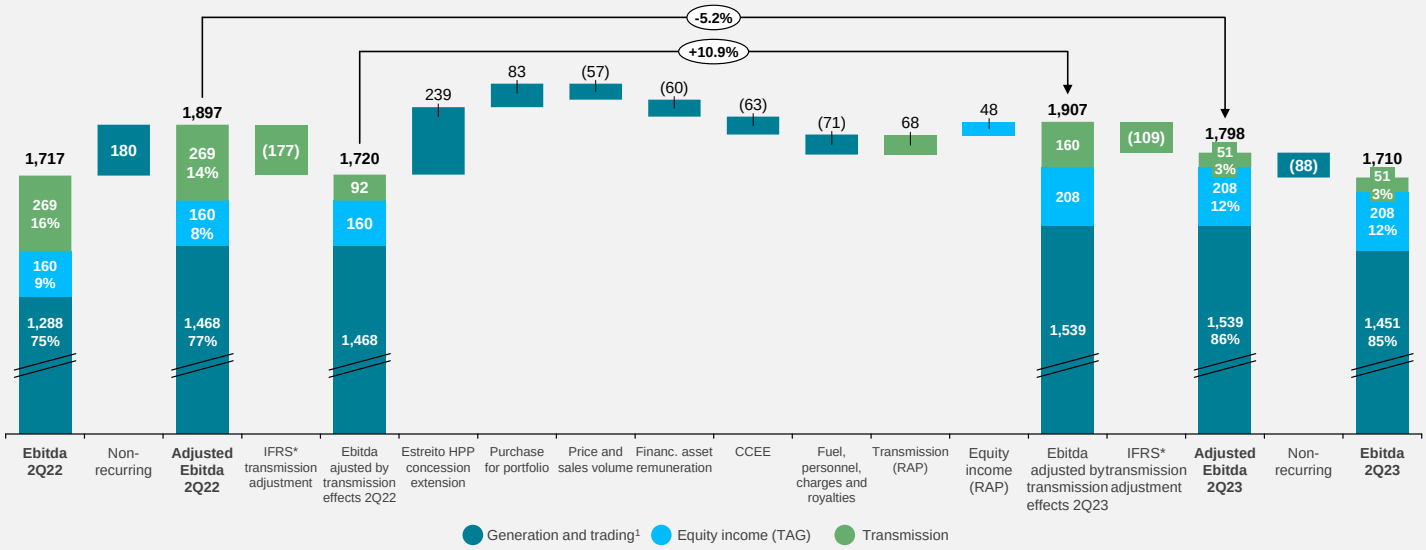
### Consolidated Adjusted EBITDA Margin

Consolidated adjusted EBITDA margin was up 5.6 p.p. from 63.3% in 2Q22 to 68.9% in 2Q23.

For the purposes of reconciliation of net income with EBITDA, as well as the impacts of regulatory adjustments of transmission segment, we show the following table:

| (In millions of R$) | 2Q23 | 2Q22 | Chg. % | 6M23 | 6M22 | Chg. % |
|---|---|---|---|---|---|---|
| Recurrent net income | 733 | 395 | 85.6 | 1,615 | 1,040 | 55.3 |
| (+) Income tax and social contribution | 253 | 81 | 212.3 | 488 | 253 | 92.9 |
| (+) Net financial result | 492 | 981 | (49.8) | 1,212 | 1,805 | (32.9) |
| (+) Depreciation and amortization | 232 | 260 | (10.8) | 459 | 509 | (9.8) |
| **Ebitda** | **1,710** | **1,717** | **(0.4)** | **3,774** | **3,607** | **4.6** |
| **Non-recurrent effects** | | | | | | |
| (+) (Reversal) provision of impairment, net | (1,201) | 180 | (767.2) | (1,201) | 73 | (1,745.2) |
| (+) Disposal of subsidiary | 1,289 | - | 100.0 | 1,289 | 94 | 1,271.3 |
| **Adjusted Ebitda** | **1,798** | **1,897** | **(5.2)** | **3,862** | **3,774** | **2.3** |
| Statutory transmission Ebitda (IFRS) | (51) | (269) | (81.0) | (338) | (502) | (32.7) |
| Regulatory transmission Ebitda (RAP) | 160 | 92 | 73.9 | 275 | 108 | 154.6 |
| **Ebitda adjusted by transmission effects** | **1,907** | **1,720** | **10.9** | **3,799** | **3,380** | **12.4** |

## EBITDA Change




* IFRS: International Financial Reporting Standards.
¹ Considering the result from generation and trading segments.

## Financial Result

| | 2Q23 | 2Q22 | Chg. | 6M23 | 6M22 | Chg. |
|---|---|---|---|---|---|---|
| Income from financial investments | 96 | 136 | (40) | 186 | 273 | 313 |
| Other financial income | 18 | 16 | 2 | 43 | 29 | (9) |
| **Total financial income** | **114** | **152** | **(38)** | **229** | **302** | **304** |
| Debt: | | | | | | |
| Interest | (274) | (412) | 138 | (595) | (783) | (350) |
| Monetary restatement | (212) | (409) | 197 | (469) | (707) | 330 |
| Other financial expenses, net | (37) | (56) | 19 | (90) | (93) | (43) |
| **Total financial expenses** | **(523)** | **(877)** | **354** | **(1,154)** | **(1,583)** | **(63)** |
| Concessions payable (Use of Public Asset): | | | | | | |
| Monetary restatement | 39 | (140) | 179 | (46) | (298) | 414 |
| Present value restatement | (122) | (116) | (6) | (241) | (226) | (91) |
| **Total concession payable expenses (Use of Public Asset)** | **(83)** | **(256)** | **173** | **(287)** | **(524)** | **323** |
| **Financial result** | **(492)** | **(981)** | **489** | **(1,212)** | **(1,805)** | **564** |

**Financial income:** in 2Q23, financial revenues were R$ 114 million, down R$ 38 million or 25.0% from 2Q22's R$ 152 million. This was largely due to the R$ 40 million decrease in revenues from financial investments. The decrease was mainly a product of the lower balance of financial investments in the relevant quarters, mitigated by a slightly higher CDI rate.

**Financial expenses:** financial expenses in 2Q23 were R$ 523 million, that is, down R$ 354 million or 40.4% from 2Q22's R$ 877 million. The main changes arose from the R$ 197 million decrease from monetary restatement of debt, because of lower inflation indices, and R$ 138 million in interest on the debt because of the settlement of debt instruments in significant amounts over the course of 2022.

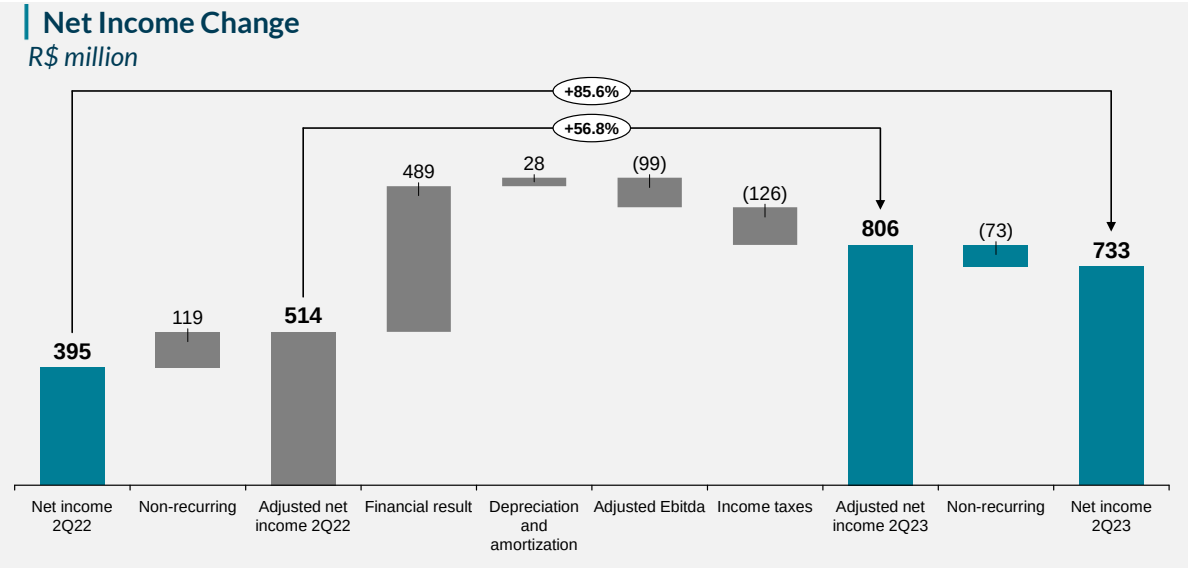
**Concession expenses payable (Use of Public Asset):** concession expenses payable were down R$ 173 million (67.6%), reaching R$ 83 million in 2Q23 from R$ 256 million in 2Q22 because of the following factors: (i) R$ 179 million decrease from monetary restatement because of the IPCA and IGPM decrease between quarters (highlight for the IGPM which showed deflation during 2Q23); and (ii) R$ 6 million increase from the present-value of concessions payable.

## Income Tax and Social Contribution

The amount payable of **Income Tax and Social Contribution in 2Q23 was R$ 253 million**, up R$ 172 million (212.3%) quarter on quarter from 2022's R$ 81 million. The variation was mainly due to the higher earnings before IR and CSLL between comparative periods. Ex- non-recurring effects, IR and CSLL expenses were up R$ 126 million (88.7%) between the comparative quarters.

# Net Income

**Net income in 2Q23 was R$ 733 million, up R$ 338 million or 85.6%** from the R$ 395 million posted in the same quarter last year. The increase is a consequence of a combination of the following effects: (i) positive R$ 489 million form net financial results; (ii) R$ 126 million increase in income tax and social contribution, considering recurring transactions; (iii) R$ 99 million decrease in adjusted EBITDA; (iv) increase in non-recurring effects, with a net positive effect of R$ 46 million; and (iv) R$ 28 million decrease in depreciation and amortization. **Ex- non-recurring effects, net income was up R$ 292 million (56.8%) between the comparative quarters.**



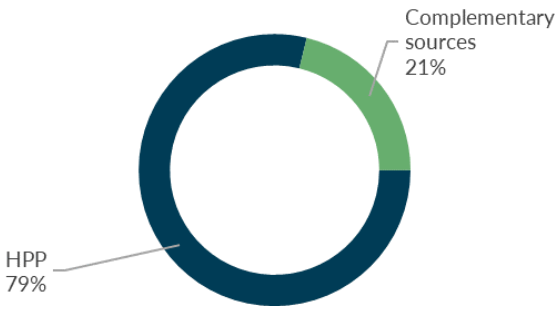
## NOTE 1. OPERATIONS

ENGIE Brasil Energia S.A. ("Company" or "ENGIE Brasil Energia" or "ENGIE") is an independent utility concessionaire and a publicly held corporation with its registered headquarters in the municipality of Florianópolis, state of Santa Catarina, Brazil. ENGIE is a platform for infrastructure investments focused on the centralized generation, sale, trading and transmission of electricity. These activities are regulated by Brazil's National Electricity Regulatory Agency (Aneel). The Company also operates in the gas transportation segment, regulated by Brazil's National Agency of Petroleum, Natural Gas and Biofuels (ANP). Further information is available in Note 25 – Segment Information.

The shares of the Company are listed in the New Market segment of B3 S.A. – Brasil, Bolsa, Balcão (B3) under the ticker EGIE3. ENGIE Brasil Energia also trades Level 1 ADR in the U.S. Over-the-Counter market under the ticker EGIEY, in the proportion of one ADR for each common share.

The Company is controlled by ENGIE Brasil Participações Ltda. ("ENGIE Participações"), a company established in Brazil and controlled by International Power S.A., headquartered in Belgium. International Power is a subsidiary of International Power Ltd., a company headquartered in the United Kingdom, which is part of the economic group ENGIE group, headquartered in France.

ENGIE Brasil Energia accounts for approximately 5.2%[1] of the country's installed capacity. At 06.30.2023, its installed capacity, including its stakes in energy generation consortiums, was 8,126.9 own MW, broken down in the chart below. Physical guarantee for sale averaged was 4,030.3 average MW, of which 377.4 average MW are related to the portion of 70% of physical guarantee of the Jaguara and Miranda Hydroelectric Power Plants, which were allocated to the ACR in the Physical Guarantee Quota System.




On 06.30.2023, Company's generating complex in operation was composed of **78 plants**, of which:

| 11 | 53 | 3 | 9 | 2 |
|---|---|---|---|---|
| Hydroelectric Power Plant (HPPs) | Wind Farms | Biomass Plants | Photovoltaic Solar Plants | Small Hydroelectric Power Plant (SHPPs) |

[1]The non-financial information herein, such as MW, average MW, installed power and others has not been audited by the independent auditors.

## a) Concessions and authorizations

On 06.30.2023, the Company had the following concessions and authorizations:

### a.1) Generation concessions

| Concessions | Concession holder | Contract model | Installed capacity (MW) | Physical guarantee (avg. MW) | Start of concession | Expiration of concession[2] | Annual adjustment index | Obligations with the termination of the contract | Notes |
|---|---|---|---|---|---|---|---|---|---|
| Salto Santiago HPP | ENGIE | Privatization | 1,420 | 702 | 09.1998 | 11.2030 | Settled | Return of concession or renewal for consideration | 10 and 11 |
| Salto Osório HPP | ENGIE | Privatization | 1,090 | 478 | 09.1998 | 04.2031 | Settled | Return of concession or renewal for consideration | 10 and 11 |
| Passo Fundo HPP | ENGIE | Privatization | 226 | 108 | 09.1998 | 04.2031 | Settled | Return of concession or renewal for consideration | 10 and 11 |
| Itá HPP | ENGIE / Itasa | Privatization | 1,450[1] | 705[1] | 10.1995 | 12.2032 | Settled | Return of concession or renewal for consideration | 10 and 11 |
| Machadinho HPP | ENGIE | Privatization | 1,140[1] | 520[1] | 07.1997 | 10.2035 | Settled | Return of concession or renewal for consideration | 10 e 11 |
| Cana Brava HPP | ENGIE | UBP for Electricity Generation | 450 | 248 | 08.1998 | 12.2035 | IGP-M until Sep. 2021 and IPCA starting from Oct. 2021 | Return of concession or renewal for consideration | 10, 11 and 15 |
| Ponte de Pedra HPP | ENGIE | UBP for Electricity Generation | 176 | 128 | 10.1999 | 03.2037 | IGP-M | Return of concession or renewal for consideration | 10, 11 and 15 |
| São Salvador HPP | ENGIE | UBP for Electricity Generation | 243 | 141 | 04.2002 | 06.2040 | IGP-M until Jun. 2007 and IPCA starting from Jul. 2007 | Return of concession or renewal for consideration | 10, 11 and 15 |
| Estreito HPP | CEE | UBP for Electricity Generation | 1,087[1] | 610[1] | 12.2002 | 02.2045 | IGP-M until Oct. 2011 and IPCA starting Nov. 2011 | Return of concession or renewal for consideration | 10, 11 and 15 |
| Jaguara HPP | Jaguara | Quota System | 424 | 324 | 12.2007 | 06.2048 | IPCA | Return of concession and subsequent re-auction | 6, 10 and 11 |
| Miranda HPP | Miranda | Quota System | 408 | 188 | 12.2007 | 06.2048 | IPCA | Return of concession and subsequent re-auction | 6, 10 and 11 |

(1) Total amounts, including the amount related to other companies in the consortia.
(2) Considers the extension periods established in Laws 14,052/2020 and 14,182/2021.

### a.2) Transmission concessions

| Concessions | Concession holder | Contract model | Length | Substations | Start of concession | Expiration of concession | Annual adjustment index | Obligations with the termination of the contract | Notes |
|---|---|---|---|---|---|---|---|---|---|
| Gralha Azul | ETP II | RAP Discount | 1,000 km | 5 | 03.2018 | 03.2048 | IPCA | Return of concession and subsequent re-auction | 7 |
| Novo Estado | ETP II | RAP Discount | 1,800 km | 1 | 03.2018 | 03.2048 | IPCA | Return of concession and subsequent re-auction | 7 and 11 |
| Gavião Real | ETP II | RAP Discount | 1 km | Expansion in substation of third parties | 09.2022 | 09.2052 | IPCA | Return of concession and subsequent re-auction | 7 |

## a.3) Participation of ENGIE and subsidiaries in consortia

| Consortiums | Installed capacity (MW) | Physical guarantee (avg. MW) |
|---|---|---|
| Itá HPP | 1,127 | 529 |
| Machadinho HPP | 404 | 138 |
| Estreito HPP | 436 | 244 |

For the Machadinho Consortium, during the concession extension period resulting from the renegotiation of hydrological risk, as explained in Note 11 - Intangible assets, the Company has 100% of the physical guarantee of the plant. Further information on the participation of ENGIE and its subsidiaries in consortia is available in Note 11 – Property, plant and equipment to the financial statements as of 12.31.2022.

## a.4) Authorizations

| Authorizations | Authorization holder | Length (km) | Total contracts | Compression stations | Start of authorization | Expiration of authorization |
|---|---|---|---|---|---|---|
| **Gas pipelines** | | | | | | |
| Transportadora Associada de Gás (TAG) | Transportadora Associada de Gás (TAG) | 4,500 | 5 | 11[1] | 06.2019 | Indeterminate |

(1) TAG has 11 compression stations, of which six are own and five are contracted.

TAG operates its gas pipeline structures under the authorization system, whose expiry from 2039 to 2041 was ratified by Federal Law 14,134/2021 ("New Gas Law"). The Gas Law ceased to establish specific duration of authorizations, and the hypotheses for revocation provided in said law apply. In addition, assets and facilities allocated for gas transportation are no longer linked to the respective authorization and hence, there is no longer an obligation to return them to the Federal Government or decommission them after the end of authorization, revocation or extinction. Further information on authorization of TAG is available in Note 10 – Investments to the financial statements as of 12.31.2022.

| Authorizations | Authorization holder | Installed capacity (MW) | Physical guarantee (avg. MW) | Start of authorization | Expiration of authorization | Obligations with termination of agreement | Notes |
|---|---|---|---|---|---|---|---|
| **Cogeneration plants** | | | | | | | |
| Ibitiúva Bioenergética | Andrade Consortium[1] | 33 | 7 | 04.2000 | 04.2030[4] | Transfer to partner[4] | 10 and 11 |
| Lages | Lages | 28 | 13 | 10.2002 | 10.2032 | Demobilization | 10 and 11 |
| Ferrari | Ferrari Termoelétrica | 80 | 26 | 07.2007 | 07.2042[4] | Transfer to partner[4] | 10 and 11 |
| **SHPP** | | | | | | | |
| Rondonópolis | Tupan | 27 | 14 | 12.2002 | 12.2032 | Return of the asset | 10 and 11 |
| Engenheiro José Gelazio da Rocha | Hydropower | 24 | 12 | 12.2002 | 12.2032 | Return of the asset | 11 and 12 |
| **WPPs** | | | | | | | |
| Trairí Wind Power Complex | Complex's SPEs | 213 | 88 | 09.2011 and 01.2015[2] | 09.2041, 01 and 02.2045[2] | Demobilization | 10 and 11 |
| Campo Largo III, IV, VI and VII | CLWP WPPs | 119 | 58 | 07.2015 | 07.2050 | Demobilization | 10 and 11 |
| Campo Largo V e XXI | CLWP WPPs | 59 | 28 | 08.2015 | 08.2050 | Demobilization | 10 and 11 |
| Campo Largo I, II, XV, XVI and XVIII | CLWP WPPs | 148 | 74 | 05.2017 | 05.2052 | Demobilization | 10 and 11 |
| Campo Largo VIII-XIV, XVII, XIX, XX, XXII | CLWP WPPs | 361 | 192 | 12.2019 | 12.2054 | Demobilization | 10 and 11 |
| Tubarão R&D | ENGIE Brasil Energia | 2 | 0.3 | 05.2015 | Non-operational | Non-operational | 10 and 11 |
| Tubarão 2 R&D | ENGIE Brasil Energia | 4 | - | 02.2021 | Non-operational | Non-operational | 10 and 11 |
| Umburanas 1-3,5-6,9-11, 13, 15-16,18 | Umburanas WPPs | 233 | 141 | 08.2014 | 08.2049 | Demobilization | 10 and 11 |
| Umburanas 8 | Umburanas WPPs | 25 | 15 | 10.2014 | 10.2049 | Demobilization | 10 and 11 |
| Umburanas 17 | Umburanas WPPs | 22 | 13 | 07.2015 | 07.2050 | Demobilization | 10 and 11 |
| Umburanas 19, 21, 23 and 25 | Umburanas WPPs | 80 | 44 | 08.2015 | 08.2050 | Demobilization | 10 and 11 |
| Santo Agostinho 13,14,17 | Complex's SPEs | 87 | 45 | 05.2021 | 05.2056 | Demobilization | 10 and 11 |
| **WPPs – Under construction** | | | | | | | |
| Santo Agostinho 1-6,13,14,17,18,21,25-27 | Complex's SPEs | 347 | 179.1 | 05.2021 | 05.2056 | Demobilization | 10 and 11 |
| Serra do Assuruá I to XXIV | Maracanã | 846 | 406 | 11.2021 | 11.2056 | Demobilization | 10 and 11 |
| **Photovoltaic power plants** | | | | | | | |
| Assú V Photovoltaic Complex | Assú V | 34 | 9 | 06.2016 | 06.2051 | Demobilization | 10 and 11 |
| Nova Aurora | ENGIE Brasil Energia | 3 | 0.3 | 04.2014 | Non-operational | Non-operational | 10 and 11 |
| Paracatu Photovoltaic Complex | Complex's SPEs | 132 | 34 | 06.2016 | 04.2051 and 06.2051[3] | Demobilization | 10 and 11 |
| Floresta Photovoltaic Complex | Complex's SPEs | 86 | 25 | 06.2016 | 06.2051 | Demobilization | 10 and 11 |
| **Photovoltaic solar plants – Under development** | | | | | | | |
| Assu Sol 1 to 16 Photovoltaic Complex | Complex's SPEs | 752 | - | 02.2022 | 02.2057 | Under development | 10 and 11 |

(1) Consortia are Ibitiúva Bioenergética S.A. (72.9%) and Tereos Açúcar e Energia Brasil S.A. (27.1%).
(2) Trairí Wind Power Complex is composed of two holding companies that hold SPEs with different operational start and end dates. Further information is available in Note 10 – Investments to the financial statements as of 12.31.2022.
(3) Paracatu Photovoltaic Complex is composed of four SPEs with different operation start and end dates. Further information is available in Note 10 – Investments to the financial statements as of 12.31.2022.
(4) At the end of termination of authorization, the assets will be transferred to partners through assignment without consideration and the consortia will be terminated. Regarding Ibitiúva, initially, the transfer of assets, including the authorization, to partners will occur in 02.2025, which can be extended as per contractual clauses. Regarding Ferrari, the transfer of assets, including the authorization, to the partner will occur in 02.2033, without the possibility of extension.

The Company has 22.9 MWa and 10.3 MWa of installed capacity and physical guarantee, respectively, at the Ibitiúva Bioenergética Cogeneration Plant, which corresponds to its share as shareholder and consortium member.

Further information on generation and transmission concessions and on authorizations is available in Note 1 – Operations of the financial statements as of 12.31.2022.

The main corporate and operational events occurred in the three-month period ended 06.30.2023 are as follows:




## b) Company's ratings

The following table shows the ratings assigned by rating agencies during 2023:

| Company | Risk Agency | Rating | Classification | Date |
|---|---|---|---|---|
| ENGIE Brasil Energia | Fitch Ratings | Long-term national rating | 'AAA(bra)' with stable outlook | 07.28.2023 |
| ENGIE Brasil Energia | Fitch Ratings | Long-term national rating – 6th, 7th, 9th and 10th issues of debentures | 'AAA(bra)' with stable outlook | 07.28.2023 |
| ENGIE Brasil Energia | Fitch Ratings | Long-term international rating in foreign currency | 'BB+' with stable outlook | 07.28.2023 |
| ENGIE Brasil Energia | Fitch Ratings | Long-term international rating in domestic currency | 'BBB-', with stable outlook | 07.28.2023 |

## c) Extension of concession period of Estreito Hydroelectric Power Plant ("Estreito HPP")

On 01.31.2023, Aneel approved the request from CESTE – Estreito Energy Consortium ("CESTE"), which operates the Estreito Hydroelectric Power Plant ("Plant" or "Estreito HPP"), represented by Companhia Energética Estreito ("CEE"), an ENGIE subsidiary, to extend the concession period of the Plant by 852 days. The decision also determined that the CCEE recalculate the concession period extension resulting from the renegotiation of the hydrological risk for the Plant, since the calculation must include the periods resulting from exclusions of liability granted pursuant to Federal Law 13,360/2016.

Said request is grounded by Federal Law 13,360, of November 17, 2016, whose Article 19 determines that in case of delay of commercial startup of a generation concession due to facts characterized as exclusions of liability, Aneel will extend the concession period for the same period in which the exclusion of liability occurred.

It was assessed that unforeseen events occurred during the implementation of Estreito HPP, which caused a delay in commercial startup of the Plant, namely: (i) the delay in the issue of Installation License by the Brazilian Institute of Environment and Renewable Natural Resources (Ibama); (ii) the loss of the hydrological window; and (iii) stoppages of construction work due to social movements. These facts had already been evaluated by Aneel and justified the change in the implementation schedule in 2009 and in 2011.

In May 2023, CCEE recalculated the extension period though CT-CCEE06666/2023, resulting in 620 additional days in relation to the previously calculated extension, due to the renegotiation of hydrological risk, and in the recognition of intangible asset in the amount of R$ 243,350. Further information is available in Note 11 – Intangible assets.

### d) Conclusion of installation of Gralha Azul ("Gralha Azul") and Novo Estado ("Novo Estado") Transmission Systems

In February 2023, the Gralha Azul Transmission System started full operations after energizing the stretch comprising the urban and rural regions of the cities of Ponta Grossa, Imbituva and Irati. Gralha Azul's first lines were energized in 2021, 16 months earlier than established in the concession agreement.

In the same period, Novo Estado Transmissora concluded the installation of the Novo Estado Transmission System after energizing the transmission lines between the Xingu and Serra Pelada substations, the last phase for Novo Estado to become fully operational. Commercial operations started in December 2021 and concluded within the period established by Aneel.

### e) Operational startup of Santo Agostinho Wind Power Complex

On 03.23.2023, the Company was authorized by Aneel to start commercial operations of generation unit 1 of Santo Agostinho Wind Farm 14, with installed capacity of 6.2 MW, in the six-month period ended 06.30.2023 the Company has total installed capacity of 18.6 MW in operation, which is part of the Santo Agostinho Wind Power Complex, a project consisting of 14 wind farms, with 70 wind turbines and total installed capacity of 434 MW.

### f) Sale of subsidiary

In line with the Company's decarbonization strategy, on 09.15.2022, the Company and ENGIE Brasil Energia Comercializadora Ltda. ("EBC") signed a SPA with the buyers Grafito Fundo de Investimento em Participações Multiestratégia ("Grafito") and Perfin Space X Fundo de Investimento em Participações em Infraestrutura ("Space X"). The SPA rules the acquisition, by the buyers, of all the shares held by the sellers in Usina Termelétrica Pampa Sul S.A. ("Pampa Sul"), which holds all the assets and rights of the Pampa Sul Thermal Power Plant ("Pampa Sul TPP" or "Plant").

The Pampa Sul TPP, located in Candiota, Rio Grande do Sul, uses charcoal as the source of energy. The Plant, with installed capacity of 345.0 MW and gross physical guarantee of 323.5 MWa, sold 294.5 MWa under a 25-year agreement at the 20th New Energy Auction (A-5/2014) and started commercial operations on 06.28.2019.

The execution of the SPA by the Company was approved at the Board of Directors Meeting held on 09.15.2022. On 09.30.2022, since the requirements of CPC 31 – "*Ativo não circulante mantido para venda e operações descontinuadas*" were met, the Company started recording the assets and liabilities of Pampa Sul in the "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale" groups, respectively.

On 05.31.2023, after the fulfillment of conditions precedent, the sale was concluded. On that date, Pampa Sul ceased to be a subsidiary of the Company and is no longer consolidated in the books. On 05.31.2023, the Company booked R$ 409,307 as revenue from the sale of the subsidiary, of which R$ 409,307 corresponds to the estimated amount to be received in the future, adjusted by IPCA. This amount is shown under "Other current assets." The transaction resulted in a net negative effect of R$ 45,508 added to impairment booked earlier. Further information is available in Note 9 – Investments.

### g) Issue of preferred shares of indirect subsidiary

On 06.07.2023, an Investment Agreement in Maracanã Geração de Energia e Participações S.A. ("Maracanã") was entered into between its subsidiary Engie Brasil Energias Complementares Participações Ltda. ("Engie Energias Complementares") and Itaú Unibanco S.A. ("Investor"), with the consent of Maracanã and other parties, which governs, *inter alia*, the subscription by the Investor to new preferred shares issued by the indirect subsidiary Maracanã, in the amount of R$ 1,000,000, representing 100% of preferred shares and 12.34% of the capital stock of Maracanã. Further information is available in Note 9 – Investments.

### h) Participation in Transmission Auction 01/2023

On 06.30.2023, at the Transmission Auction 01/2023 held by Aneel, the Company won Lot 5, located in the states of Bahia, Minas Gerais and Espírito Santo, totaling approximately 1,006 km of transmission lines. The RAP submitted by the Company was R$ 249,300, which represents a discount of 42.8% from the maximum revenue of R$ 435,900 determined by Aneel.

The concession period of the public transmission service, including licensing, construction, operation and maintenance of transmission facilities, will be 30 years from the date of execution of the Concession Agreement.

### i) Impacts of the war in Ukraine

After four months of crisis with the West, Russia decided to attack Ukraine on 02.24.2022, sparking the most serious military conflict in Europe since World War II.

This has drawn economic sanctions on Russia, such as: (i) sanctions on the financial services sector; (ii) restrictions against the energy sector; (iii) geographic restrictions; (iv) restrictions on doing business in Russia; (v) controls and exports; and (vi) similar restrictions against Belarus.

The main impact is the increase in the prices of oil, natural gas, grains and other commodities, since the sudden decline in the supply of these products has raised prices on the international market. Depending on the magnitude and duration of the war, the impact on the economy can be severe, which could reduce prospects for economic growth.

In the six-month period ended 06.30.2023, the Company did not observe any impacts of the war at Ukraine on its individual and consolidated financial statements. The Company does not have contracts with any of the parties involved in the conflict. In addition, provided the war does not worsen, the Company does not estimate significant effects in its results that could compromise the operational capacity and implementation of its projects.

## NOTE 2. PRESENTATION OF FINANCIAL STATEMENTS

The Company's quarterly information was prepared in compliance with Accounting Pronouncement CPC 21 – Demonstração Intermediária (Interim Financial Statements), and the consolidated quarterly information (ITR) is simultaneously presented in accordance with the international standard IAS 34 – Interim Financial Reporting and with CPC 21.

The Brazilian accounting standards are convergent with the IFRS standards, except for the recording in the parent company's balance sheet (i) of the joint ventures which, under Brazilian rules, are recognized by the equity method, whereas, according to IFRS and its rules applicable to joint ventures, it stipulates that assets, liabilities and profit or loss are recognized in proportion to its share in the joint venture; and (ii) capitalization of interest on loans in the parent company whose qualifying asset is in a subsidiary, which in the parent company's accounting statements impact the investment pursuant to Brazilian accounting standards, while there is no provision for this accounting in the individual accounting statements as per IFRS.

The quarterly information was also prepared in accordance with the rules of the Securities and Exchange Commission of Brazil (CVM), using amortized historical cost as base value, except for the fair value assessment of certain financial instruments, when required by the rules.

There is no difference between shareholders' equity and the parent company and consolidated results included, respectively, in the individual and consolidated (ITR) financial statements. There is also no difference between the basic and diluted net earnings per share, since no shares were issued with diluting effects in the periods reported.

While preparing the quarterly information, the Company Management uses estimates to record certain transactions that affect its assets, liabilities and expenses.

The content and values of certain notes presented in the financial statements of fiscal year ended 12.31.2022 that did not require significant updates were not reported again in the quarterly information of 06.30.2023. This quarterly information, therefore, must be read jointly with the financial statements of 12.31.2022.

The accounting practices and calculation methods adopted while preparing the quarterly information of 06.30.2023, as well as the main judgments and uncertainties in the estimates used in the application of the accounting practices, were the same adopted to prepare the financial statements of fiscal year ended 12.31.2022. Moreover, in the 2nd quarter of 2023, the following accounting practices were adopted due to the issue of preferred shares by the indirect subsidiary Maracanã Geração de Energia e Participações S.A.

**Issue of preferred shares**

Transactions with non-controlling shareholders not resulting in loss of control are booked as equity transactions. Since June 2023, the Company has held a call option arising from the issue of preferred shares by the indirect subsidiary Maracanã Geração de Energia e Participações S.A.

The fair value measurement of these instruments considers non-observable data inputs and, therefore, is classified as level 3 in the fair value hierarchy. Data is non-observable since the purchase price, if the Company decides to exercise its right, is calculated on the updated investment amount paid by the shareholder after deducting the updated net earnings received. Non-controlling shareholder does not hold the put option. Further details are available in Note 9 – Investments, item e.

## a) Standards and changes applicable to the Company starting from 01.01.2023

As of 01.01.2023, the following pronouncements are in force:

| Revision and Standards impacted | IASB Correlation | Publication date (Brazil)/ Status | Applicable starting | Accounting impacts |
|---|---|---|---|---|
| **Technical Pronouncement CPC 50** | | | | |
| This Pronouncement replaces the standard currently in effect addressing Insurance contracts (CPC 11). | IFRS 17 | 05.07.2021 | 01.01.2023 | Not applicable to the Company |
| **Revision of Technical pronouncements No. 20** | | | | |
| Technical Pronouncements CPC 11 – *Contratos de seguro*; CPC 15 (R1) – *Combinação de negócios*; CPC 21 (R1) – *Demonstração intermediária*; CPC 23 – *Políticas contábeis, mudança de estimativa e retificação de erro*; CPC 26 (R1) – *Apresentação das demonstrações contábeis*; CPC 27 – *Ativo imobilizado*; CPC 32 – *Tributos sobre o lucro*; CPC 37 (R1) – *Adoção inicial das normas internacionais de contabilidade*; CPC 30 (R1) – *Instrumentos financeiros: evidenciação*; CPC 37 – *Receita de contrato com cliente*; and CPC 39 – *Contabilização e relatório contábil de planos de benefício de aposentadora.* | Classification of Liabilities as Current or Non-current; Extension of the Temporary Exemption from applying IFRS 9; Definition of Accounting Estimates; Disclosure of Accounting Policies; and Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 03.01.2022 | 01.01.2023 (adjustment to CPC 37, in effect immediately) | No significant impacts |
| **Revision of Technical pronouncements No. 21** | | | | |
| Technical Pronouncements CPC 01 (R1) – *Redução ao valor recuperável de ativos*; CPC 03 (R2) – *Demonstração dos fluxos de caixa*; CPC 03 (R1) – *Ativo intangível*; CPC 15 (R1) – *Combinação de negócios; CPC 18 (R2) – Investimento em coligada, em controlada e empreendimento controlado em conjunto*; CPC 25 – *Provisões, passivos contingentes e ativos contingentes*; CPC 26 (R1) – *Apresentação das demonstrações contábeis*; CPC 27 – *Ativo imobilizado*; CPC 28 – *Propriedade para investimento*; CPC 31 – *Ativo não circulante mantido para venda e operação descontinuada*; CPC 33 (R1) – *Benefícios a empregados*; CPC 37 (R1) – *Adoção inicial das normas internacionais de contabilidade*; CPC 39 – *Instrumentos financeiros: apresentação*; CPC 30 (R1) – *Instrumentos financeiros: evidenciação*; CPC 37 – *Receita de contrato com cliente*; CPC 38 – *Instrumentos financeiros*; and CPC 50 – *Contratos de seguro*. | IFRS 9 and IFRS 17 | 11.03.2022 | 01.01.2023 | Not applicable to the Company |
| **Amendment to IFRS 16** | | | | |
| IASB issued amendments related to lease agreements in sale and leaseback transactions. | IFRS 16 | Issued by IASB | 01.01.2023 | Not applicable to the Company |

The adoption of the changes in these standards did not result in material impacts on the individual and consolidated quarterly information of 06.30.2023.

## b) Approval of the quarterly information

This ITR was approved at the Board of Directors Meeting held on 08.08.2023.

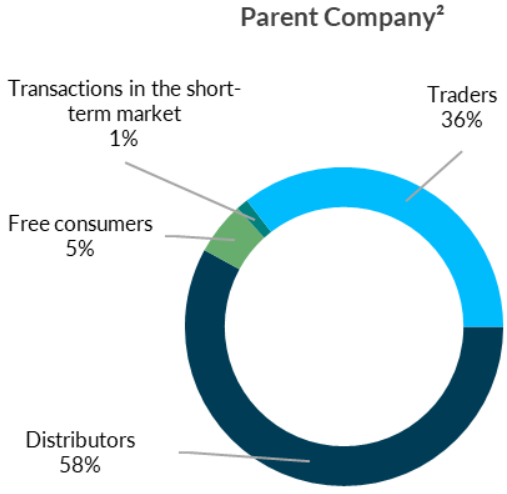
## NOTE 3. CASH AND CASH EQUIVALENTS

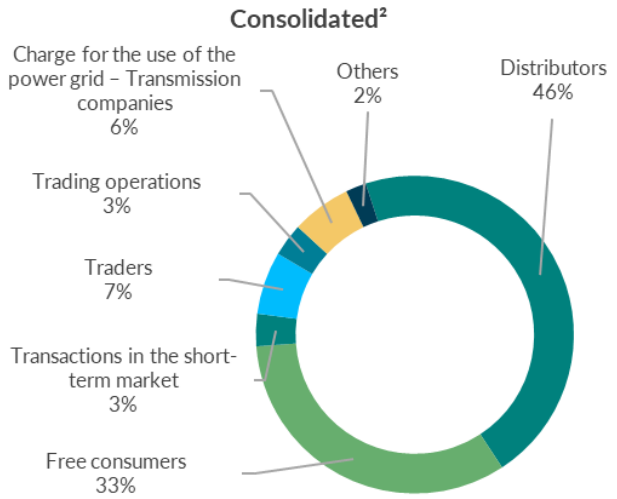
| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| **Cash and bank deposits** | **8,427** | **10,778** | **93,360** | **89,742** |
| **Marketable securities** | | | | |
| Exclusive investment fund | | | | |
| Repurchase transactions backed by federal bonds | 2,086,995 | 309,757 | 4,619,824 | 2,105,510 |
| Other marketable securities | 579 | 470 | 40,628 | 40,635 |
| | **2,087,574** | **310,227** | **4,660,452** | **2,146,145** |
| | **2,096,001** | **321,005** | **4,753,812** | **2,235,887** |

## NOTE 4. TRADE ACCOUNTS RECEIVABLE

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Distributors | 296,367 | 305,762 | 458,543 | 470,087 |
| Free consumers | 27,481 | 36,095 | 326,556 | 376,507 |
| Traders | 181,757 | 140,944 | 64,091 | 84,422 |
| Charge for the use of the power grid – Transmission companies | - | - | 60,843 | 48,197 |
| Trading operations | - | - | 33,604 | 50,086 |
| Transactions in the short-term market | 6,181 | 70,658 | 33,089 | 102,078 |
| Others | - | - | 20,968 | 20,853 |
| Allowance for expected losses | (6,180) | (6,180) | (9,113) | (9,113) |
| **Current assets** | **505,606** | **547,279** | **988,581** | **1,143,117** |
| Free Consumers | - | - | 5,387 | 5,402 |
| Distributors | 748 | 748 | 748 | 748 |
| **Non-current assets[1]** | **748** | **748** | **6,135** | **6,150** |
| | **506,354** | **548,027** | **994,716** | **1,149,267** |

(1) The amounts refer to trade accounts receivable in the long term are presented as part of "Other non-current assets."




(2) the amounts related to allowance for credit loss represent 1% of total amount of the parent company and consolidated.

The breakdown of overdue accounts receivable recorded under current assets is as follows:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Overdue up to 30 days | - | - | 576 | 6,691 |
| Overdue more than 30 days | | | | |
| With estimated losses recognized | 6,180 | 6,180 | 9,113 | 9,113 |
| Other | 211 | 50 | 7,514 | 11,556 |
| | **6,391** | **6,230** | **17,203** | **27,360** |

## NOTE 5. RESTRICTED DEPOSITS

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Guarantees for negative balance at CCEE | 32,562 | 30,877 | 34,353 | 32,575 |
| Reinvestment deposits | 5,080 | - | 13,152 | 1,944 |
| Financing guarantees | - | - | 8 | 8 |
| **Current assets** | **37,642** | **30,877** | **47,513** | **34,527** |
| Financing guarantees | 11,405 | 10,741 | 311,312 | 229,090 |
| Others | - | - | 7,241 | 6,880 |
| **Non-current assets** | **11,405** | **10,741** | **318,553** | **235,970** |
| | **49,047** | **41,618** | **366,066** | **270,497** |

## NOTE 6. CONCESSION FINANCIAL ASSET

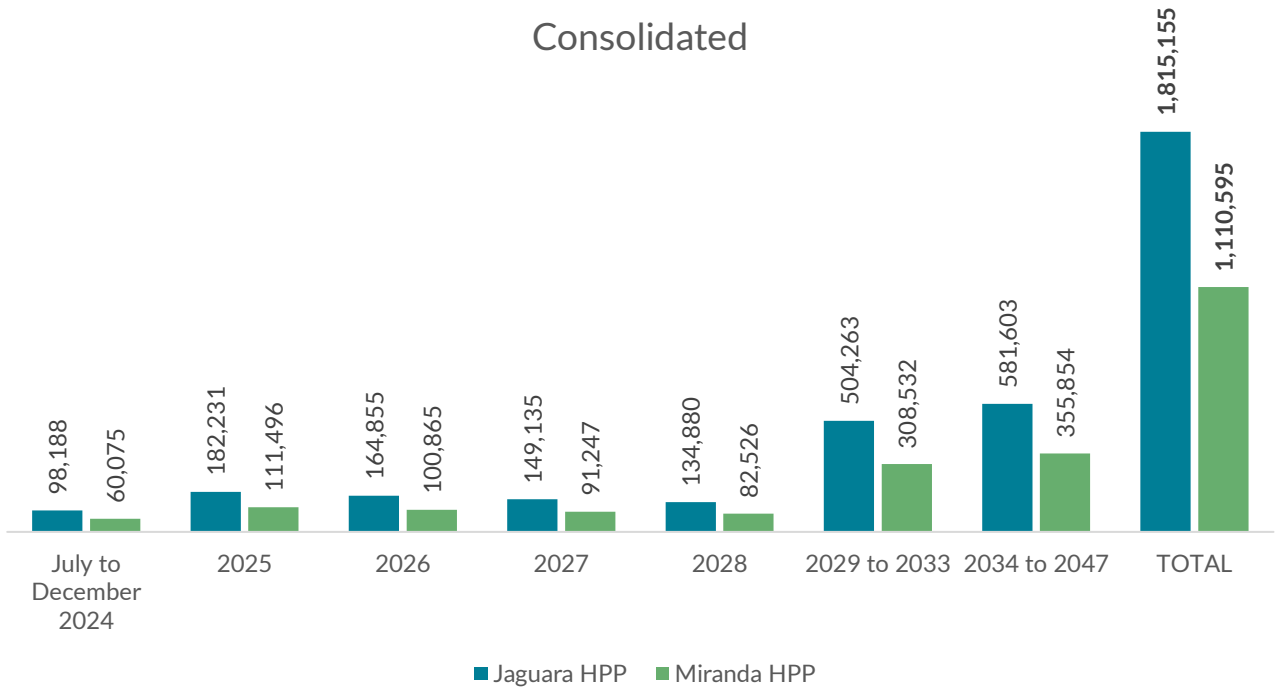
### a) Breakdown

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| Jaguara HPP | 231,761 | 1,815,155 | 2,046,916 | 225,704 | 1,772,176 | 1,997,880 |
| Miranda HPP | 141,800 | 1,110,595 | 1,252,395 | 138,098 | 1,084,299 | 1,222,397 |
| | **373,561** | **2,925,750** | **3,299,311** | **363,802** | **2,856,475** | **3,220,277** |

### b) Changes in concession financial assets

| | Consolidated | | |
|---|---|---|---|
| | Jaguara HPP | Miranda HPP | Total |
| **Balances at 12.31.2022** | **1,997,880** | **1,222,397** | **3,220,277** |
| Amounts received | (108,559) | (66,425) | (174,984) |
| Interest | 74,047 | 45,304 | 119,351 |
| Inflation adjustment | 83,548 | 51,119 | 134,667 |
| **Balances at 06.30.2023** | **2,046,916** | **1,252,395** | **3,299,311** |

### c) Realization profile of the concession financial asset presented under non-current assets




## NOTE 7. CONTRACT ASSET

### a) Breakdown

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| Novo Estado | 345,608 | 3,777,454 | 4,123,062 | 301,006 | 3,623,647 | 3,924,653 |
| Gralha Azul | 251,906 | 2,306,189 | 2,558,095 | 257,173 | 2,271,934 | 2,529,107 |
| Gavião Real | 2,478 | 4,771 | 7,249 | - | 195 | 195 |
| | **599,992** | **6,088,414** | **6,688,406** | **558,179** | **5,895,776** | **6,453,955** |

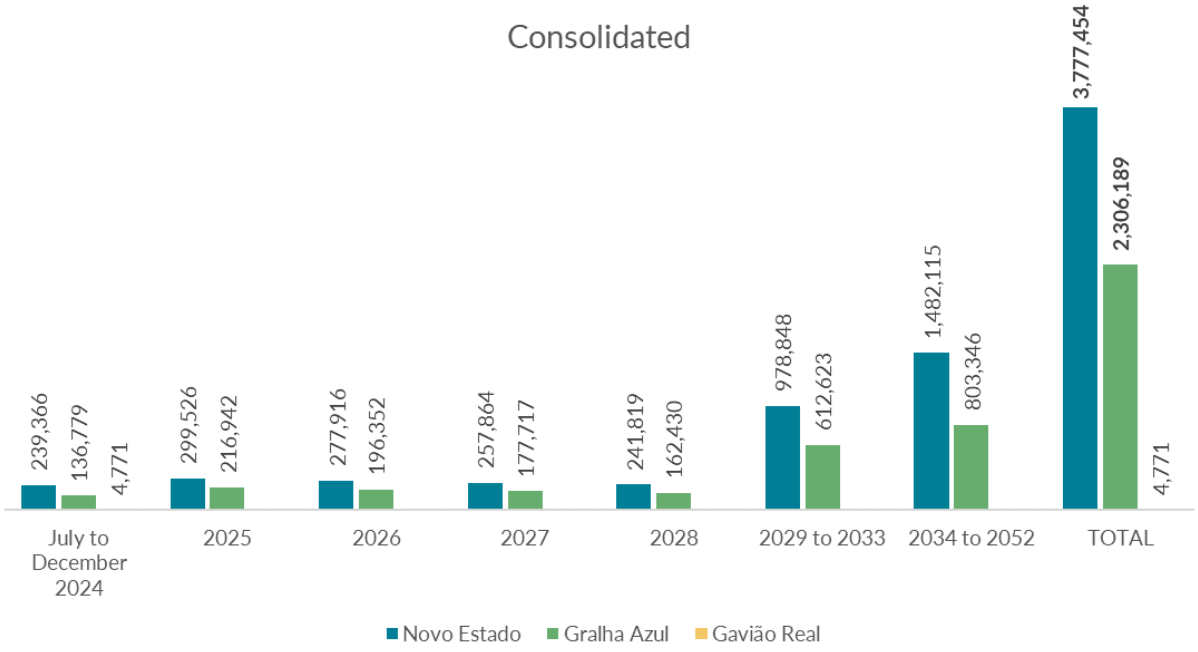
### b) Changes in contract asset

| | Consolidated | | | |
|---|---|---|---|---|
| | Novo Estado | Gralha Azul | Gavião Real | Total |
| **Balances at 12.31.2022** | **3,924,653** | **2,529,107** | **195** | **6,453,955** |
| Transmission infrastructure construction revenue | 160,531 | 11,200 | 6,866 | 178,597 |
| Gains (losses) due to efficiency (inefficiency) in construction | (15,090) | (1,433) | 65 | (16,458) |
| Interest rates | 113,586 | 95,050 | 81 | 208,717 |
| Inflation adjustment | 123,766 | 88,011 | 42 | 211,819 |
| Result of periodical tariff review | (39,268) | (24,508) | - | (63,776) |
| RAP amounts received in construction | (145,116) | (139,332) | - | (284,448) |
| **Balances at 06.30.2023** | **4,123,062** | **2,558,095** | **7,249** | **6,688,406** |

On June 26, 2023, the Novo Estado Transmission System obtained ONS' approval for the last Definitive Approval, now having the right to record 100% of its RAP. Moreover, in 2023, the Gralha Azul System obtained additional authorizations from the ONS for commercial operation, but some conditions are pending, which represented, on 06.2023, 98% of its monthly RAP.

On July 4, 2023, Aneel published ratification resolution No. 3,216, which includes the Periodical Tariff Review of Novo Estado and Gralha Azul. RTP mainly considers the structure of investments made and the capital remuneration rate, resulting in changes in the modifiers of future RAP amounts. The review occurs in the 5$^{th}$, 10$^{th}$ and 15$^{th}$ years after the auction. In view of the review, the contractual asset balance is adjusted to consider the new financial flow. As a result of the review, a loss of R$ 63,776 was registered in the Company's consolidated results.

### c) Realization profile of contract asset presented under non-current assets




## NOTE 8. OTHER ASSETS

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Sale of subsidiary | 413,290 | 52,287 | 413,290 | 52,287 |
| Right to reimbursement of ICMS on sale of electricity[1] | 107,080 | 106,097 | 107,080 | 106,097 |
| Tax credits recoverable[2] | 1,351 | 1,066 | 89,382 | 72,183 |
| Deferred income tax and social contribution[2] | - | - | 86,408 | 50,579 |
| Risk premium to be appropriated – renegotiation of hydrological risk | 57,748 | 64,256 | 77,962 | 85,507 |
| Inventories | 21,099 | 20,431 | 62,460 | 59,313 |
| Divestments and services in course | 31,486 | 33,773 | 55,445 | 29,539 |
| Prepaid expenses | 27,787 | 25,705 | 35,513 | 43,740 |
| Income tax and social contribution credit | 19,209 | 19,209 | 32,913 | 32,803 |
| Advances to employees | 6,445 | 5,414 | 6,691 | 5,667 |
| Trade accounts receivables[3] | 748 | 748 | 6,135 | 6,150 |
| Other amounts receivable | 57,030 | 50,253 | 84,792 | 107,630 |
| | **743,273** | **379,239** | **1,058,071** | **651,495** |
| **Classification in balance sheet** | | | | |
| Current assets | 541,509 | 191,273 | 676,803 | 318,872 |
| Non-current assets | 201,764 | 187,966 | 381,268 | 332,623 |
| | **743,273** | **379,239** | **1,058,071** | **651,495** |

(1) Further information is available in Note 17 – Provisions.
(2) Further information is available in Note 18 – Current and deferred income tax and social contribution.
(3) Further information is available in Note 4 – Trade accounts receivable.

### a) Risk premium to be appropriated – renegotiation of hydrological risk

In December 2015, Aneel approved the renegotiation of hydrological risk relating to the Company's plants whose energy was being sold in the ACR. As a condition for adhering to said agreement, the Company formally withdrew any lawsuit against Aneel that hampers the direct application of GSF mechanism.

The renegotiation rules established options to choose the hydrological risk level to be assumed by generators who, in turn, assume the commitment to pay a risk premium defined by Aneel during the term of the energy sale agreement within ACR. Based on the new risk level defined in the renegotiation, GSF for 2015 was recalculated, which resulted in an overpayment that has been offset by risk premiums calculated at the present value due by the Company.

## b) Sale of subsidiary

During the 1st quarter of 2023, the Company received R$ 50,934 from the sale of the subsidiary Diamante, of which R$ 1 million refers to interest and inflation adjustment.

In the 2nd quarter of 2023, the Company booked R$ 409,307 resulting from the disposal of the subsidiary Pampa Sul. This amount is adjusted for inflation by IPCA and should be received by December 2023. On 06.30.2023, the Company registered R$ 1,630 as interest and inflation adjustment. In addition, the sum of R$ 2,353 refers to amounts receivable from the sale of ENGIE Geração Solar Distribuída (EGSD) on 02.21.2022.

# NOTE 9. INVESTMENTS

## a) Breakdown

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Interest on subsidiaries | | | | |
| Measured at the equity method | | | | |
| Equity value of investment | 14,472,670 | 13,875,691 | 3,238,958 | 2,832,769 |
| | **14,472,670** | **13,875,691** | **3,238,958** | **2,832,769** |
| Goodwill from investment acquisition | 48,641 | 50,124 | - | - |
| Goodwill from expected future profitability | 173,654 | 173,654 | 173,654 | 173,654 |
| | **14,694,965** | **14,099,469** | **3,412,612** | **3,006,423** |

## b) Changes in investments evaluated through the equity method

| | Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Balance at 12.31.2022 | Capital increase | Capital decrease | Equity in earnings of subsidiaries | Dividends | OCI and capital reserve[1] | Sale of subsidiary[2] | Balances at 06.30.2023 |
| **Subsidiaries** | | | | | | | | |
| ECP[3] | **5,181,781** | 486,729 | - | 209,089 | (300,000) | (400,170) | - | **5,177,429** |
| CEE[4] | **1,363,952** | - | - | 336,288 | (7,586) | - | - | **1,692,654** |
| Jaguara[5] | **1,506,160** | 21,040 | - | 117,271 | (104,835) | - | - | **1,539,636** |
| ETP II[6] | **1,403,940** | 40,830 | (66,500) | 13,842 | - | - | - | **1,392,112** |
| Miranda[7] | **956,563** | 8,050 | - | 75,417 | (87,160) | - | - | **952,870** |
| EBC[8] | **345,195** | - | - | (92,897) | (60,000) | - | - | **192,298** |
| Pampa Sul[9] | **-** | 37,250 | - | 72,613 | - | - | (109,863) | **-** |
| Other | **94,899** | 6,150 | (10) | 15,278 | (24,431) | - | - | **91,886** |
| **Under shared control** | | | | | | | | |
| Itasa[10] | **190,432** | - | - | 5,317 | (922) | - | - | **194,827** |
| **Joint venture** | | | | | | | | |
| TAG[11] | **2,832,769** | - | - | 455,354 | (211,250) | 162,085 | - | **3,238,958** |
| | **13,875,691** | **600,049** | **(66,510)** | **1,207,572** | **(796,184)** | **(238,085)** | **(109,863)** | **14,472,670** |

(1) Equity income of other comprehensive income (loss) and capital reserve. For more information, see item c.1.1.
(2) Further information is available in item 'd– Sale of subsidiary'.
(3) ENGIE Brasil Energias Complementares Participações Ltda.
(4) Companhia Energética Estreito.
(5) Companhia Energética Jaguara.
(6) ENGIE Transmissão de Energia Participações II S.A.
(7) Companhia Energética Miranda.
(8) ENGIE Brasil Energia Comercializadora Ltda.
(9) Usina Termoelétrica Pampa Sul S.A.
(10) Itá Energética S.A.
(11) Transportadora Associada de Gás is a joint venture and hence it is not consolidated by the Company.

## b.1) Information on main subsidiaries

Key information about the subsidiaries is shown below:

| | | 06.30.2023 | | | | 2nd quarter of 2023 | | 6 months of 2023 | |
|---|---|---|---|---|---|---|---|---|---|
| | Interest (%) | Assets | Liabilities | Adjusted shareholders' equity | Capital | Net revenue | Adjusted net income (loss) | Net revenue | Adjusted net income (loss) |
| ECP | 99.99 | 12,785,298 | 6,891,772 | 6,133,610 | 4,671,270 | 405,140 | 72,704 | 821,819 | 209,546 |
| CEE | 99.99 | 2,094,042 | 401,388 | 1,692,654 | 989,380 | 148,330 | 245,386 | 308,109 | 336,288 |
| Jaguara | 99.99 | 2,616,370 | 1,076,734 | 1,539,636 | 875,449 | 120,141 | 49,100 | 267,071 | 117,271 |
| ETP II | 99.99 | 7,332,229 | 5,952,389 | 1,392,112 | 1,429,678 | 247,438 | (70,909) | 619,427 | 13,842 |
| Miranda | 99.99 | 1,656,064 | 703,194 | 952,870 | 590,713 | 77,532 | 30,314 | 170,920 | 75,417 |
| EBC | 99.99 | 638,369 | 446,071 | 192,298 | 10,038 | 1,089,186 | (61,970) | 2,143,401 | (92,897) |
| **Under shared control** | | | | | | | | | |
| Itasa | 48.75 | 435,514 | 35,869 | 399,645 | 350,136 | 48,195 | 5,711 | 96,011 | 10,906 |
| **Joint venture** | | | | | | | | | |
| TAG | 32.50 | 33,055,648 | 23,089,623 | 9,966,025 | 1,294,197 | 2,282,930 | 638,890 | 4,636,765 | 1,401,089 |

### b.1.1) Non-controlling shareholders

The non-controlling interest of Ibitiúva and Maracanã at 06.30.2023 in the shareholders' equity and the net income of ECP presented above was R$ 956,181 and R$ 457 (R$ 3,650 in shareholders' equity at 12.31.2022 and R$ 664 at 06.30.2022), respectively.

It is composed of the indirect subsidiary Maracanã Participações S.A., with Itaú Unibanco S.A. as non-controlling shareholder, holding 12.34%, in the amount of R$ 953,094 in shareholders' equity and R$ 320 in net loss, and the indirect subsidiary Ibitiúva, with Tereos Açúcar e Energia Brasil S.A. as non-controlling shareholder, holding 5.00% of its shares, in the amount of R$ 3,087 in shareholders' equity and R$777 in net income (R$ 3,650 on 12.31.2022 and R$ 664 on 06.30.2022).

### b.1.2) Capitalized amounts

In the table "Information on main subsidiaries", the amounts under "Adjusted shareholders' equity" and "Adjusted net income (loss)" include the items described below.

b.1.2.1) Loans, financing and debentures

ENGIE Brasil Energia took out loans and debentures to finance the construction of the Campo Largo, Umburanas Phase I, Campo Largo II and Santo Agostinho Phase I Wind Power Complexes and the Assú V Photovoltaic Power Plant, investments that are part of ECP, and of Pampa Sul. The interest on these debts is capitalized during the construction period of the Plants in the consolidated financial statements and recognized using the equity method in the parent company's financial statements. After the commercial startup, the amounts capitalized are amortized in the period corresponding to the amortization of property, plant and equipment.

The effects of these items are shown below:

| | Cost of capitalized debt, net of amortization | | | |
|---|---|---|---|---|
| | Shareholders' equity | | Net income (loss) | |
| | 06.30.2023 | 12.31.2022 | 2nd quarter of 2023 | 6 months of 2023 |
| ECP | 240,084 | 202,363 | 19,862 | 37,721 |
| Pampa Sul[1] | - | 259,241 | (1,586) | (3,964) |

(1) The Company was sold on 05.31.2023. For more information, see sub-item (d).

b.1.2.2) Redeemable preferred shares

In 2020, ETP II issued redeemable preferred shares and the cost of this issue was paid by its parent company ENGIE Brasil Energia, in the amount of R$ 15,250. This cost was capitalized in the consolidated financial statements and recognized in equity income (loss) in the parent company financial statements and is being amortized on a straight line basis until the redemption of shares. On 06.30.2023, the total amount capitalized was R$ 12,272 (R$ 12,813 at 12.31.2022). The amounts recognized in the 2nd quarter of 2023 and in the six-month period ended 06.30.2023 were R$ 271 and R$ 541, respectively.

## c) Information on subsidiaries

### c.1) Subsidiaries

#### c.1.1) ENGIE Brasil Energias Complementares Participações Ltda. ("ECP")

The capital increase in the subsidiary ECP was mainly allocated to investments in Santo Agostinho Wind Power Complex and Serra do Assuruá Wind Power Complex. Also, in 2023, the Company recognized R$ 380,370 in "Other comprehensive income" and R$ 19,800 in "Capital reserve," totaling R$ 400,170.

## d) Sale of subsidiary

In line with the strategy to decarbonize the Company, on 09.15.2022, a share purchase and sale agreement related to the shares of the subsidiary Pampa Sul was entered into between the Company and EBC, as sellers; and Grafito and Space X as buyers. With this, the requirements to classify the subsidiary as held for sale were met.

On 05.31.2023, after the conditions precedent established in SPA were fulfilled, the shares held by the Company and EBC in Pampa Sul were sold. On that date, the company ceased to be a subsidiary of the Company and is also not consolidated in the books. On 05.31.2023, the Company booked R$ 409,307 as revenue from the sale of the subsidiary, which corresponds to the estimated amount to be received in the future, adjusted by the IPCA. This amount is shown under "Other current assets."

Following is the reconciliation of the amounts shown in the parent company's results under "Reversal (recording) of provision for impairment of assets, net" and "Sale of subsidiary":

| | Amount |
|---|---|
| Reversal of impairment | 1,205,158 |
| | **1,205,158** |
| Revenue from sale of subsidiary | 409,307 |
| Net assets of subsidiary | (1,637,551) |
| Disposal costs | (22,422) |
| | **(1,250,666)** |
| **Result from sale** | **(45,508)** |

The main assets and liabilities of the subsidiary Pampa Sul[1] are shown below:

| | 05.31.2023 Book value[1] | | 05.31.2023 Book value |
|---|---|---|---|
| **CURRENT ASSETS** | | **CURRENT LIABILITIES** | |
| Cash and cash equivalents | 169,837 | Trade accounts payable | 53,845 |
| Trade accounts receivable | 45,431 | Debt instruments | 80,283 |
| Inventories | 166,206 | Deferred income tax and social contribution[1] | 131,506 |
| Other current assets | 34,195 | Other current liabilities | 31,305 |
| | **415,669** | | **296,939** |
| **NON-CURRENT ASSETS** | | **NON-CURRENT LIABILITIES** | |
| **Long-term assets** | | Debt instruments | 1,719,477 |
| Restricted deposits | 110,676 | Other non-current liabilities | 43 |
| Deferred income tax and social contribution | 33,662 | | **1,719,520** |
| Other non-current assets | 3,411 | | |
| | **147,749** | | |
| **Property, plant and equipment** | **3,085,704** | | |
| **Intangible assets** | **4,888** | | |
| | **3,238,341** | | |
| **Total assets** | **3,654,010** | **Total liabilities** | **2,016,459** |

(1) The book value considers Pampa's book values on 05.31.2023, adding interest on debt booked in the parent company.

### e) Issue of preferred shares

On 06.07.2023, an Investment Agreement was entered into between its subsidiary Engie Brasil Energias Complementares Participações Ltda. ("Engie Energias Complementares") and Itaú Unibanco S.A. ("Investor"), with the consent of the Company, Maracanã Geração de Energia e Participações S.A. ("Maracanã") and other parties, which governs, *inter alia*, the subscription by the Investor to the new preferred shares issued by the indirect subsidiary Maracanã, in the amount of R$ 1,000,000 (R$ 953,414 net of issuance costs), representing 100% of preferred shares and 12.34% of the capital stock of Maracanã.

The Company maintains, through its subsidiary ECP, a call option for all the preferred shares acquired by the non-controlling shareholder, which can be exercised between the third and twelfth year from the execution of the agreement. The measurement of this option is based on non-observable data, since the purchase price is calculated considering the investment amount adjusted by DI rate + 0.30% p.a. and deducting the earnings received by the non-controlling shareholder. The estimated value of the option does not have any direct financial advantage on June 30, 2023 and hence its value was not booked.

## NOTE 10. PROPERTY, PLANT AND EQUIPMENT

**PROPERTY, PLANT AND EQUIPMENT**

| | Average depreciation rate | | | Average depreciation rate | |
|---|---|---|---|---|---|
| | Parent Company | Consolidated | | Parent Company | Consolidated |
| Machinery and equipment | 3.5% | 3.7% | Furniture and fixtures | 6.3% | 6.3% |
| Reservoirs, dams and ducts | 2.7% | 2.8% | Vehicles | 14.3% | 14.3% |
| Buildings and improvements | 3.2% | 3.4% | Special obligations | 4.6% | 4.6% |
| Right of use of leases | 14.8% | 3.6% | | | |

## a) Breakdown

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Cost | Accumulated depreciation | Net amount | Cost | Accumulated depreciation | Net amount |
| **In service** | | | | | | |
| Machinery and equipment | 4,274,076 | (2,781,998) | 1,492,078 | 4,231,372 | (2,778,303) | 1,453,069 |
| Reservoirs, dams and ducts | 5,133,378 | (3,741,832) | 1,391,546 | 5,128,148 | (3,683,489) | 1,444,659 |
| Buildings and improvements | 1,285,905 | (945,187) | 340,718 | 1,285,953 | (930,116) | 355,837 |
| Right of use of leases | 37,087 | (23,518) | 13,569 | 37,087 | (20,512) | 16,575 |
| Furniture and fixtures | 9,203 | (5,530) | 3,673 | 9,038 | (5,352) | 3,686 |
| Vehicles | 1,402 | (1,224) | 178 | 1,402 | (1,193) | 209 |
| Special obligations | (43,122) | 12,987 | (30,135) | (43,122) | 12,054 | (31,068) |
| | **10,697,929** | **(7,486,302)** | **3,211,627** | **10,649,878** | **(7,406,911)** | **3,242,967** |
| **In progress** | | | | | | |
| Machinery and equipment | 57,763 | - | 57,763 | 83,150 | - | 83,150 |
| Advances to suppliers | 26,591 | - | 26,591 | 48,694 | - | 48,694 |
| Acquisitions to be apportioned | 16,024 | - | 16,024 | 21,674 | - | 21,674 |
| Reservoirs, dams and ducts | 1 | - | 1 | 1,211 | - | 1,211 |
| Buildings and improvements | 362 | - | 362 | 1 | - | 1 |
| | **100,741** | **-** | **100,741** | **154,730** | **-** | **154,730** |
| | **10,798,670** | **(7,486,302)** | **3,312,368** | **10,804,608** | **(7,406,911)** | **3,397,697** |

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Cost | Accumulated depreciation | Net amount | Cost | Accumulated depreciation | Net amount |
| **In service** | | | | | | |
| Machinery and equipment | 13,873,387 | (5,022,878) | 8,850,509 | 13,837,775 | (4,845,163) | 8,992,612 |
| Reservoirs, dams and ducts | 7,113,794 | (4,632,400) | 2,481,394 | 7,108,635 | (4,546,177) | 2,562,458 |
| Buildings and improvements | 1,790,150 | (1,145,656) | 644,494 | 1,782,051 | (1,120,308) | 661,743 |
| Right of use of leases | 209,614 | (43,558) | 166,056 | 209,730 | (38,247) | 171,483 |
| Furniture and fixtures | 11,998 | (6,325) | 5,673 | 11,617 | (6,099) | 5,518 |
| Vehicles | 4,055 | (3,429) | 626 | 4,050 | (3,308) | 742 |
| Special obligations | (43,247) | 12,987 | (30,260) | (43,247) | 12,054 | (31,193) |
| | **22,959,751** | **(10,841,259)** | **12,118,492** | **22,910,611** | **(10,547,248)** | **12,363,363** |
| **In progress** | | | | | | |
| Machinery and equipment | 335,579 | - | 335,579 | 330,287 | - | 330,287 |
| Reservoirs, dams and ducts | 1,654 | - | 1,654 | 2,120 | - | 2,120 |
| Buildings and improvements | 112,803 | - | 112,803 | 95,373 | - | 95,373 |
| Advances to suppliers | 1,745,926 | - | 1,745,926 | 1,089,817 | - | 1,089,817 |
| Acquisitions to be apportioned | 576,347 | - | 576,347 | 315,999 | - | 315,999 |
| | **2,772,309** | **-** | **2,772,309** | **1,833,596** | **-** | **1,833,596** |
| | **25,732,060** | **(10,841,259)** | **14,890,801** | **24,744,207** | **(10,547,248)** | **14,196,959** |

## b) Changes in property, plant and equipment

| | Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Machinery and equipment | Reservoirs, dams and ducts | Buildings and improvements | Right of use of leases | Other | Construction in progress | Special obligations | Total |
| **Balance at 12.31.2022** | **1,453,069** | **1,444,659** | **355,837** | **16,575** | **3,895** | **154,730** | **(31,068)** | **3,397,697** |
| Additions[1] | - | - | - | - | - | 48,295 | - | 48,295 |
| Transfers | 98,553 | 3,977 | (448) | - | 202 | (102,284) | - | - |
| Write-offs | (2,126) | (78) | - | - | (9) | - | - | (2,213) |
| Depreciation | (57,418) | (57,012) | (14,671) | (3,006) | (237) | - | 933 | (131,411) |
| **Balance at 06.30.2023** | **1,492,078** | **1,391,546** | **340,718** | **13,569** | **3,851** | **100,741** | **(30,135)** | **3,312,368** |

(1) Additions refer to modernization of the Salto Osório HPP.

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Machinery and equipment | Reservoirs, dams and ducts | Buildings and improvements | Right of use of leases | Other | Construction in progress | Special obligations | Total |
| **Balance at 12.31.2022** | **8,992,612** | **2,562,458** | **661,743** | **171,483** | **6,260** | **1,833,596** | **(31,193)** | **14,196,959** |
| Additions[1] | - | - | - | 967 | - | 993,250 | - | 994,217 |
| Inflow –Provision for demobilization | - | - | - | - | - | 196 | - | 196 |
| Reversal of estimates | - | - | - | - | - | (560) | - | (560) |
| Capitalized interest, inflation adjustment and depreciation[2] | - | - | - | - | - | 115,107 | - | 115,107 |
| Impairment[3] | (42,440) | - | - | - | - | - | - | (42,440) |
| Reversal of impairment[4] | 38,397 | - | - | - | - | - | - | 38,397 |
| Transfers | 141,291 | 3,979 | 6,839 | - | 506 | (152,615) | - | - |
| Sale of subsidiary[5] | (38,397) | - | - | (19) | - | (16,665) | - | (55,081) |
| Write-offs | (2,379) | (133) | - | (709) | (7) | - | - | (3,228) |
| Depreciation[6] | (238,575) | (84,910) | (24,088) | (5,666) | (460) | - | 933 | (352,766) |
| **Balance at 06.30.2023** | **8,850,509** | **2,481,394** | **644,494** | **166,056** | **6,299** | **2,772,309** | **(30,260)** | **14,890,801** |

(1) Additions mainly refer to: (i) R$ 623,529 for the construction of Santo Agostinho Wind Power Complex, which is in the final phase of construction and should start full commercial operations by the end of 2023; (ii) R$ 235,785 the construction of Maracanã, which should start operations gradually starting from the second half of 2024; (iii) R$ 57,643 for the construction of Assú Sol Photovoltaic Complex, which should start commercial operation in the second half of 2025; and (iv) R$ 48,295 for modernization of the Salto Osório HPP.
(2) Of this amount, R$ 204 refer to interest, inflation adjustment and capitalized depreciation related to the right of use of leases and leases payable.
(3) Impairment booked after the accident at the Paracatu Photovoltaic Complex. In April 2023, due to strong winds in the region of the Complex, a part of trackers and photovoltaic modules were damaged. The Company has agreements with insurers with coverage for material damages and loss of profit.
(4) Reversal of impairment related to the subsidiary Pampa Sul, allocated, for the purposes of consolidated financial statements, to property, plant and equipment.
(5) Sale of subsidiary, for more information, see Note 9 – Investments, item d.
(6) Of this amount, R$ 71 refer to capitalized depreciation, net of PIS and Cofins, related to the right of use of leases.

## NOTE 11. INTANGIBLE ASSETS

**INTANGIBLE ASSETS PARENT COMPANY**

Right to extend the concession — **until 2040**

Right to use assets — **until 2027**

**INTANGIBLE ASSETS CONSOLIDATED**

Right to extend the concession — **until 2048**

Project rights - Solar plant in operation — **until 2051**

Grant bonus Plants holding shares — **until 2048**

Project rights - Novo Estado — **until 2048**

Project rights - WPP in operation — **until 2054**

Right to use assets — **until 2027**

Right to purchase energy — **until 2023**

### a) Breakdown

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Cost | Accumulated amortization | Net amount | Cost | Accumulated amortization | Net amount |
| Right to extend the concession[1] | 2,397,705 | (295,279) | 2,102,426 | 2,397,705 | (232,118) | 2,165,587 |
| Right to use assets | 201,776 | (106,569) | 95,207 | 191,992 | (91,729) | 100,263 |
| | **2,599,481** | **(401,848)** | **2,197,633** | **2,589,697** | **(323,847)** | **2,265,850** |

(1) The right to extend concession arising from consortia will be amortized in the extension period to reflect the standard of consumption of future economic benefits.

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Cost | Accumulated amortization | Net amount | Cost | Accumulated amortization | Net amount |
| Right to extend the concession[1] | 2,795,518 | (297,570) | 2,497,948 | 2,552,169 | (233,186) | 2,318,983 |
| **Grant bonus - Plants holding shares** | | | | | | |
| Jaguara | 620,327 | (116,895) | 503,432 | 620,327 | (106,581) | 513,746 |
| Miranda | 411,223 | (77,491) | 333,732 | 411,223 | (70,654) | 340,569 |
| | **1,031,550** | **(194,386)** | **837,164** | **1,031,550** | **(177,235)** | **854,315** |
| **Project rights – under operation** | | | | | | |
| WPPs in operation | 110,793 | (17,245) | 93,548 | 110,793 | (15,432) | 95,361 |
| SPP in operation | 29,538 | (5,063) | 24,475 | 29,538 | (4,556) | 24,982 |
| Novo Estado transmission system | 236,021 | (3,139) | 232,882 | - | - | - |
| | **376,352** | **(25,447)** | **350,905** | **140,331** | **(19,988)** | **120,343** |
| **Project rights – under development** | | | | | | |
| WPPs under construction/development | 353,258 | - | 353,258 | 353,258 | - | 353,258 |
| SPP under construction/development | 39,897 | - | 39,897 | 39,897 | - | 39,897 |
| Novo Estado transmission system | - | - | - | 236,021 | - | 236,021 |
| | **393,155** | **-** | **393,155** | **629,176** | **-** | **629,176** |
| | **769,507** | **(25,447)** | **744,060** | **769,507** | **(19,988)** | **749,519** |
| Right to use assets | 340,895 | (135,570) | 205,325 | 326,663 | (118,942) | 207,721 |
| Right to purchase energy | 64,561 | (62,356) | 2,205 | 64,561 | (60,155) | 4,406 |
| | **5,002,031** | **(715,329)** | **4,286,702** | **4,744,450** | **(609,506)** | **4,134,944** |

(1) The right to extend concession arising from consortia will be amortized in the extension period to reflect the standard of consumption of future economic benefits.

## b) Changes in intangible assets

| | Parent company | | |
|---|---|---|---|
| | Right to extend concession | Right to use assets | Total |
| **Balances at 12.31.2022** | **2,165,587** | **100,263** | **2,265,850** |
| Addition | - | 9,768 | 9,768 |
| Amortization | (63,161) | (14,824) | (77,985) |
| **Balances at 06.30.2023** | **2,102,426** | **95,207** | **2,197,633** |

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | Right to extend concession | Grant bonus | Project rights | Right to use assets | Energy purchase rights | Total |
| **Balances at 12.31.2022** | **2,318,983** | **854,315** | **749,519** | **207,721** | **4,406** | **4,134,944** |
| Addition[1] | 243,349 | - | - | 14,217 | - | 257,566 |
| Amortization | (64,384) | (17,151) | (5,459) | (16,613) | (2,201) | (105,808) |
| **Balances at 06.30.2023** | **2,497,948** | **837,164** | **744,060** | **205,325** | **2,205** | **4,286,702** |

(1) The addition of R$ 243,349 refers to the extension of concession period. Further details are available in item b.1 below.

## b.1) Extension of concession period

Law 13,360/16 determines that Aneel extend the original concession period based on the same number of days of events of exclusion of liabilities of the agent recognized by the regulatory body. Based on this law, Technical Note 877/2022–SCG/SFG/ANEEL was approved by the Board of Aneel on January 31, 2023, determining that the days of extension of concession period due to exclusion of liability also change the GSF Extension days. On April 27, 2023, Aneel issued Circular 281/2023-SRG-SCG/ANEEL, requesting CCEE to analyze the calculations of concession extensions so that they are recalculated in time, increasing the concession period of Estreito HPP by 852 days. Said calculation was carried out by CCEE in the document CT-CCEE06666/2023, published on May 10, 2023, adding 620 days to the previously calculated extension.

Thus, in 2Q23, intangible assets were recognized, corresponding to the right of concession extension, in the amount of R$ 243,349, as a corresponding entry to “Extension of concession period” in the statement of income, in the amount of R$ 239,297 million, and concessions payable in the amount of R$ 4,052. The Company adopted the same accounting practice used for the Renegotiation of Hydrological Risk, concluded on January 31, 2021.

## NOTE 12. SUPPLIERS

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Suppliers of property, plant and equipment and intangible assets | 26,772 | 14,867 | 255,620 | 156,636 |
| Electricity purchased for resale | 42,094 | 48,165 | 130,757 | 129,650 |
| Suppliers of materials and services | 58,067 | 37,060 | 122,439 | 106,767 |
| Charges for the use of the power grid | 42,035 | 41,570 | 69,647 | 63,470 |
| Transactions in the short-term market | 29,223 | - | 40,145 | 1,203 |
| Trading operations | - | - | 35,566 | 53,296 |
| Leases payable | 5,324 | 8,529 | 22,269 | 23,990 |
| Fossil fuels and biomass | - | - | - | 386 |
| **Current liabilities** | **203,515** | **150,191** | **676,443** | **535,398** |
| Leases payable | 16 | 815 | 130,474 | 131,708 |
| Suppliers of property, plant and equipment and intangible assets | 6,650 | 7,471 | 12,188 | 15,221 |
| Suppliers of materials and services | - | - | 7,241 | 6,880 |
| **Non-current liabilities** [1] | **6,666** | **8,286** | **149,903** | **153,809** |
| | **210,181** | **158,477** | **826,346** | **689,207** |

(1) The amounts related to trade accounts payable in the long term are presented as part of “Other non-current liabilities.”

The Company's average payment term is approximately 30 days, and no interest is charged on the balances, except for estimated future disbursements of property, plant and equipment, shown under the items "Suppliers property, plant and equipment and intangible assets", whose expected payment reflects the difference between current and non-current liabilities.”

## NOTE 13. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In order to conduct more efficiently risk evaluation and monitoring process in its business, the Company has the Risk Management Forum, which is responsible for: (i) internally promote the awareness on risk treatment; (ii) define goals and guidelines for its management; (iii) promote and suggest improvements in its evaluation processes; and (iv) classify and define control procedures.

In the six-month period ended 06.30.2023, there was no change in the risks to which the Company and its subsidiaries are exposed or in the management and measurement of these risks, when compared to those presented in Note 14 – Risk management and financial instruments of the financial statements of 12.31.2022.

## a) Hedge operations

Derivative financial instruments and hedge operations are the following:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| **Derivative financial instruments - hedge** | | | | |
| **Non-current assets** | | | | |
| Cash flow hedge - obligations | - | - | - | 31,981 |
| | - | - | - | **31,981** |
| **Long positions** | - | - | - | **31,981** |
| **Current liabilities** | | | | |
| Fair value hedge – loans and debentures | (101,676) | (73,369) | (101,676) | (94,625) |
| Cash flow hedge - obligations | - | - | (253,547) | (31,288) |
| | **(101,676)** | **(73,369)** | **(355,223)** | **(125,913)** |
| **Non-current liabilities** | | | | |
| Fair value hedge – loans and debentures | (180,787) | (114,725) | (180,787) | (114,725) |
| Cash flow hedge – obligations | - | - | (169,945) | (43,815) |
| | **(180,787)** | **(114,725)** | **(350,732)** | **(158,540)** |
| **Short positions** | **(282,463)** | **(188,094)** | **(705,955)** | **(284,453)** |
| **Net positions** | **(282,463)** | **(188,094)** | **(705,955)** | **(252,472)** |
| Fair value hedge – loans and debentures | (282,463) | (188,094) | (282,463) | (209,350) |
| | **(282,463)** | **(188,094)** | **(282,463)** | **(209,350)** |
| **Cash flow hedge - obligations** | - | - | **(423,492)** | **(43,122)** |
| **Net positions** | **(282,463)** | **(188,094)** | **(705,955)** | **(252,472)** |

### a.1) Hedge operations on loans and debentures

At 06.30.2023, the Company held no relevant financial obligation denominated in foreign currencies whose exchange variation was not fully hedged against.

The table below presents the net changes in hedge operations on loans and debentures:

| | Parent Company | Consolidated |
|---|---|---|
| **Liabilities at 12.31.2022** | **(188,094)** | **(209,350)** |
| Interest and inflation adjustments | (120,603) | (120,946) |
| Exchange variation | (160,029) | (160,029) |
| Fair value adjustment through profit or loss | 24,584 | 22,938 |
| Repayment of principal | 27,268 | 54,095 |
| Repayment of interest | 134,411 | 130,829 |
| **Liabilities at 06.30.2023** | **(282,463)** | **(282,463)** |

## a.2) Cash flow hedge operations on obligations

The Company maintained on 06.30.2023 NDF contracted to hedge all of its future foreign currency payments resulting from contractual commitments in the construction agreements of the Serra do Assuruá Wind Power Complex. NDF were contracted on 09.21.2022 and the notional value on 06.30.2023 was US$ 145,827 thousand, € 81,425 thousand, INR (Indian rupee) 992,493 thousand and CN¥ (Hong Kong renminbi) 650,511 thousand, from HSBC, BNP Paribas, Itaú, XP Investimentos and Bank of America, and mature between February and November 2024.

Moreover, the Company maintained on 06.30.2023 NDF contracted to hedge all of its future foreign currency payments resulting from contractual commitments in the construction agreements of the Assú Sol Photovoltaic Complex. The NDFs were contracted on 11.21.2022 and the notional value on 06.30.2023 was US$ 244,368 thousand, from Bradesco, HSBC and Itaú, and mature between November 2023 and June 2025.

On 06.30.2023, unrealized gains of NDF totaled a long position, net of R$ 130,017 (R$ 43,122 on 12.31.2022). The corresponding entry is directly recognized in shareholders' equity under "Other comprehensive income". The companies in the Santo Agostinho Wind Power Complex and Serra do Assuruá Photovoltaic Complex follow the presumptive tax regime. Therefore, the Company does not constitute deferred income taxes on the effects of this operation.

## a.3) Unrealized losses on cash flow hedge operations

Unrealized losses in cash flow hedge operations originated in the period presented in the "Statement of comprehensive income" are:

| | Consolidated |
|---|---|
| | 06.30.2023 |
| Cash flow hedge – loans | (380,370) |
| **Unrealized losses from CFH operations** | **(380,370)** |

## b) Sensitivity analysis of the exposure to risks related to interest rates and floating rates and foreign currency quotation variation

The Company presents a sensitivity analysis on its financial instruments exposed to interest rate variation risks and floating rate risks. The probable basic scenario for 06.30.2024 was defined using the following assumptions available in the market (Source: Central Bank of Brazil Market Readout):

| | Change 12 months | Probable Scenario | Sensitivity | | |
|---|---|---|---|---|---|
| Risk of variation in interest rates and indices: | 06.30.2023 | 06.30.2024 | Probable | Δ + 25% (1) | Management |
| TJLP | 7.3% | 7.0% | -0.3 p.p. | 1.8 p.p. | 0.4 p.p. |
| CDI | 13.7% | 9.4% | -4.3 p.p. | 2.4 p.p. | -0.7 p.p. |
| IPCA | 3.2% | 4.2% | 1.0 p.p. | 1.1 p.p. | 0.2 p.p. |
| IGP-M | -6.9% | 3.9% | 10.8 p.p. | 1.0 p.p. | -0.2 p.p. |

(1) Variations on probable scenario for 2024.

The probable sensitivity was calculated based on the variation of indices in the last 12 months, observed on 06.30.2023, and those expected for the next 12 months, ending on 06.30.2024, and showed any additional impacts in the Company's consolidated profit or loss. Variations that could impact the consolidated result, and consequently the shareholders' equity in the following 12 months compared to the last 12 months, if the scenarios materialize in the Company's consolidated profit or loss. The other sensitivities shown were calculated based on (i) the variation of 25%; and (ii) Management's estimates of the projected scenario, which correspond to the Managements evaluation of reasonably possible change in interest rates and floating indexes for the following 12 months, are the following:

| | Balances at | Sensitivity | | |
|---|---|---|---|---|
| | 06.30.2023 | Probable | Δ + 25% | Management |
| **Risk of increase (liability)** | | | | |
| **Loans and financing** | | | | |
| IPCA | 9,875,596 | (81,555) | (83,399) | (13,832) |
| U.S. dollar – with swap to CDI rate | 1,445,153 | 58,091 | (34,115) | 9,453 |
| TJLP | 1,121,348 | 3,843 | (23,291) | (4,858) |
| **Debentures** | | | | |
| IPCA | 5,603,033 | (63,610) | (65,224) | (10,770) |
| **Redeemable preferred shares** | | | | |
| CDI | 627,521 | 21,291 | (12,492) | 3,458 |
| **Concessions payable (Use of Public Asset)** | | | | |
| IPCA | 3,846,255 | (38,384) | (39,900) | (7,670) |
| IGP-M | 1,546,226 | (156,382) | (14,246) | 2,846 |
| **Risk of decrease (asset)** | | | | |
| **Concession financial asset** | | | | |
| IPCA | 3,299,311 | 32,350 | (56,132) | 38,820 |

## c) Risk related to energy prices in trading operations

The balance sheets for outstanding trading transactions are presented below:

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Assets | Liabilities | Net gain | Assets | Liabilities | Net gain |
| **Classification in balance sheet** | | | | | | |
| Current | 157,887 | (142,913) | 14,974 | 209,928 | (189,932) | 19,996 |
| Non-current | 79,778 | (68,153) | 11,625 | 45,638 | (31,527) | 14,111 |
| | **237,665** | **(211,066)** | **26,599** | **255,566** | **(221,459)** | **34,107** |

The variation in the balances for outstanding trading transactions is follows:

| | Consolidated |
|---|---|
| **Balances at 12.31.2022** | **34,107** |
| Unrealized loss recognized for the year | (7,508) |
| **Balances at 06.30.2023** | **26,599** |

### c.1) Sensitivity analysis regarding trading operations

The main risk factor impacting prices in trading operations is the exposure to energy market prices.

In the decision-making process related to trading activities, the Company management uses sensitivity analysis considering the percentiles of historical volatility of energy prices for the product.

Percentiles are measures that divide the sample, by ascending order of data, in 100 parts, each one with an approximately equal percentage, considering, in this case the historical price volatility of each energy product. Therefore, the 25$^{th}$ percentile (P25) and the 75$^{th}$ percentile (P75) determine the extreme 25% and 75% lower prices observed, respectively.

The sensitivity analyses considering this methodology are shown below:

| | Consolidated | | |
|---|---|---|---|
| | 06.30.2023 | P25 Scenario | P75 Scenario |
| Derivative financial instruments - trading | 26,599 | 27,799 | 26,277 |

The variation in the discount rate does not significantly impact the fair value determined, given the short duration of the outstanding trading portfolio, which is why no sensitivity analysis was presented.

## d) Capital management risk

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Debt instrument | 6,555,679 | 6,257,545 | 18,672,706 | 17,941,125 |
| Hedge effects | 282,463 | 188,094 | 282,463 | 209,350 |
| (-) Deposits pegged to debt service | (11,405) | (10,741) | (311,320) | (229,098) |
| (-) Cash and cash equivalents | (2,096,001) | (321,005) | (4,753,812) | (2,235,887) |
| **Net debt** | **4,730,736** | **6,113,893** | **13,890,037** | **15,685,490** |
| **Shareholders' equity** | **8,341,660** | **8,436,522** | **9,297,841** | **8,440,172** |
| **Total debt/Shareholders' equity** | **0.6** | **0.7** | **1.5** | **1.9** |

## e) Liquidity risk

The following statement presents the estimated settlement profile for the Company's main financial liabilities recorded at 06.30.2023. Amounts were determined based on the estimated undiscounted cash flows, considering estimates of principal amortization and future interest payment, when applicable. For debts with floating interest rates, the amount was obtained based on interest curve at the end of the period.

| | Parent Company | | | | |
|---|---|---|---|---|---|
| | Up to 1 year | From 2 to 3 years | From 4 to 5 years | Over 5 years | Total |
| Suppliers | 203,515 | 6,667 | - | - | 210,182 |
| Concessions payable (Use of Public Asset) | 666,515 | 1,552,288 | 1,528,673 | 4,264,729 | 8,012,205 |
| Floating interest rates: | | | | | |
| Loans and financing[1] | 872,276 | 771,238 | 731,287 | - | 2,374,801 |
| Debentures | 426,759 | 2,088,243 | 1,460,747 | 1,362,577 | 5,338,326 |
| Fixed interest rates: | | | | | |
| Loans and financing | 56 | - | - | - | 56 |
| | **2,169,121** | **4,418,436** | **3,720,707** | **5,627,306** | **15,935,570** |

| | Consolidated | | | | |
|---|---|---|---|---|---|
| | Up to 1 year | From 2 to 3 years | From 4 to 5 years | Over 5 years | Total |
| Suppliers | 680,239 | 44,368 | 34,110 | 458,651 | 1,217,368 |
| Concessions payable (Use of Public Asset) | 674,728 | 1,567,706 | 1,544,762 | 4,342,489 | 8,129,685 |
| Floating interest rates: | | | | | |
| Loans and financing[1] | 1,890,056 | 2,922,489 | 2,790,974 | 11,826,201 | 19,429,720 |
| Debentures[1] | 903,339 | 2,968,996 | 2,043,772 | 2,444,705 | 8,360,812 |
| Redeemable preferred shares | 180,663 | 152,634 | 168,436 | 787,846 | 1,289,579 |
| Fixed interest rates: | | | | | |
| Loans and financing | 56 | - | - | - | 56 |
| | **4,329,081** | **7,656,193** | **6,582,054** | **19,859,892** | **38,427,220** |

(1) Net of hedge effects.

## f) Category of financial instruments

| | Hierarchy | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| **Financial assets** | | | | | |
| **Fair value through profit or loss** | | | | | |
| Financial investments | Level 1 | 2,087,574 | 310,227 | 4,660,452 | 2,146,145 |
| Derivative financial instruments – trading | Level 2 | - | - | 237,665 | 255,566 |
| **Amortized cost** | | | | | |
| Cash and bank deposits | N.A. | 8,427 | 10,778 | 93,360 | 89,742 |
| Trade accounts receivable | N.A. | 506,354 | 548,027 | 994,716 | 1,149,267 |
| Restricted deposits | N.A. | 49,047 | 41,618 | 366,066 | 270,497 |
| Concession financial asset | N.A. | - | - | 3,299,311 | 3,220,277 |
| **Fair value through other comprehensive income** | | | | | |
| Derivative financial instruments – cash flow hedge | Level 2 | - | - | - | 31,981 |
| | | **2,651,402** | **910,650** | **9,651,570** | **7,163,475** |
| **Financial liabilities** | | | | | |
| **Fair value through profit or loss** | | | | | |
| Loans in foreign currency | Level 2 | 1,445,153 | 2,074,266 | 1,445,153 | 2,074,266 |
| Debentures | Level 2 | - | - | - | 85,852 |
| Derivative financial instruments – fair value hedge | Level 2 | 282,463 | 188,094 | 282,463 | 209,350 |
| Derivative financial instruments – trading | Level 2 | - | - | 211,066 | 221,459 |
| **Amortized cost** | | | | | |
| Suppliers | N.A. | 210,181 | 158,477 | 826,346 | 689,207 |
| Loans in local currency | N.A. | 690,745 | 222 | 10,996,999 | 9,836,248 |
| Redeemable preferred shares | N.A. | - | - | 627,521 | 584,066 |
| Debentures | N.A. | 4,419,781 | 4,183,057 | 5,603,033 | 5,360,693 |
| Concessions payable (Use of public asset) | N.A. | 5,324,944 | 5,193,447 | 5,392,481 | 5,255,952 |
| Liabilities linked to investment acquisition[1] | N.A. | - | - | 138,273 | 109,050 |
| Reimbursement to distributors[1] | N.A. | - | - | 218,935 | 199,604 |
| **Fair value through other comprehensive income** | | | | | |
| Derivative financial instruments – cash flow hedge | Level 2 | - | - | 423,492 | 75,103 |
| | | **12,373,267** | **11,797,563** | **26,165,762** | **24,700,850** |

(1) Presented under "Other current liabilities" and "Other non-current liabilities."

## g) Market value of financial instruments

In operations involving financial instruments, significant differences were identified only between amounts presented in the balance sheet and their market values in the financial instruments presented below. These differences occurred mainly because these instruments have long-term settlements and different costs in relation to interest rates currently used for similar contracts.

The market values were determined based on future cash flows discounted to present value at rates considered as adequate for operations with similar characteristics.

| | Parent Company | | | |
|---|---|---|---|---|
| | 06.30.2023 | | 12.31.2022 | |
| | Book | Market | Book | Market |
| Loans and financing in local currency | 690,745 | 690,748 | 222 | 223 |
| Loans in foreign currency | 1,445,153 | 1,445,151 | 2,074,266 | 2,074,264 |
| Debentures | 4,419,781 | 4,264,175 | 4,183,057 | 3,927,180 |
| Concessions payable (Use of Public Asset) | 5,324,944 | 5,410,328 | 5,193,447 | 4,760,066 |
| | **11,880,623** | **11,810,402** | **11,450,992** | **10,761,733** |

| | Consolidated | | | |
|---|---|---|---|---|
| | 06.30.2023 | | 12.31.2022 | |
| | Book | Market | Book | Market |
| **Assets** | | | | |
| Concession financial asset | 3,299,311 | 3,267,160 | 3,220,277 | 3,188,126 |
| | **3,299,311** | **3,267,160** | **3,220,277** | **3,188,126** |
| **Liabilities** | | | | |
| Loans and financing in local currency | 10,996,999 | 11,113,340 | 9,836,248 | 9,925,470 |
| Loans in foreign currency | 1,445,153 | 1,445,151 | 2,074,266 | 2,074,264 |
| Redeemable preferred shares | 627,521 | 647,233 | 584,066 | 604,648 |
| Debentures | 5,603,033 | 5,458,777 | 5,446,545 | 5,177,200 |
| Concessions payable (Use of Public Asset) | 5,392,481 | 5,480,813 | 5,255,952 | 4,818,325 |
| | **24,065,187** | **24,145,314** | **23,197,077** | **22,599,907** |

## NOTE 14. DEBT INSTRUMENTS

Debt instruments consist of the balance of loans and financing, debentures and redeemable preferred shares.

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Loans and financing | 2,135,898 | 2,074,488 | 12,442,152 | 11,910,514 |
| Debentures | 4,419,781 | 4,183,057 | 5,603,033 | 5,446,545 |
| Redeemable preferred shares | - | - | 627,521 | 584,066 |
| | **6,555,679** | **6,257,545** | **18,672,706** | **17,941,125** |
| Current liabilities | 1,000,039 | 830,271 | 1,976,383 | 1,652,968 |
| Non-current liabilities | 5,555,640 | 5,427,274 | 16,696,323 | 16,288,157 |
| | **6,555,679** | **6,257,545** | **18,672,706** | **17,941,125** |

### a) Breakdown

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| **Local currency** | | | | | | |
| **Measured at amortized cost** | | | | | | |
| **Loans and financing** | | | | | | |
| BNDES | - | 688,382 | 688,382 | - | - | - |
| BNDES onlendings (Banks)[1] | 55 | - | 55 | 214 | 8 | 222 |
| Charges | 2,308 | - | 2,308 | - | - | - |
| | **2,363** | **688,382** | **690,745** | **214** | **8** | **222** |
| **Debentures** | | | | | | |
| ENGIE – 5th issue | 92,830 | 88,814 | 181,644 | 91,892 | 83,778 | 175,670 |
| ENGIE – 6th issue | 116,353 | 498,687 | 615,040 | 112,331 | 482,036 | 594,367 |
| ENGIE – 7th issue | - | 978,602 | 978,602 | - | 945,706 | 945,706 |
| ENGIE – 9th issue | - | 2,031,627 | 2,031,627 | - | 1,964,675 | 1,964,675 |
| ENGIE – 10th issue | 9,745 | 425,249 | 434,994 | 9,643 | 410,022 | 419,665 |
| Charges | 177,874 | - | 177,874 | 82,974 | - | 82,974 |
| | **396,802** | **4,022,979** | **4,419,781** | **296,840** | **3,886,217** | **4,183,057** |
| **Loans, financing and debentures** | **399,165** | **4,711,361** | **5,110,526** | **297,054** | **3,886,225** | **4,183,279** |
| **Foreign currency – with hedge** | | | | | | |
| **Measured at amortized cost** | | | | | | |
| **Loans and financing** | | | | | | |
| BNP Paribas | 590,485 | - | 590,485 | 518,779 | 630,360 | 1,149,139 |
| Scotiabank | - | 437,763 | 437,763 | - | 473,922 | 473,922 |
| MUFG[2] | - | 406,516 | 406,516 | - | 436,767 | 436,767 |
| Charges | 10,389 | - | 10,389 | 14,438 | - | 14,438 |
| | **600,874** | **844,279** | **1,445,153** | **533,217** | **1,541,049** | **2,074,266** |
| **Loans, financing and debentures** | **1,000,039** | **5,555,640** | **6,555,679** | **830,271** | **5,427,274** | **6,257,545** |

(1) Banks responsible for analyzing and approving the financing and which assume the credit risk in the indirect operations with BNDES.
(2) MUFG Bank LTD. Is the new name of Bank of Tokyo.

The balances of debt instruments in the parent company, net of hedge effects, are detailed below:

| | Parent Company | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| **Loans, financing and debentures** | **1,000,039** | **5,555,640** | **6,555,679** | **830,271** | **5,427,274** | **6,257,545** |
| Fair value hedge (swap) effects | | | | | | |
| Short position[1] | 101,676 | 180,787 | 282,463 | 73,369 | 114,725 | 188,094 |
| **Loans, financing and debentures, net of hedge effects** | **1,101,715** | **5,736,427** | **6,838,142** | **903,640** | **5,541,999** | **6,445,639** |

(1) Hedge short positions are presented as part of "Other current liabilities" and "Other non-current liabilities."

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| **Local currency** | | | | | | |
| **Measured at amortized cost** | | | | | | |
| **Loans and financing** | | | | | | |
| BNDES | 459,974 | 9,639,382 | 10,099,356 | 384,307 | 8,537,720 | 8,922,027 |
| BNDES onlendings (Banks)[1] | 55 | - | 55 | 214 | 8 | 222 |
| BASA | 36,781 | 741,761 | 778,542 | 38,557 | 758,378 | 796,935 |
| BNB | 5,340 | 90,601 | 95,941 | 2,427 | 93,497 | 95,924 |
| Charges | 23,105 | - | 23,105 | 21,140 | - | 21,140 |
| | **525,255** | **10,471,744** | **10,996,999** | **446,645** | **9,389,603** | **9,836,248** |
| **Debentures** | | | | | | |
| ENGIE – 5th issue | 92,830 | 88,814 | 181,644 | 91,892 | 83,778 | 175,670 |
| ENGIE – 6th issue | 116,353 | 498,687 | 615,040 | 112,331 | 482,036 | 594,367 |
| ENGIE – 7th issue | - | 978,602 | 978,602 | - | 945,706 | 945,706 |
| ENGIE – 9th issue | - | 2,031,627 | 2,031,627 | - | 1,964,675 | 1,964,675 |
| ENGIE – 10th issue | 9,745 | 425,249 | 434,994 | 9,643 | 410,022 | 419,665 |
| Jaguara – 1st issue | 191,604 | 525,760 | 717,364 | 115,800 | 599,886 | 715,686 |
| Miranda – 1st issue | 108,838 | 353,773 | 462,611 | 64,201 | 394,484 | 458,685 |
| Charges | 181,151 | - | 181,151 | 86,239 | - | 86,239 |
| | **700,521** | **4,902,512** | **5,603,033** | **480,106** | **4,880,587** | **5,360,693** |
| **Redeemable preferred shares** | **149,733** | **477,788** | **627,521** | **107,148** | **476,918** | **584,066** |
| | **1,375,509** | **15,852,044** | **17,227,553** | **1,033,899** | **14,747,108** | **15,781,007** |
| **Local currency – with hedge** | | | | | | |
| **Measured at fair value** | | | | | | |
| **Loans and financing** | | | | | | |
| BNP Paribas | 590,485 | - | 590,485 | 518,779 | 630,360 | 1,149,139 |
| Scotiabank | - | 437,763 | 437,763 | - | 473,922 | 473,922 |
| MUFG[2] | - | 406,516 | 406,516 | - | 436,767 | 436,767 |
| Charges | 10,389 | - | 10,389 | 14,438 | - | 14,438 |
| | **600,874** | **844,279** | **1,445,153** | **533,217** | **1,541,049** | **2,074,266** |
| **Debentures** | | | | | | |
| Jaguara – 1st issue | - | - | - | 52,721 | - | 52,721 |
| Miranda – 1st issue | - | - | - | 32,610 | - | 32,610 |
| Charges | - | - | - | 521 | - | 521 |
| | **-** | **-** | **-** | **85,852** | **-** | **85,852** |
| | **600,874** | **844,279** | **1,445,153** | **619,069** | **1,541,049** | **2,160,118** |
| **Loans, financing and debentures and redeemable preferred shares** | **1,976,383** | **16,696,323** | **18,672,706** | **1,652,968** | **16,288,157** | **17,941,125** |

(1) Banks responsible for analyzing and approving the financing and which assume the credit risk in the indirect operations with BNDES.
(2) MUFG Bank LTD. Is the new name of Bank of Tokyo.

The balances of debt instruments in the consolidated accounts, net of hedge effects, are detailed below:

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| **Loans, financing and debentures and redeemable preferred shares** | **1,976,383** | **16,696,323** | **18,672,706** | **1,652,968** | **16,288,157** | **17,941,125** |
| Fair value hedge (swap) effects | | | | | | |
| Short position[1] | 101,676 | 180,787 | 282,463 | 94,625 | 114,725 | 209,350 |
| **Loans, financing and debentures and redeemable preferred shares** | **2,078,059** | **16,877,110** | **18,955,169** | **1,747,593** | **16,402,882** | **18,150,475** |

(1) Hedge short positions are presented as part of "Other current liabilities" and "Other non-current liabilities."

## b) Changes in debt instruments

| | Parent Company | Consolidated |
|---|---|---|
| **Balances at 12.31.2022** | **6,257,545** | **17,941,125** |
| Additions | 687,211 | 1,003,676 |
| Interest | 134,085 | 474,253 |
| Inflation adjustments | 139,132 | 469,323 |
| Capitalized interest and inflation adjustments | - | 114,903 |
| Exchange variations | (160,029) | (160,029) |
| Fair value adjustment | 25,015 | 24,695 |
| Sale of subsidiary | - | (11,231) |
| Repayment of principal | (491,128) | (843,603) |
| Repayment of interest | (36,152) | (340,406) |
| **Balances at 06.30.2023** | **6,555,679** | **18,672,706** |

(1) Further information is available in Note 9 – Investments, item d.

## b.1) Main transactions in 2023

### b.1.1) Financing in domestic currency

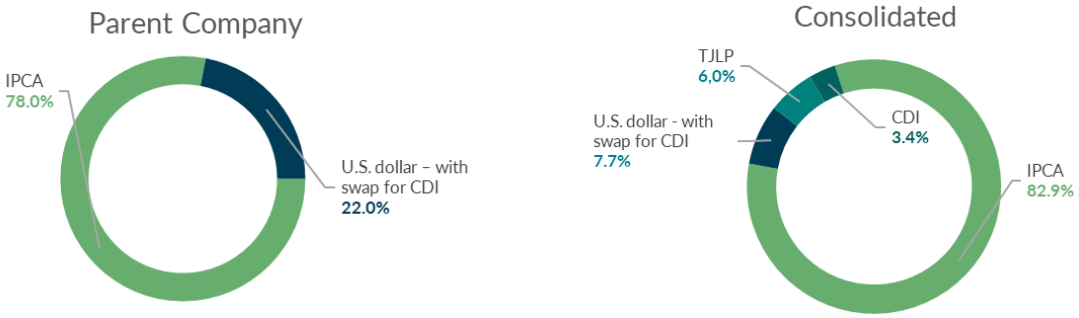
#### b.1.1.1) Release of financing

In April 2023, a sum of R$ 322,518 (R$ 316,465, net of funding costs) was released to indirect subsidiaries making up the Santo Agostinho Wind Power Complex, related to financing from BNDES contracted in 2021. The funds were used for the construction of wind power generation plants at the complex.

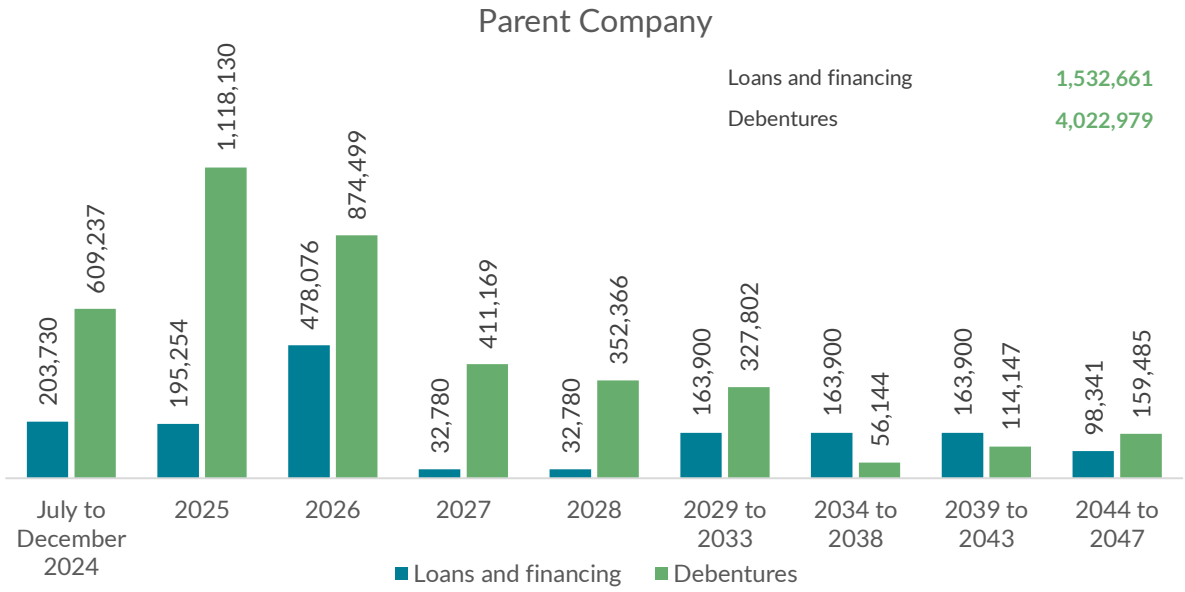
In June 2023, a sum of R$ 708,000 (R$ 687,211, net of funding costs) was released to the Parent Company, related to financing from BNDES contracted in 2022. The funds were used for the construction of Serra do Assuruá Wind Power Complex.

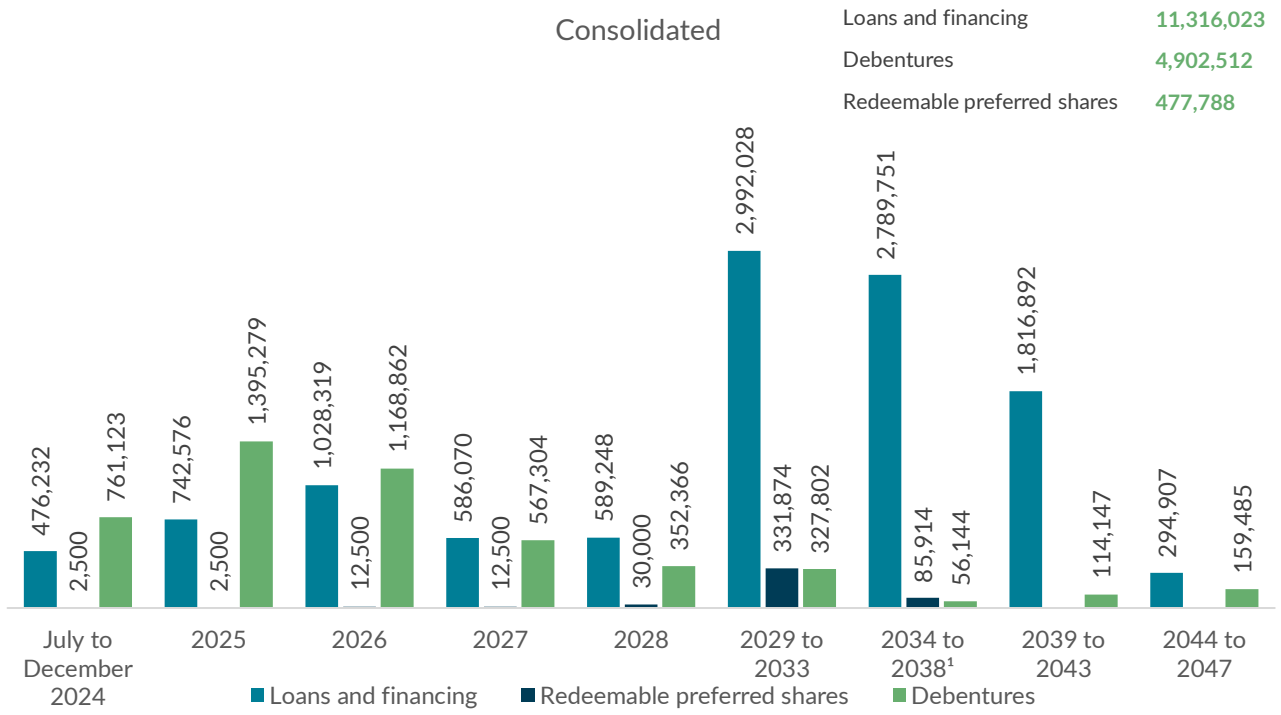
## c) Breakdown of debts by index and currency

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| **Loans and financing** | | | | |
| **Domestic currency** | | | | |
| TJLP | - | - | 1,121,348 | 1,160,515 |
| IPCA | 690,690 | - | 9,875,596 | 8,675,511 |
| Not indexed (fixed rate) | 55 | 222 | 55 | 222 |
| **Foreign currency – with hedge** | | | | |
| U.S. dollar – with swap for CDI | 1,445,153 | 2,074,266 | 1,445,153 | 2,074,266 |
| | **2,135,898** | **2,074,488** | **12,442,152** | **11,910,514** |
| **Debentures** | | | | |
| IPCA | 4,419,781 | 4,183,057 | 5,603,033 | 5,360,693 |
| CDI – with swap for IPCA | - | - | - | 85,852 |
| | **4,419,781** | **4,183,057** | **5,603,033** | **5,446,545** |
| **Redeemable preferred shares** | | | | |
| CDI | - | - | 627,521 | 584,066 |
| | **6,555,679** | **6,257,545** | **18,672,706** | **17,941,125** |




## d) Maturity of loans, financing and debentures and redeemable preferred shares under non-current liabilities






(1) The final maturity of Redeemable Preferred Shares is 2034.

### e) Contract commitments (covenants)

There was no change in the covenants compared to those presented in Note 15 – Debt instruments of 12.31.2022. The financial covenants established in the loan and financing agreements were fulfilled by the Company and its subsidiaries. Covenants are calculated annually, as established in these agreements, except for those of the parent company, which are calculated on a quarterly basis.

## NOTE 15. CONCESSIONS PAYABLE (Use of Public Asset)

### a) Breakdown

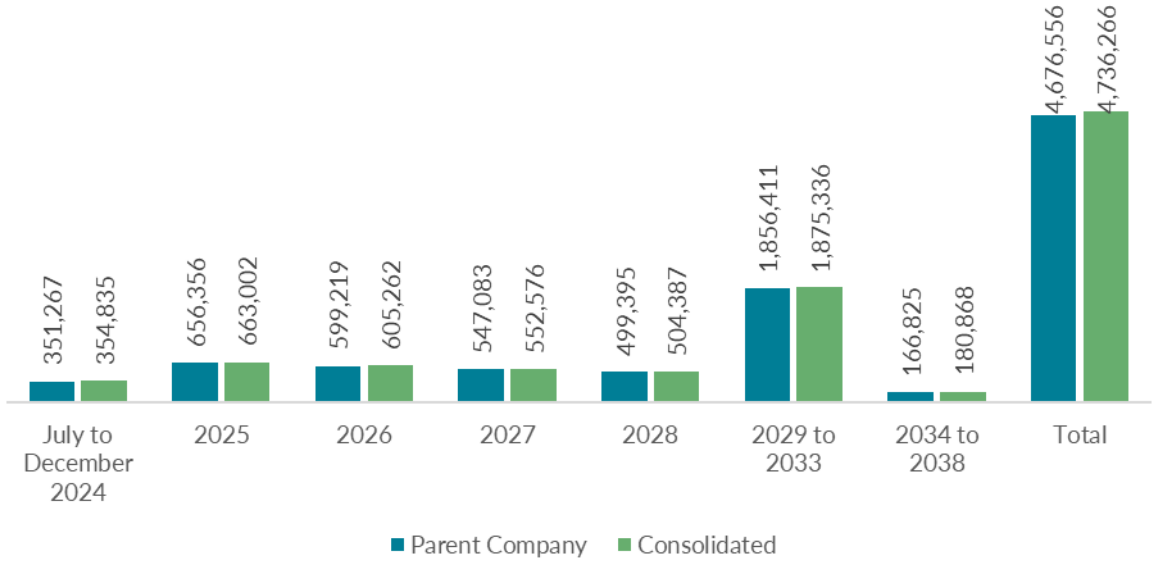
| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Cana Brava Hydroelectric Power Plant | 3,145,985 | 2,915,891 | 3,145,985 | 2,915,891 |
| Ponte de Pedra Hydroelectric Power Plant | 1,546,226 | 1,652,540 | 1,546,226 | 1,652,540 |
| São Salvador Hydroelectric Power Plant | 632,733 | 625,016 | 632,733 | 625,016 |
| Estreito Hydroelectric Power Plant | - | - | 67,537 | 62,505 |
| | **5,324,944** | **5,193,447** | **5,392,481** | **5,255,952** |
| **Classification in the balance sheet** | | | | |
| Current liabilities | 648,388 | 399,390 | 656,215 | 406,871 |
| Non-current liabilities | 4,676,556 | 4,794,057 | 4,736,266 | 4,849,081 |
| | **5,324,944** | **5,193,447** | **5,392,481** | **5,255,952** |

## b) Changes in concessions payable

| | Parent Company | Consolidated |
|---|---|---|
| **Balances at 12.31.2022** | **5,193,447** | **5,255,952** |
| Present value adjustment | 238,369 | 241,380 |
| Inflation adjustments | 44,265 | 46,257 |
| Extension of concession period[1] | - | 4,052 |
| Amortizations | (151,137) | (155,160) |
| **Balances at 06.30.2023** | **5,324,944** | **5,392,481** |

(1) Further information is available in Note 11 – Intangible assets.

## c) Maturities of concessions payable disclosed in non-current liabilities




# NOTE 16. RETIREMENT BENEFIT OBLIGATIONS

## a) Breakdown

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06.30.2023 | | | 12.31.2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| Contracted obligations | 30,964 | 262,706 | 293,670 | 28,883 | 197,641 | 226,524 |
| Current contributions and service costs | 46 | - | 46 | 46 | - | 46 |
| Uncontracted deficit | 384 | 876 | 1,260 | 25,086 | 21,318 | 46,404 |
| **Recorded actuarial liability** | **31,394** | **263,582** | **294,976** | **54,015** | **218,959** | **272,974** |

Retirement benefits obligations recognized in the balance sheet are partially covered by contracted obligations and/or obligations acknowledged through an instrument for the acknowledgment of debt and agreement entered into by the Company with respective Foundations.

On 02.07.2023, the Company signed the debt re-structuring plan with ELOS Foundation to pay the portion of deficit under its responsibility for fiscal year 2021. The amount contracted was R$ 65,660, which will be paid in 150 monthly installments, adjusted by the INPC and interest of 5.12% p.a.

Contracted amounts presented in non-current liabilities are expected to be settled as follows:




## b) Changes in retirement benefit obligations

| | Plans | | | |
|---|---|---|---|---|
| | ELOS BD | PREVIG BD | GC | Total |
| **Liabilities recorded at 12.31.2022** | **268,328** | **2,261** | **2,385** | **272,974** |
| Current contributions and service costs | - | - | (424) | (424) |
| Payments of contracted obligations | (23,115) | (867) | - | (23,982) |
| Interest on actuarial liabilities, net | 14,841 | 45 | 125 | 15,011 |
| Surplus of contracted obligations | 31,397 | - | - | 31,397 |
| **Liabilities recorded at 06.30.2023** | **291,451** | **1,439** | **2,086** | **294,976** |

# NOTE 17. PROVISIONS

## a) Provisions

### a.1) Breakdown of provisions

The breakdown of risk contingencies with probability of future disbursement and provisions for demobilization of generation assets follows:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| **Civil** | | | | |
| Expropriations and administrative easement | 50,560 | 48,643 | 65,762 | 62,710 |
| Environmental | 17,601 | 16,482 | 17,601 | 16,482 |
| Retirement benefits | 1,542 | 3,240 | 1,542 | 3,240 |
| Sundry lawsuits | 10,157 | 11,112 | 22,509 | 21,606 |
| | **79,860** | **79,477** | **107,414** | **104,038** |
| **Tax** | | | | |
| ICMS on electricity sale | 107,080 | 106,097 | 107,080 | 106,097 |
| Sundry lawsuits | 11,367 | 4,781 | 11,483 | 4,892 |
| | **118,447** | **110,878** | **118,563** | **110,989** |
| **Labor** | **18,680** | **20,836** | **18,879** | **21,804** |
| **Divestment of generation assets** | - | - | **309,734** | **299,069** |
| | **216,987** | **211,191** | **554,590** | **535,900** |
| **Classification in the balance sheet** | | | | |
| Current liabilities | 2,024 | 4,106 | 2,061 | 4,144 |
| Non-current liabilities | 214,963 | 207,085 | 552,529 | 531,756 |
| | **216,987** | **211,191** | **554,590** | **535,900** |

## a.2) Possible risks

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| **Tax and social security** | **1,317,525** | **703,403** | **1,321,667** | **706,060** |
| PIS/Cofins on fuel reimbursement | 657,006 | 576,650 | 657,006 | 576,650 |
| Contingencies linked to subsidiary sold | 528,525 | - | 528,525 | - |
| Voluntary confession | 45,932 | 45,444 | 45,932 | 45,444 |
| Other | 86,062 | 81,309 | 90,204 | 83,966 |
| **Civil** | **42,920** | **7,234** | **61,753** | **28,142** |
| **Labor** | **11,895** | **11,339** | **21,210** | **20,329** |
| | **1,372,340** | **721,976** | **1,404,630** | **754,531** |

In the 2nd quarter of 2023, except for the proceedings described below, there were no significant updates in the main lawsuits assessed as possible risk, which are presented in Note 18 – Provisions and judicial deposits, of the financial statements of 12.31.2022.

### a.2.1.1) Tax risks

**- PIS/Cofins on fuel reimbursement**

On 12.14.2018, a Tax Deficiency Notice was issued against the Company related to the non-payment of PIS and Cofins on amounts transferred by Eletrobras as reimbursement of fuels used in power generation by the Company's thermal power plants between January 2014 and December 2016, with the main argument that these funds received from Eletrobras are characterized as revenue from subsidized costs. These reimbursements are based on the Government's incentives in the acquisition of fossil fuels used in thermal power plants.

According to Federal Law 10,438/02, the Government created a public fund called CDE to ensure the competitiveness of plants using charcoal, thus limiting the scope of the former public fund CCC to isolated systems.

The public fund CDE, to which the tax deficiency notice refers, is composed of: (i) the energy distributor, through its bills, charges end consumers the amounts for electricity consumption, on which PIS and Cofins are due, and transfers these amounts to the agency responsible for managing the CDE; (ii) generating companies that use fossil fuels acquire these fuels and store physical inventories on behalf of the fund responsible for the management, which retains ownership of these assets; and (iii) the fund responsible for the management reimburses the amounts related to the fuel consumed to the generating companies.

Based on the CDE mechanism, the Company, on 01.15.2019, through its external legal counsel, filed a Voluntary Appeal against the tax deficiency notice, stating that: (i) the Company does not hold ownership of fuels; (ii) the reimbursement is not characterized as cost subsidy as it is financed by end consumers of energy and not by the Government; and (iii) the amount reimbursed does not increase the Company's revenues and there exists jurisprudence in higher courts stating that PIS and Cofins are payable only on receipts that effectively represent an increase in wealth. Therefore, the Company believes that the reimbursements mentioned in the tax deficiency notice are not subject to PIS and Cofins.

On 01.24.2020, the Company was informed of the unfavorable decision on its Appeal. Subsequently, the Company filed a Motion for Clarification against the adverse decision by CARF, which was denied. On 11.21.2022, the Company filed a special appeal at CSRF, which was denied on 12.29.2022. Consequently, the company filed on 01.09.2023, an appeal at the CSRF, which is awaiting judgement. However, in the Company's opinion, the procedures adopted are in accordance with accounting standards and tax laws.

Lastly, the position of the Company and its legal counsel is that even if the proceeding at CARF leads to an unfavorable decision in the administrative sphere, their perception of a favorable outcome does not change. That is, the Company believes it has solid arguments to cancel this undue PIS and Cofins at the higher courts.

In 2023, the Company received another tax deficiency notice related to PIS and Cofins on the reimbursement of coal by CDE, now related to the period from February to August 2018. The Company filed an Objection against the notice, which is awaiting judgment. The notice amount is R$ 61,311.

These cases remain with the Company after the sale of Diamante, since during the period in question the Jorge Lacerda Thermal Power Complex still belonged to the generation complex of the parent company.

**- Contingencies linked to the subsidiary sold (Diamante)**

In 2023, Diamante received a new tax deficiency notice related to PIS and Cofins for 2019 and 2020, charging these taxes on reimbursements of coal by CDE. The total notice amount is R$ 277,895. The Company filed an objection, which is currently awaiting judgment.

Also in 2023, Diamante received a new tax deficiency notice charging IRPJ/CSLL, calculated under presumed income method, in 2018, resulting from the reimbursement of coal by CDE. The Company filed an objection, which is currently awaiting judgment. The total notice amount is R$ 250,630.

Although the company that received the notice is Diamante, in said periods, Diamante was still a subsidiary of the Company and the issues raised are established in the sale agreement and remain under the Company's responsibility.

### a.3) Remote risks

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Tax and social security | 297,238 | 334,699 | 370,038 | 404,973 |
| Civil | 143,777 | 137,790 | 145,884 | 138,273 |
| Labor | 70,020 | 67,158 | 88,705 | 90,175 |
| | **511,035** | **539,647** | **604,627** | **633,421** |

## NOTE 18. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

### a) Deferred income tax and social contribution

### a.1) Breakdown

| | Parent Company | | | | |
|---|---|---|---|---|---|
| | | 06.30.2023 | | | 12.31.2022 |
| Description | Calculation basis | IR | CSLL | Total | Total |
| **Liabilities:** | | | | | |
| Hydrological risk renegotiation | 2,102,426 | 525,607 | 189,218 | 714,825 | 736,300 |
| Accelerated depreciation | 958,579 | 239,645 | 86,272 | 325,917 | 322,804 |
| Property, plant and equipment deemed cost (fair value) | 428,621 | 107,155 | 38,576 | 145,731 | 156,396 |
| ICMS tax on sale of electricity | 106,316 | 26,579 | 9,568 | 36,147 | 36,073 |
| Unrealized sale at MAE (currently CCEE) | 100,308 | 25,077 | 9,028 | 34,105 | 34,105 |
| Unrealized gains on hedge operations | 86,788 | 21,697 | 7,811 | 29,508 | 35,451 |
| Capitalized financial charges | 53,697 | 13,424 | 4,833 | 18,257 | 18,652 |
| Other | 172,326 | 43,082 | 15,509 | 58,591 | 44,575 |
| | | **1,002,266** | **360,815** | **1,363,081** | **1,384,356** |
| **Assets:** | | | | | |
| Tax losses | 508,838 | 127,210 | 45,795 | 173,005 | - |
| Unrealized losses on hedge operations | 252,312 | 63,078 | 22,708 | 85,786 | 51,139 |
| Estimated losses with doubtful accounts | 145,421 | 36,355 | 13,088 | 49,443 | 49,443 |
| Fair value adjustment in business combinations | 112,829 | 28,207 | 10,155 | 38,362 | 42,406 |
| Right to reimbursement of ICMS on electricity sales | 106,316 | 26,579 | 9,568 | 36,147 | 36,073 |
| Civil, tax and labor provisions | 102,029 | 25,507 | 9,183 | 34,690 | 33,055 |
| Provision for asset impairment | 48,894 | 12,224 | 4,400 | 16,624 | 426,378 |
| Retirement benefits obligations | 647 | 162 | 58 | 220 | 15,654 |
| Other | 89,325 | 22,331 | 8,039 | 30,370 | 36,065 |
| | | **341,653** | **122,994** | **464,647** | **690,213** |
| **Net total** | | **660,613** | **237,821** | **898,434** | **694,143** |

| Description | Consolidated | | | | |
|---|---|---|---|---|---|
| | 06.30.2023 | | | | 12.31.2022 |
| | Calculation basis | IR | CSLL | Total | Total |
| **Liabilities:** | | | | | |
| Revenue from installation of transmission infrastructure | 7,249,034 | 1,812,259 | 652,413 | 2,464,672 | 2,301,763 |
| Interest on concession financial asset | 2,409,302 | 602,326 | 216,837 | 819,163 | 921,029 |
| Hydrological risk renegotiation | 2,255,517 | 563,879 | 202,997 | 766,876 | 788,454 |
| Accelerated depreciation | 1,344,246 | 336,062 | 120,982 | 457,044 | 448,090 |
| Appropriation of financial charges | 1,224,279 | 306,070 | 110,185 | 416,255 | 213,711 |
| Intangible asset on the bonus paid for grant | 464,075 | 116,019 | 41,767 | 157,786 | 146,011 |
| Property, plant and equipment deemed cost (fair value) | 428,621 | 107,155 | 38,576 | 145,731 | 156,396 |
| Extension of concession period | 238,379 | 59,595 | 21,454 | 81,049 | - |
| Fair value of rights of project acquired | 232,879 | 58,220 | 20,959 | 79,179 | 80,247 |
| Unrealized gains on hedge operations | 113,387 | 28,347 | 10,205 | 38,552 | 47,048 |
| ICMS tax on sale of electricity | 106,316 | 26,579 | 9,568 | 36,147 | 36,073 |
| Unrealized sale at MAE (currently CCEE) | 100,308 | 25,077 | 9,028 | 34,105 | 34,105 |
| Other | 195,159 | 48,790 | 17,564 | 66,354 | 52,320 |
| | | **4,090,378** | **1,472,535** | **5,562,913** | **5,225,247** |
| **Assets:** | | | | | |
| Construction costs of transmission infrastructure | 6,750,624 | 1,687,656 | 607,556 | 2,295,212 | 2,197,601 |
| Income Tax Loss and Negative Social Contribution Base | 1,788,092 | 447,023 | 160,928 | 607,951 | 316,060 |
| RBO | 1,634,622 | 408,656 | 147,116 | 555,772 | 512,067 |
| Unrealized losses on hedge operations | 252,312 | 63,078 | 22,708 | 85,786 | 58,475 |
| Estimated losses with doubtful accounts | 150,203 | 37,551 | 13,518 | 51,069 | 51,069 |
| Tax, civil and labor provisions | 113,950 | 28,488 | 10,256 | 38,744 | 36,946 |
| Fair value adjustment in business combinations | 112,829 | 28,207 | 10,155 | 38,362 | 42,406 |
| Right to reimbursement of ICMS on electricity sales | 106,316 | 26,579 | 9,568 | 36,147 | 36,073 |
| Provision for asset impairment | 48,894 | 12,224 | 4,400 | 16,624 | 426,378 |
| Retirement benefits obligations | 647 | 162 | 58 | 220 | 15,654 |
| Other | 114,421 | 28,605 | 10,298 | 38,903 | 77,745 |
| | | **2,768,229** | **996,561** | **3,764,790** | **3,770,474** |
| **Net amount** | | **1,322,149** | **475,974** | **1,798,123** | **1,454,773** |
| **Classification in the balance sheet** | | | | | |
| Liabilities | | 1,384,035 | 500,496 | 1,884,531 | 1,505,352 |
| Assets[1] | | (61,886) | (24,522) | (86,408) | (50,579) |
| **Total** | | **1,322,149** | **475,974** | **1,798,123** | **1,454,773** |

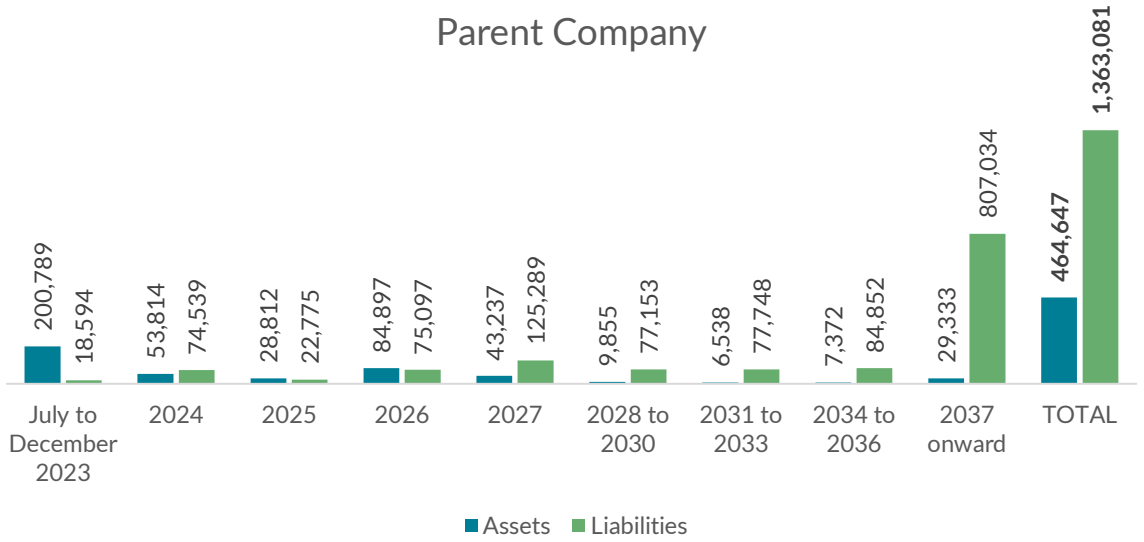
(1) Amount presented under "Other non-current assets".

## a.2) Change in deferred income tax and social contribution, net

| | Parent Company | Consolidated |
|---|---|---|
| **Balances at 12.31.2022** | **694,143** | **1,454,773** |
| Taxes deferred in profit or loss | 214,965 | 352,118 |
| Taxes deferred in other comprehensive income | (10,674) | (10,674) |
| Sale of subsidiary[1] | - | 1,906 |
| **Balance at 06.30.2023** | **898,434** | **1,798,123** |

(1) Further information is available in Note 9 – Investments, item d.

## a.3) Expected realization and required payments






## b) Reconciliation of taxes in profit or loss

| | Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2nd quarter | | | | First six months | | | |
| | 2023 | | 2022 | | 2023 | | 2022 | |
| | IR | CSLL | IR | CSLL | IR | CSLL | IR | CSLL |
| **Income before taxes** | **874,889** | **874,889** | **357,000** | **357,000** | **1,829,375** | **1,829,375** | **1,036,134** | **1,036,134** |
| Standard rate | 25% | 9% | 25% | 9% | 25% | 9% | 25% | 9% |
| **Tax expenses at standard rates** | **(218,722)** | **(78,740)** | **(89,250)** | **(32,130)** | **(457,344)** | **(164,644)** | **(259,034)** | **(93,252)** |
| **Permanent differences** | | | | | | | | |
| Equity income | 123,181 | 44,345 | 106,861 | 38,470 | 301,893 | 108,681 | 247,447 | 89,081 |
| Tax incentives[1] | (8,778) | - | 11,102 | - | - | - | 16,656 | - |
| Other | (2,856) | (718) | 1,958 | 251 | (2,585) | (966) | 1,949 | 1 |
| | **(107,175)** | **(35,113)** | **30,671** | **6,591** | **(158,036)** | **(56,929)** | **7,018** | **(4,170)** |
| **Breakdown of taxes in the income statement** | | | | | | | | |
| Current | 51,019 | 21,938 | 86,326 | 26,561 | - | - | (83,158) | (36,765) |
| Deferred | (158,194) | (57,051) | (55,655) | (19,970) | (158,036) | (56,929) | 90,176 | 32,595 |
| | **(107,175)** | **(35,113)** | **30,671** | **6,591** | **(158,036)** | **(56,929)** | **7,018** | **(4,170)** |
| **Effective rate** | **12.3%** | **4.0%** | **(8.6%)** | **(1.8%)** | **8.6%** | **3.1%** | **(0.7%)** | **0.4%** |

(1) The tax incentive in the form of reduced income tax, for projects in incentivized regions is recognized as a reduction in the income tax expense and transferred from "Retained earnings" to "Tax incentive reserve" in Shareholders' Equity.

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2nd quarter | | | | First six months | | | |
| | 2023 | | 2022 | | 2023 | | 2022 | |
| | IR | CSLL | IR | CSLL | IR | CSLL | IR | CSLL |
| **Income before taxes** | **986,213** | **986,213** | **475,510** | **475,510** | **2,102,709** | **2,102,709** | **1,292,714** | **1,292,714** |
| Standard rate | 25% | 9% | 25% | 9% | 25% | 9% | 25% | 9% |
| **Tax expenses at standard rates** | **(246,553)** | **(88,759)** | **(118,878)** | **(42,796)** | **(525,677)** | **(189,244)** | **(323,179)** | **(116,344)** |
| **Permanent differences** | | | | | | | | |
| Equity income | 51,910 | 18,688 | 39,959 | 14,385 | 113,839 | 40,982 | 83,101 | 29,916 |
| Tax incentives[1] | 15,779 | - | 28,441 | - | 43,077 | - | 51,345 | - |
| Variation between the calculation base of taxable and presumptive profit tax regimes | 18,298 | 5,353 | (7,701) | (2,082) | 38,178 | 11,287 | 8,216 | 2,958 |
| Other | (20,399) | (7,885) | 7,099 | 657 | (13,634) | (6,650) | 9,498 | 1,421 |
| | **(180,965)** | **(72,603)** | **(51,080)** | **(29,836)** | **(344,217)** | **(143,625)** | **(171,019)** | **(82,049)** |
| **Breakdown of taxes in the income statement** | | | | | | | | |
| Current | 12,331 | (2,915) | 54,219 | 8,004 | (85,265) | (50,459) | (156,063) | (76,796) |
| Deferred | (193,296) | (69,688) | (105,299) | (37,840) | (258,952) | (93,166) | (14,956) | (5,253) |
| | **(180,965)** | **(72,603)** | **(51,080)** | **(29,836)** | **(344,217)** | **(143,625)** | **(171,019)** | **(82,049)** |
| **Effective rate** | **18.3%** | **7.4%** | **10.7%** | **6.3%** | **16.4%** | **6.8%** | **13.2%** | **6.3%** |

(1) The tax incentive in the form of reduced income tax, for projects in incentivized regions is recognized as a reduction in the income tax expense and transferred from "Retained earnings" to "Tax incentive reserve" in Shareholders' Equity.

## NOTE 19. OTHER LIABILITIES

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 12.31.2022 | 06.30.2023 | 12.31.2022 |
| Derivative financial instruments – hedge[1] | 282,463 | 188,094 | 705,955 | 284,453 |
| Reimbursement to distributors | - | - | 218,935 | 199,604 |
| Suppliers[2] | 6,666 | 8,286 | 149,903 | 153,809 |
| Liabilities linked to acquisition of assets | - | - | 138,273 | 109,050 |
| Advances from clients | - | - | 7,596 | 10,653 |
| Other accounts payable | 59,254 | 56,514 | 144,627 | 116,009 |
| | **348,383** | **252,894** | **1,365,289** | **873,578** |
| **Classification in balance sheet** | | | | |
| Current liabilities | 156,562 | 125,516 | 720,052 | 442,049 |
| Non-current liabilities | 191,821 | 127,378 | 645,237 | 431,529 |
| | **348,383** | **252,894** | **1,365,289** | **873,578** |

(1) Further information is available in Note 14 – Risk management and financial instruments; item a.
(2) Further information is available in Note 13 – Suppliers.

### a) Reimbursement to distributors

The Company has liabilities related to the reimbursement mechanism envisaged in the electricity agreements signed in the ACR of plants of the Trairí, Campo Largo and Umburanas - Phase I Wind Power Complexes, Assú V and Paracatu and Floresta Photovoltaic Power Complexes. These agreements establish the payment by distributors of a fixed revenue regardless of the generation in each month and subsequent reimbursement by the Company.

### b) Obligations linked to the acquisition of assets

On 06.30.2023, the Company, through its subsidiaries, held R$ 105,466, R$ 10,166 and R$ 2,841, related to the acquisition of development rights of Serra do Assuruá Wind Power Project, Assú Sol Photovoltaic Power Complex and Santo Agostinho Wind Power Complex, respectively. Moreover, the Company adjusted the purchase price of Solairedirect in the amount of R$ 19,800.

## NOTE 20. SHAREHOLDERS' EQUITY

### a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$ 7,000,000, by resolution of Board of Directors, regardless of any amendment to its bylaws. Under the B3's New Market listing regulations, the Company cannot issue preferred shares or founder shares.

The Company has no treasury shares and did not perform any purchase and sale transactions involving shares of its own issuance in the periods ended 06.30.2023 and 12.31.2022.

### b) Subscribed and paid-in capital

At 06.30.2023 and 12.31.2022, the Company's fully subscribed and paid-in capital was R$ 4,902,648, represented by 815,927,740 registered common shares without par value.

The book value of the share in Reais, at 06.30.2023, is R$ 11.05 (R$ 10.37 for each share at 12.31.2022).

The Company's ownership structure at 06.30.2023 and 12.31.2022 was as follows:

| Shareholders | Tranche of common shares | % of capital |
|---|---|---|
| ENGIE Brasil Participações Ltda. | 560,640,791 | 68.71% |
| Banco Clássico S.A. | 80,425,026 | 9.86% |
| Other shareholders | 174,861,923 | 21.43% |
| | **815,927,740** | **100.00%** |

As of 06.30.2023, the Board of Directors, the Board of Executive Officers and the Audit Board held 49,988 shares issued by the Company (56,088 at 12.31.2022).

### c) Capital reserves

On 03.16.2022, after the conditions precedent established in the agreement were met, the acquisition of 100% of the shares of Solairedirect, the erstwhile owner of the Paracatu and Floresta Photovoltaic Complexes, and ENGIE Solar, was concluded. The transaction resulted in the booking of R$ 176,543 in capital reserves, corresponding to the difference between the consideration transferred and the book value of the assets and liabilities transferred.

### d) Other comprehensive income

The account records variations of the fair value, net of deferred income tax and social contribution, of the following transactions: (i) obligations with the retirement benefits of defined benefit plans sponsored by the Company; and (ii) cash flow hedges of future commitments in foreign currency signed by the joint venture TAG, Serra do Assuruá Wind Power Complex and Assú Sol Photovoltaic Complex, indirect subsidiaries; (iii) cash flow hedge on loans in foreign currency and combined exposure; and (iv) the effects from change in interest due to the merger of Aliança with the joint venture TAG.

## NOTE 21. NET OPERATING REVENUE

The following table presents the reconciliation between gross operating income and net operating revenue reported in the income statement.

| | Parent Company | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| **Gross operating income** | | | | |
| Electricity distributors | 693,292 | 643,537 | 1,421,556 | 1,286,106 |
| Electricity traders | 557,424 | 456,884 | 947,335 | 842,572 |
| Free consumers | 87,058 | 102,409 | 171,429 | 204,835 |
| Transactions in the short-term market | (1,902) | 35,848 | 44,599 | 56,860 |
| Services rendered | 19,049 | 22,660 | 38,217 | 40,836 |
| Other revenues | 772 | 861 | 2,882 | 4,296 |
| | **1,355,693** | **1,262,199** | **2,626,018** | **2,435,505** |
| **Deductions from operating income** | | | | |
| PIS and Cofins | (120,426) | (110,653) | (231,065) | (214,186) |
| Research and development | (9,897) | (9,700) | (19,815) | (18,161) |
| ICMS | (3,004) | (4,432) | (5,570) | (5,458) |
| ISSQN | (953) | (1,133) | (1,911) | (2,042) |
| | **(134,280)** | **(125,918)** | **(258,361)** | **(239,847)** |
| **Net operating revenue** | **1,221,413** | **1,136,281** | **2,367,657** | **2,195,658** |

| | Consolidated | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| **Gross operating income** | | | | |
| Electricity distributors | 1,153,310 | 1,135,798 | 2,444,964 | 2,246,108 |
| Free consumers | 871,451 | 930,719 | 1,722,081 | 1,857,654 |
| Electricity traders | 228,356 | 247,266 | 456,927 | 488,021 |
| Trading operations | 116,598 | 179,924 | 228,299 | 359,655 |
| Transactions in the short-term market | 70,990 | 68,237 | 174,673 | 203,603 |
| Services rendered | 48,285 | 47,834 | 96,305 | 94,183 |
| Other revenues | 18,875 | 10,506 | 33,628 | 24,642 |
| | **2,507,865** | **2,620,284** | **5,156,877** | **5,273,866** |
| **Deductions from operating income** | | | | |
| PIS e Cofins | (218,750) | (227,040) | (449,211) | (460,379) |
| Research and development | (14,865) | (14,095) | (29,977) | (26,508) |
| ICMS | (3,079) | (4,465) | (5,648) | (5,663) |
| ISSQN | (953) | (1,133) | (1,911) | (2,067) |
| | **(237,647)** | **(246,733)** | **(486,747)** | **(494,617)** |
| **Other** | | | | |
| Remuneration from contract asset | 138,168 | 291,740 | 420,536 | 540,313 |
| Interest on concession financial asset | 104,230 | 164,532 | 254,018 | 318,745 |
| Transmission infrastructure construction revenue | 96,917 | 165,979 | 178,597 | 417,981 |
| Unrealized gains on trading operations | - | 463 | - | 2,278 |
| | **339,315** | **622,714** | **853,151** | **1,279,317** |
| **Net operating revenue** | **2,609,533** | **2,996,265** | **5,523,281** | **6,058,566** |

## NOTE 22. DETAIL OF OPERATING EXPENSES BY NATURE

### a) Operating costs

| | Parent Company | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| Energy purchases[1] | 117,151 | 112,946 | 225,860 | 223,327 |
| Charges for the use of and connection to the power grid | 109,378 | 97,172 | 217,148 | 193,804 |
| Depreciation and amortization | 94,872 | 97,906 | 189,331 | 195,811 |
| Personnel | 44,467 | 26,407 | 88,757 | 61,138 |
| Transactions in the short-term energy market[1] | 67,333 | 14,826 | 74,954 | 23,728 |
| Royalties | 16,272 | 27,825 | 42,749 | 41,488 |
| Third party materials and services | 19,072 | 16,368 | 34,437 | 29,754 |
| Insurance | 7,122 | 6,734 | 14,198 | 13,484 |
| Other | (6,501) | 29,556 | (9,003) | 31,474 |
| | **469,166** | **429,740** | **878,431** | **814,008** |
| **Classification in profit or loss** | | | | |
| Operating costs | 460,854 | 423,214 | 862,635 | 797,379 |
| Costs of services rendered | 8,312 | 6,526 | 15,796 | 16,629 |
| | **469,166** | **429,740** | **878,431** | **814,008** |

| | Consolidated | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| Energy purchases[1] | 445,867 | 584,357 | 977,109 | 1,160,288 |
| Depreciation and amortization | 221,443 | 250,637 | 438,222 | 491,462 |
| Charges for the use of and connection to the power grid | 168,097 | 149,445 | 331,857 | 298,304 |
| Third party materials and services | 111,544 | 102,886 | 200,371 | 187,903 |
| Transmission infrastructure construction cost | 112,780 | 195,563 | 189,841 | 460,205 |
| Personnel | 66,879 | 39,965 | 129,002 | 89,137 |
| Transactions in the short-term energy market[1] | 101,196 | 35,623 | 114,215 | 114,845 |
| Fuels | 43,720 | 8,341 | 66,031 | 49,861 |
| Royalties | 21,324 | 34,380 | 53,911 | 54,769 |
| Insurance | 19,784 | 18,385 | 38,644 | 37,288 |
| Extension of concession period | (239,297) | - | (239,297) | - |
| Other | 5,137 | 24,294 | 11,475 | 19,981 |
| | **1,078,474** | **1,443,876** | **2,311,381** | **2,964,043** |
| **Classification in profit or loss** | | | | |
| Operating costs | 1,070,159 | 1,437,350 | 2,295,582 | 2,947,414 |
| Costs of services rendered | 8,315 | 6,526 | 15,799 | 16,629 |
| | **1,078,474** | **1,443,876** | **2,311,381** | **2,964,043** |

(1) For more information, see item "a.1" below.

## a.1) Energy purchases

| | Parent Company | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| **Energy purchases** | | | | |
| Energy purchase for portfolio management | 117,151 | 112,946 | 225,860 | 223,327 |
| | **117,151** | **112,946** | **225,860** | **223,327** |
| **Transactions in the short-term energy market** | | | | |
| Purchases in the short-term market | 67,333 | 14,826 | 74,954 | 23,728 |
| | **67,333** | **14,826** | **74,954** | **23,728** |

| | Consolidated | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| **Energy purchases** | | | | |
| Energy purchase for portfolio management | 339,803 | 423,474 | 773,570 | 836,594 |
| Trading operations | 99,939 | 157,128 | 196,031 | 314,340 |
| Unrealized losses on trading operations | 6,125 | 3,755 | 7,508 | 9,354 |
| | **445,867** | **584,357** | **977,109** | **1,160,288** |
| **Transactions in the short-term energy market** | | | | |
| Purchases in the short-term market | 101,196 | 35,368 | 114,215 | 114,590 |
| Trading operations | - | 255 | - | 255 |
| | **101,196** | **35,623** | **114,215** | **114,845** |

## b) Selling, general and administrative expenses

| | Parent Company | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| Personnel and management | 37,535 | 35,042 | 76,586 | 75,870 |
| Third party materials and services | 38,966 | 29,418 | 65,689 | 52,579 |
| Depreciation and amortization | 10,376 | 9,143 | 20,065 | 17,212 |
| Recording (reversal) of operating provisions, net | 1,223 | 252 | 3,823 | (1,211) |
| Contributions and donations | 1,061 | 1,162 | 2,164 | 2,524 |
| Insurance | 179 | 251 | 422 | 544 |
| Other | 12,488 | 5,350 | 19,613 | 10,221 |
| | **101,828** | **80,618** | **188,362** | **157,739** |
| **Classification in profit or loss** | | | | |
| Selling expenses | 14,583 | 4,871 | 22,930 | 9,993 |
| General and administrative expenses | 87,245 | 75,747 | 165,432 | 147,746 |
| | **101,828** | **80,618** | **188,362** | **157,739** |

| | Consolidated | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| Personnel and management | 37,647 | 35,188 | 76,796 | 76,144 |
| Third party materials and services | 42,541 | 25,017 | 71,187 | 51,649 |
| Depreciation and amortization | 10,498 | 9,237 | 20,281 | 17,438 |
| Recording (reversal) of operating provisions, net | 1,211 | 256 | 5,411 | (149) |
| Contributions and donations | 2,145 | 2,148 | 4,501 | 5,199 |
| Insurance | 181 | 264 | 425 | 563 |
| Other | 14,281 | 5,131 | 21,907 | 12,088 |
| | **108,504** | **77,241** | **200,508** | **162,932** |
| **Classification in profit or loss** | | | | |
| Selling expenses | 16,316 | 6,961 | 28,271 | 13,789 |
| General and administrative expenses | 92,188 | 70,280 | 172,237 | 149,143 |
| | **108,504** | **77,241** | **200,508** | **162,932** |

## NOTE 23. FINANCIAL RESULT

| | Parent Company | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| **Financial income** | | | | |
| Income from marketable securities | 26,070 | 54,388 | 47,881 | 123,475 |
| Income from restricted deposits | 1,259 | 1,005 | 2,530 | 1,857 |
| Interest and Inflation adjustment on: | | | | |
| Accounts receivable | 7,039 | 525 | 25,939 | 1,620 |
| Judicial deposits | 1,169 | 1,726 | 2,236 | 8,929 |
| Sale of subsidiary | 1,553 | 4,694 | 2,152 | 3,135 |
| Other financial income | 3,219 | 84 | 3,219 | 91 |
| | **40,309** | **62,422** | **83,957** | **139,107** |
| **Financial expenses** | | | | |
| Interest and Inflation adjustment on: | | | | |
| Debt instruments | 117,184 | 209,311 | 273,217 | 403,675 |
| Fair value hedge on debt instruments | 52,218 | 96,741 | 120,603 | 197,612 |
| Retirement benefit obligations | 7,950 | 11,433 | 15,011 | 7,927 |
| Provisions | 2,727 | 3,654 | 4,990 | 22,867 |
| Other | 490 | 11,285 | 4,603 | 11,772 |
| Exchange variation on: | | | | |
| Debt instruments | (120,879) | 346,787 | (160,029) | (299,345) |
| Hedge on debt instruments | 120,879 | (346,787) | 160,029 | 299,345 |
| Fair value adjustment | (1,581) | (645) | 431 | 1,454 |
| Other financial expenses | 514 | 4,600 | 11,866 | 6,116 |
| | **179,502** | **336,379** | **430,721** | **651,423** |
| **Expenses with concessions payable (Use of Public Asset)** | **80,736** | **252,751** | **282,634** | **517,732** |
| **Financial expenses, net** | **219,929** | **526,708** | **629,398** | **1,030,048** |

| | Consolidated | | | |
|---|---|---|---|---|
| | 2nd quarter | | First six months | |
| | 2023 | 2022 | 2023 | 2022 |
| **Financial income** | | | | |
| Income from marketable securities | 85,495 | 127,578 | 164,280 | 256,968 |
| Income from restricted deposits | 10,968 | 8,616 | 22,137 | 16,312 |
| Interest and Inflation adjustment on: | | | | |
| Accounts receivable | 10,281 | 7,071 | 33,279 | 13,311 |
| Judicial deposits | 1,225 | 1,754 | 2,345 | 3,187 |
| Sale of subsidiary | 1,553 | 4,694 | 2,152 | 8,929 |
| Other financial income | 4,180 | 2,259 | 4,958 | 3,179 |
| | **113,702** | **151,972** | **229,151** | **301,886** |
| **Financial expenses** | | | | |
| Interest and Inflation adjustment on: | | | | |
| Debt instruments | 433,800 | 720,214 | 943,576 | 1,282,731 |
| Fair value hedge on debt instruments | 52,041 | 101,346 | 120,946 | 206,596 |
| Provisions | 7,685 | 15,076 | 15,559 | 24,079 |
| Retirement benefit obligations | 7,950 | 11,434 | 15,011 | 22,868 |
| Other | 14,915 | 14,495 | 31,545 | 17,996 |
| Exchange variation on: | | | | |
| Debt instruments | (120,879) | 346,787 | (160,029) | (299,345) |
| Hedge on debt instruments | 120,879 | (346,787) | 160,029 | 299,345 |
| Fair value adjustment | (745) | (649) | 1,757 | 1,492 |
| Other financial expenses | 7,195 | 14,705 | 25,394 | 27,046 |
| | **522,841** | **876,621** | **1,153,788** | **1,582,808** |
| **Expenses with concessions payable (Use of Public Asset)** | **82,871** | **256,069** | **287,637** | **524,083** |
| **Financial result** | **492,010** | **980,718** | **1,212,274** | **1,805,005** |

## NOTE 24. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties, which are detailed in Note 26 – Transactions with related parties, of the financial statements of 12.31.2022. The main transactions are:

- Purchase and sale of energy;

- Operation and maintenance;

- Administrative and financial services;

- Guarantees; and

- Sureties.

There was no significant change in the transactions with related parties in the six-month period ended 06.30.2023.

## a) Amounts recognized in balance sheet accounts

### a.1) Parent Company

| | ASSETS | | | LIABILITIES | | |
|---|---|---|---|---|---|---|
| | Accounts receivable | | Dividends | Supplier | | IOE / dividends |
| | Energy | Services and other | | Energy | Other | |
| **06.30.2023** | | | | | | |
| EBC | 165,756 | 43 | - | 3,341 | - | - |
| EBV | 16,000 | 14 | - | - | - | - |
| CEE | 2,734 | 834 | 1,700 | - | - | - |
| Lages | 1,193 | 124 | - | - | 1,389 | - |
| Miranda | 1,300 | 1,007 | 47,160 | 8,151 | - | - |
| Jaguara | 2,100 | 1,863 | 59,835 | 14,015 | - | - |
| ECP and subsidiaries | - | 11,474 | 42,373 | - | - | - |
| Itasa | - | 521 | 922 | 21,318 | - | - |
| ENGIE Participações | - | 307 | - | - | 351 | 1,513,757 |
| Other | 1 | 5,380 | 1 | 2,931 | 54 | - |
| **Total** | **189,084** | **21,567** | **151,991** | **49,756** | **1,794** | **1,513,757** |
| **12.31.2022** | **144,881** | **30,108** | **309,862** | **52,976** | **3,170** | **116,811** |

### a.2) Consolidated

| | ASSETS | LIABILITIES |
|---|---|---|
| | Accounts receivable | Supplier |
| | Services and other assets | Other |
| **06.30.2023** | | |
| Solairedirect Investment | 257 | 19,800 |
| Engie Soluções | 164 | - |
| Energia Sustentável | - | 1,411 |
| Tractebel Engineering | - | 55 |
| Other | 9 | - |
| **Total** | **430** | **21,266** |
| **12.31.2022** | **6,179** | **2,179** |

## b) Amounts recognized in the income statement

### b.1) Parent Company

| | Revenue | | | Cost | Cost and Expenses |
|---|---|---|---|---|---|
| | Sale of energy | O&M Services | Management services | Energy purchase | Third-party services |
| **2nd quarter of 2023** | | | | | |
| EBC | 488,039 | - | 132 | 14,949 | - |
| ECV | 17,822 | - | 43 | - | - |
| CEE | 4,639 | 2,731 | 132 | - | - |
| Pampa Sul[1] | 6,203 | - | 75 | - | - |
| Jaguara | 3,391 | - | 126 | 35,532 | - |
| Miranda | 2,542 | - | 126 | 20,483 | - |
| Itasa | - | 7,685 | - | 46,698 | - |
| ENGIE Trading | - | - | 132 | 4,209 | - |
| Other | 3,315 | 4,088 | 2,263 | 3,884 | 544 |
| **Total** | **525,951** | **14,504** | **3,029** | **125,755** | **544** |
| **2nd quarter of 2022** | **297,146** | **14,399** | **4,673** | **112,302** | **1,335** |

| | Revenue | | | Cost | Cost and Expenses |
|---|---|---|---|---|---|
| | Sale of energy | O&M Services | Management services | Energy purchase | Third-party services |
| **First six months** | | | | | |
| EBC | 811,029 | - | 263 | 25,976 | - |
| ECV | 48,677 | - | 87 | - | - |
| CEE | 7,400 | 5,394 | 263 | - | - |
| Pampa Sul[1] | 7,000 | - | 188 | - | - |
| Jaguara | 4,262 | - | 253 | 68,792 | - |
| Miranda | 3,225 | - | 253 | 39,876 | - |
| Itasa | - | 15,355 | - | 92,883 | - |
| ENGIE Trading | - | - | 263 | 8,275 | - |
| Other | 5,787 | 8,068 | 4,777 | 7,724 | 1,553 |
| **Total** | **887,380** | **28,817** | **6,347** | **243,526** | **1,553** |
| **First six months** | **655,695** | **26,992** | **7,335** | **239,128** | **2,690** |

(1) Amounts related to the period from 01.01.2023 to 05.31.2023, when Pampa Sul was a subsidiary of the Company.

The transactions with related parties include mainly: (i) energy purchase and sale; (ii) operation and maintenance services of power plants; (iii) rendering of administrative services; and (iv) guarantees granted to third parties.

### b.2) Consolidated

| | 2nd quarter of 2023 | | First six months | |
|---|---|---|---|---|
| | Cost | Cost and Expenses | Cost | Cost and Expenses |
| | Energy purchase | Third-party services | Energy purchase | Third-party services |
| **2023** | | | | |
| Energia Sustentável | 3,883 | - | 7,723 | - |
| Tractebel Engineering | - | 940 | - | 1,966 |
| Engie Facilities | - | (668) | - | - |
| Engie Serviços | - | (40) | - | - |
| **Total** | **3,883** | **232** | **7,723** | **1,966** |
| **2022** | **3,671** | **(1,038)** | **7,301** | **1,665** |

## c) Remuneration of key management personnel

Annual remunerations of 2023 and 2022 of key Management personnel, composed of the Board of Executive Officers established by the Bylaws, Board of Directors, Audit Committee established by the Bylaws and Audit Board, were approved at the ASM held on 04.26.2023 and 04.28.2022, respectively. The amounts recognized in the quarters were:

| | 2nd quarter | | First six months | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Fixed compensation | 5,195 | 3,743 | 8,793 | 6,914 |
| Payroll charges | 1,720 | 2,240 | 2,735 | 3,119 |
| Variable compensation | (1,340) | 359 | 1,112 | 3,070 |
| Other | 817 | 613 | 1,259 | 975 |
| | **6,392** | **6,955** | **13,899** | **14,078** |

In the 2nd quarter of 2023, the Company reversed the provisions for Management bonus at amounts higher than those realized in the period.

The Management does not receive share-based compensation from ENGIE Brasil Energia.

## NOTE 25. INFORMATION BY SEGMENT

The information by segment refers to the quarters ended June 30, 2023 and 2022 and is presented in a consolidated manner in the tables below:

| | 2nd quarter of 2023 | | | | |
|---|---|---|---|---|---|
| | Electric energy | | | Gas | |
| | Generation | Transmission | Trading | transportation | Consolidated |
| **NET OPERATING INCOME** | **2,251,110** | **251,921** | **106,502** | **-** | **2,609,533** |
| Operating costs | (838,273) | (134,136) | (106,065) | - | (1,078,474) |
| **GROSS PROFIT** | **1,412,837** | **117,785** | **437** | **-** | **1,531,059** |
| **Operating income (expenses)** | | | | | |
| Selling, general and administrative expenses | (99,836) | (7,769) | (899) | - | (108,504) |
| Reversal of impairment, net | 1,201,115 | - | - | - | 1,201,115 |
| Sale of subsidiary | (1,289,063) | - | - | - | (1,289,063) |
| Other operating expenses, net | (1,618) | (62,405) | - | - | (64,023) |
| | **(189,402)** | **(70,174)** | **(899)** | **-** | **(260,475)** |
| **Equity income** | - | - | - | 207,639 | **207,639** |
| **PROFIT (LOSS) BEFORE FINANCIAL AND TAX RESULTS** | **1,223,435** | **47,611** | **(462)** | **207,639** | **1,478,223** |

| | 2nd quarter of 2022 | | | | |
|---|---|---|---|---|---|
| | Electric energy | | | Gas | |
| | Generation | Transmission | Trading | transportation | Consolidated |
| **NET OPERATING INCOME** | **2,366,283** | **466,301** | **163,681** | **-** | **2,996,265** |
| Operating costs | (1,082,600) | (200,201) | (161,075) | - | (1,443,876) |
| **GROSS PROFIT** | **1,283,683** | **266,100** | **2,606** | **-** | **1,552,389** |
| **Operating income (expenses)** | | | | | |
| Selling, general and administrative expenses | (78,490) | 2,548 | (1,299) | - | (77,241) |
| Impairment | (179,562) | - | - | - | (179,562) |
| Other operating income (expenses), net | 1,184 | (379) | - | - | 805 |
| | **(256,868)** | **2,169** | **(1,299)** | **-** | **(255,998)** |
| **Equity income** | **-** | **-** | **-** | **159,837** | **159,837** |
| **PROFIT BEFORE FINANCIAL AND TAX RESULTS** | **1,026,815** | **268,269** | **1,307** | **159,837** | **1,456,228** |

| | Six-month period ended 06.30.2023 | | | | |
|---|---|---|---|---|---|
| | Electric energy | | | | |
| | Generation | Transmission | Trading | Gas transportation | Consolidated |
| **NET OPERATING INCOME** | **4,688,907** | **626,415** | **207,959** | **-** | **5,523,281** |
| Operating costs | (1,888,299) | (219,542) | (203,540) | - | (2,311,381) |
| **GROSS PROFIT** | **2,800,608** | **406,873** | **4,419** | **-** | **3,211,900** |
| **Operating income (expenses)** | | | | | |
| Selling, general and administrative expenses | (187,350) | (10,911) | (2,247) | - | (200,508) |
| Reversal of impairment, net | 1,201,115 | - | - | - | 1,201,115 |
| Sale of subsidiary | (1,289,063) | - | - | - | (1,289,063) |
| Other operating expenses, net | (2,041) | (61,774) | - | - | (63,815) |
| | **(277,339)** | **(72,685)** | **(2,247)** | **-** | **(352,271)** |
| **Equity income** | **-** | **-** | **-** | **455,354** | **455,354** |
| **PROFIT BEFORE FINANCIAL AND TAX RESULTS** | **2,523,269** | **334,188** | **2,172** | **455,354** | **3,314,983** |

| | Six-month period ended 06.30.2022 | | | | | |
|---|---|---|---|---|---|---|
| | Electric energy | | | | | |
| | Generation | Transmission | Trading | Solar panels[1] | Gas transportation | Consolidated |
| **NET OPERATING INCOME** | **4,754,225** | **968,785** | **328,602** | **6,954** | **-** | **6,058,566** |
| Operating costs | (2,169,547) | (467,579) | (323,887) | (3,030) | - | (2,964,043) |
| **GROSS PROFIT** | **2,584,678** | **501,206** | **4,715** | **3,924** | **-** | **3,094,523** |
| **Operating income (expenses)** | | | | | | |
| Selling, general and administrative expenses | (159,148) | 969 | (2,392) | (2,361) | - | (162,932) |
| Impairment, net | (190,659) | - | - | 118,361 | - | (72,298) |
| Sale of subsidiary | - | - | - | (94,430) | - | (94,430) |
| Other operating income, net | 453 | - | - | - | - | 453 |
| | **(349,354)** | **969** | **(2,392)** | **21,570** | **-** | **(329,207)** |
| **Equity income** | **-** | **-** | **-** | **-** | **332,403** | **332,403** |
| **PROFIT BEFORE FINANCIAL AND TAX RESULTS** | **2,235,324** | **502,175** | **2,323** | **25,494** | **332,403** | **3,097,719** |

(1) On 02.21.2022, the shares held by the Company in the subsidiary EGSD were sold. On that date, the company ceased to be a subsidiary of the Company and is also not consolidated in the books.

## NOTE 26. INSURANCE

### a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the corporate insurance program of its parent company ENGIE. The PDBI policy is valid until 05.31.2024 and the risk coverage amount is R$ 20,594,858 in the parent company and R$ 42,120,522 in the consolidated statements, namely:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| Type of plant | Material damages | Loss of profit | Material damages | Loss of profit |
| Hydroelectric power plants | 18,790,724 | 1,685,696 | 27,273,327 | 2,011,783 |
| Complementary plants (wind, solar, biomass and SHPP) | 118,148 | 290 | 10,931,250 | 1,222,202 |
| Transmission Systems | - | - | 681,960 | - |
| | **18,908,872** | **1,685,986** | **38,886,537** | **3,233,985** |

The maximum combined limit of indemnification for material damages and loss of profits is R$ 3,212,580 per event.

### b) Engineering risks

The Company has insurance policy for Santo Agostinho and Serra do Assuruá Wind Power Complexes, whose caps for pecuniary damages are R$ 350,000 and R$ 1,000,000, respectively.

### c) Other coverages

The Company has insurance to cover national and international transportation risks, civil liability of the directors, officers and management, political violence, terrorism and cyber-attacks extended to its subsidiaries, as well as group life insurance for its employees and officers.

## NOTE 27. LONG-TERM COMMITMENTS

The Company has long-term agreements, which are detailed in Note 29 – Long-term commitments, of the financial statements of 12.31.2022.

The main long-term commitments of the Company are:

- Contracts for the Use of the Transmission and Distribution System (CUST and CUSD);

- Contracts for connection to the power grid;

- Operation and maintenance contracts;

- Renegotiation of hydrological risk;

- Contracts for modernization of plants;

- Bilateral contracts for purchase and sale of electricity;

- Contracts for construction of Plants and Transmission Systems in progress;

- Contracts for the supply of wind turbines to the Serra do Assuruá Wind Power Complex; and

- Contracts for the supply of wind turbines to the Santo Agostinho Wind Power Complex.

On 02.16.2023, the Company approved the contracting of a sound system for the hydroelectric power plants, and the installation, operation and maintenance services of the sound system to alert the population totaled R$ 24,057. These works should be concluded in the first quarter of 2024.

On 03.31.2023, the Company informed its shareholders and the market of the investment in Assú Sol Photovoltaic Complex, totaling a future commitment of R$ 3.3 billion related to the purchase of the main equipment and contracting of services necessary for its installation. The full operational startup of project is expected for the second half of 2025.

Moreover, on 06.27.2023, the Company approved the agreement for supply of trackers of photovoltaic modules for the implementation of the Assú Sol Photovoltaic Complex project, which included equipment supply, as well as supervision of assembly and commissioning, in the amount of R$ 504,165. The full operational startup of project is expected in the second half of 2025.

Except for the events described above, there was no significant change in the long-term commitments in the six-month period ended 06.30.2023.

## NOTE 28. ADDITIONAL CASH FLOW INFORMATION

The following complementary cash low transactions were as follows:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06.30.2023 | 06.30.2022 | 06.30.2023 | 06.30.2022 |
| Dividends from subsidiaries and joint ventures | 796,184 | 242,336 | 211,250 | 227,500 |
| Interim dividends, IOE and additional dividends credited | 1,455,160 | 1,188,465 | 1,456,500 | 1,189,585 |
| Dividends and interest on equity not claimed | 4,696 | 7,817 | 4,696 | 7,817 |
| Obligations linked to acquisition of assets | - | - | - | 255,366 |
| Remeasurement of obligations with retirement benefits | 31,397 | - | 31,397 | - |
| Income tax and social contribution credit | 100,305 | 98,686 | 80,703 | 82,306 |
| Suppliers of property, plant and equipment and intangible assets[1] | 11,084 | (14,550) | 92,851 | 46,632 |
| Write-off of investment due to Sale of subsidiary [2] | 109,863 | (67,805) | - | - |
| Net assets of subsidiaries acquired | - | - | - | 499,414 |
| Recording of capital reserve | 19,800 | - | 19,800 | 192,449 |
| Provision for cost of sale of subsidiary[3] | 19,000 | - | 19,000 | - |
| Provisions for expropriations in construction of transmission lines | - | - | 213 | 869 |

(1) The amount of R$ 92,851 is composed of: (i) the R$ 3,100 decrease related to the variation in suppliers of property plant and equipment of subsidiary; and (ii) the R$ 95,951 increase related to suppliers of property, plant and equipment and intangible assets shown in Note 12 – Suppliers.
(2) Further information is available in Note 9 – Investments.
(3) Amounts provisioned under "Suppliers".

## NOTE 29. SUBSEQUENT EVENTS

### a) Jaguara HPP modernization agreement

On 07.25.2023, the Company, through its subsidiary Companhia Energética Jaguara, and Andritz Hydro Brazil entered into an agreement to modernize the Jaguara HPP located in Rifaina, São Paulo. With installed capacity of 424 MW, the plant has been operational since 1971.

The agreement includes the modernization of four generating units, each with capacity of 106 MW, generators, turbines, speed and voltage regulators, digital supervision and control system, protection system and all related ancillary systems, in the amount of R$ 516 million, to be executed in four years, between 2025 and 2028.

### b) Interim dividends

The Board of Directors meeting held on 08.08.2023 approved the distribution of interim dividends based on the quarterly information on 06.30.2023, in the amount of R$ 767 million, corresponding to R$ 0.94027879765 per share. The shares of the Company will be traded ex-interim dividends starting from 08.22.2023 and the payment date will be defined by the Board of Executive Officers in the future and informed through a Notice to Shareholders.

## ACCOUNTING DEPARTMENT

Paulo Roberto Keller de Negreiros

Accounting Department Manager

Accountant - CRC RS-068193/O-2 T-SC

## COMMENTS ON BUSINESS PROJECTIONS

### Identification of projections

#### a) Purpose of projection

Investments in equity interest, maintenance and construction of new transmission lines and revitalization and expansion of the generation facilities.

The Company's investment statements segregate values in three groups:

- Investments financed with own capital, including acquisitions;
- Investments financed with debts, including debts assumed in the acquisitions; and
- Investments financed with third-party capital, such as non-controlling shareholders.

All projection models are included in item "d" below.

The projections made are estimates deemed reasonable by the Company, which usually depend on future events, thus cannot be regarded as a promise to perform by the Company and its managers.

#### b) Period projected and projection term

ENGIE Brasil Energia quarterly discloses to the market its investment projections for the current year and the two subsequent years, valid until its realization or replacement by another projection.

#### c) Prospect assumptions, indicating which ones can be influenced by the Company's management

The Company's projections for investment are mainly based on the following assumptions:

- Schedule for maintenance of the generating units;
- Diagnosis of equipment;
- Regulatory obligations; and
- Strategic initiatives.

The amounts informed, projected and actual, do not consider interest on construction (interest on loan capital).

The Management can influence all assumptions, except for the regulatory obligations that are beyond its control.

In case of a significant change in the foregoing assumptions, the projections can be reviewed.

#### d) Value of the indicators that are the subject matter of the projection

The estimated and actual amounts for the last two fiscal years are presented in the tables below. These amounts are expressed in millions of Brazilian real and do not include interest on financing that were capitalized during the construction of the plants.

##### d.1. Second quarter of 2023

**Estimates for 2023, 2024 and 2025, effective in the 2nd quarter of 2023:**

| Description \ Projection period | 2023 | 2024 | 2025 |
|---|---|---|---|
| Financed with debt | 1,834 | 4,913 | 935 |
| Financed with own capital | 962 | 2,047 | 2,317 |
| Contribution from non-controlling shareholders | 1,000 | - | - |
| **Total** | **3,796** | **6,960** | **3,252** |

**Estimates for 2023, 2024 and 2025, effective in the 1st quarter of 2023:**

| Description \ Projection period | 2023 | 2024 | 2025 |
|---|---|---|---|
| Financed with debt | 2,509 | 3,327 | - |
| Financed with own capital | 1,567 | 3,032 | 334 |
| Contribution from non-controlling shareholders | 958 | - | - |
| **Total** | **5,034** | **6,359** | **334** |

**Changes in the estimates informed for the years 2023, 2024 and 2025 and between the 1st quarter and 2nd quarter of 2023:**

| Description \ Projection period | 2023 | 2024 | 2025 |
|---|---|---|---|
| Financed with debt | (675) | 1,586 | 935 |
| Financed with own capital | (605) | (985) | 1,983 |
| Contribution from non-controlling shareholders | 42 | - | - |
| **Total** | **(1,238)** | **601** | **2,918** |

## Analysis of material changes:

Changes in relation to the previous reporting period were largely due to the change in the financial and physical timetable of the Santo Agostinho Wind Power Project, the Serra do Assuruá Wind Power Complex and the Assu Sol Photovoltaic Complex, in addition to investments to be made for the installation of the transmission system related to Lot 5 (Asa Branca), won in the most recent auction.

- 2023: the changes in the financial and physical timetable of the Santo Agostinho Wind Power Project, the implementation of Serra do Assuruá Wind Power Complex and Assu Sol Photovoltaic Complex projects, the modernization and maintenance of generation facilities at the Jaguara and Miranda Plants, and costs with the issue of preferred shares of the Serra do Assuruá Wind Power Complex; and
- 2024: the changes in the financial and physical timetable of the Santo Agostinho Wind Power Project, the implementation of Serra do Assuruá Wind Power Complex and Assu Sol Photovoltaic Complex projects, the installation of Asa Branca Transmission System, and the modernization and maintenance of generation facilities at the Jaguara Plant; and
- 2025: the completion of the Serra do Assuruá Wind Power Complex and the Assu Sol Photovoltaic Complex, the installation of Asa Branca Transmission System, and the modernization and maintenance of generation facilities at the Jaguara Plant.

**Investments made in the six-month period ended 06.30.2023:**

Investments by ENGIE Brasil Energia until 2Q23 amounted to R$ 1,133 million, as follows: (i) R$ 1,029 million for the acquisition of ownership interest and the construction of new projects, of which: R$ 654 million in the Santo Agostinho Wind Power Complex, R$ 198 million in the Serra do Assuruá Wind Power Complex, R$ 106 million in the Novo Estado Transmission System, R$ 59 million in the Assú Sol Photovoltaic Complex, R$ 7 million in the Gavião Real Transmission System and R$ 5 million in the Gralha Azul Transmission System; (i) R$ 87 million to maintenance and renovation projects of generation facilities; and (iii) R$ 17 million for modernizing the Salto Osório Hydroelectric Power Plant.

## SPECIAL REVIEW REPORT OF THE INDEPENDENT AUDITORS

A free translation from Portuguese into English of Independent auditor's review report on quarterly information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR).

**Independent auditor's review report on quarterly information**
The Shareholders, Board of Directors and Officers
ENGIE Brasil Energia S.A.
Florianópolis – SC

**Introduction**

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of ENGIE Brasil Energia S.A. ("Company") for the quarter ended June 30, 2023, comprising the statement of financial position as at June 30, 2023, and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for six-month period then ended, including the explanatory notes.

The executive board is responsible for the preparation of the individual interim financial information in accordance with Brazilian accounting standard NBC TG 21 (34) – Interim Financial Reporting, and of the consolidated interim financial information in accordance with NBC TG 21 and IAS – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly financial information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of review**

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion on the individual interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly financial information referred to above was not prepared fairly, in all material respects, in accordance with NBC TG 21, applicable to the preparation of quarterly financial information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

**Conclusion on the consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly financial information referred to above was not prepared fairly, in all material respects, in accordance with NBC TG 21 and IAS 34, applicable to the preparation of quarterly financial information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

**Other matters**

**Statements of value added**

The quarterly information referred to above includes the individual and consolidated statements of added value (SVA) for the six-month period ended June 30, 2023, prepared under the responsibility of the Company's executive board and presented as supplementary information for purposes of IAS 34. These statements have been subject to the same review procedures performed together with quarterly information review, in order to conclude whether they have been reconciled to the interim accounting information and accounting records, as applicable, and whether their form and content are in accordance with NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in the referred to Standard, and consistently with the overall individual and consolidated interim financial information.

Blumenau (SC), August 8, 2023

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC SC-000048/F-0

Adilvo França Junior
Accountant CRC - 1BA021419/O

## STATEMENT OF THE EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS AND ON THE INDEPENDENT AUDITORS' REPORT

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Quarterly Information (parent company and consolidated) and also agrees with the opinion of the independent auditors of the Company, ERNST & YOUNG Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini
Chief Executive and Investor Relations Officer

Eduardo Takamori Guiyotoku
Chief Financial Officer

Gabriel Mann dos Santos
Chief Energy Commercialization Officer

Guilherme Slovinski Ferrari
Chief Business Development

José Luiz Jansson Laydner
Chief Operation Officer

Marcos Keller Amboni
Chief Regulation and Market Officer

Luciana Moura Nabarrete
Chief People, Processes and Sustainability Officer

Márcio Daian Neves
Chief Implementation Officer

Florianópolis, August 8, 2023.